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New public management

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INTRODUCTION

NPM (New Public Management) is a management doctrine in public administration, derived from the theory of economics, but applied directly in practice. It means a transition from administration, based on rigid procedures and political influence (the so-called bureaucratic model), to management based on the economic assessment of operational efficiency and the use of market mechanisms (the so-called managerial model). The concept of NPM appeared in the 1980s in Anglo-Saxon countries as one of the consequences of the economic crisis of the previous decade, and at the same time the growing importance of the services market and consumer expectations as to their quality. This translated into an increase in society's requirements also in relation to public services.

The reasons for adopting the solutions proposed by the NPM also include an attempt to slow down or reverse the growth tendencies of the administration with regard to its excessive spending and excess employment. The economic crisis and the need to constantly increase competitiveness in economic activity also entail changes in the functioning of public administration. Solutions derived from business practice, also known in economic theory, appear in it more and more often. Initially, they were referred to as "new public governance" and are now being developed as the "co-management concept". The growing interest in the NPM concept used in practice was supported by numerous scientific studies and a series of publications by the Organization for Economic Co-operation and Development (OECD) in the Public Management Service (PUMA) series.

The e-book presents selected issues related to effective management in the broadly understood public sector, including such issues as process and project management, managerial techniques used in administration and elements of modern human resource management and public service marketing.

The basic assumptions of NPM assume that public administration should be focused on achieving results first, and only then on processes and activities, and that in order to achieve results, public administration must measure them. Importantly, in order to improve the results, public entities should, where possible, introduce a competition mechanism by contracting services, and public services should be performed by public and private entities, as well as by third sector entities (public benefit organizations). The choice of services should be based on efficiency and effectiveness. In addition, public entities must strive to improve the quality of services provided and should be constantly adapted to the client's needs, and must pay special attention to how they use their resources, and particular emphasis should be placed on reducing the cost of the services provided or on improving the quality at the same cost. The organizational culture of public units should be characterized by flexibility, innovation, problem-solving and entrepreneurship, and efficient management of public units requires the implementation of modern management tools. When the

above principles are met, management of public units should be more effective and efficient.

THE ROLE OF THE STATE IN THE ECONOMY, THE NOTION OF THE PUBLIC SECTOR AND PUBLIC ADMINISTRATION

By limiting the activity of the state only to the area of the economy, its role is reduced to:

- ⇒ The function of the entity that creates conditions for the production of public goods, their management and neutralizing the so-called negative externalities caused by the operation of market mechanisms;
- ⇒ The function of an entity stabilizing the economy in macroeconomic terms.

The creation of conditions for the production of public goods results from the nature of the state (administration) as an entity acting on behalf of and for the benefit of society as a whole. Public goods are those goods (e.g. administration, public safety, justice, etc.) which meet the needs of all equally. Moreover, the government assumes the obligation to organize their production due to the fact that such activities are not undertaken by private entities, guided by the criterion of measurable economic benefits in the market economy.

Therefore, to indicate four fundamental economic functions of the state in the economy:

1. **Legal function**- consists in creating a legal system regulating the behavior of entities and institutions. This function also consists in securing the rights and defining the obligations of all parties to the economic trade.
2. **Allocation function**- obliges the state to create favorable conditions for the most effective use of the factors of production. The primary allocation mechanism is the market mechanism that should be protected by the state.
3. **Stabilization function**- is associated with business cycles. The task of the state is to counteract (minimize) economic fluctuations.
4. **Redistributive function** - it is related to the State's correction of the distribution of income, as the market mechanism does not ensure the correct distribution of income¹.

The state performs its economic functions using two methods:

¹See, among others: T. Wołowicz, Fundamentals of economics, WSB-NLU publishing house, Nowy Sącz 2003; N. Acocella, Principles of Economic Policy, PWN, Warsaw 2002; C. Begg, S. Fisher, R. Dornbush, Makroekonomia, PWE, Warsaw 2014; Hall R., Taylor J., Makroekonomia, PWN, Warsaw 2002; Krugman P., Wells R., Makroekonomia, PWN, Warsaw 2014; N.G. Mankiw, P. M. Taylor, Makroekonomia, PWE, Warsaw 2016; P. Samuelson, W. Nordhaus, Economics. Volume 2, PWN, Warsaw 2004; E. Kwiatkowski, R. Milewski, Fundamentals of Economics, PWN, Warsaw 2007; J.E. Stiglitz, Economics of the public sector, PWN, Warsaw 2001.

- ⇒ **indirect method** which consists in shaping the instruments of economic influence by the state, e.g. the level of the interest rate, tax rate, principles of depreciation of fixed assets, etc. ;
- ⇒ **direct method**, consisting in direct state interference in the sphere of production activities of economic entities, e.g. the location of economic entities, emission standards, health and safety conditions, etc.

The government is also involved in neutralizing negative externalities resulting from the operation of pure market mechanisms. External effects are specific effects of market processes concerning entities not directly participating in them. They can be positive, e.g. education, and they can be negative, i.e. take the form of costs (e.g. environmental pollution).

Public sector. In the socio-economic system of states and regions, there are three sectors responsible for the implementation of socially useful tasks. These are: the public sector, the private sector and the non-governmental sector (NGO). The public sector is organized within state institutions, where services and goods are delivered through a system of public administration organizations. The private sector is organized through a system of market transactions. Organizations in this sector work to maximize the return on invested capital. The NGO sector operates socially, not for profit, and to meet the needs of a group of people who, for various reasons, are not satisfied by public or private sector organizations. According to the functional approach, the public sector consists of state and local government institutions and organizational units, performing non-commercial public tasks, exclusively or mostly from their own (public) funds. According to the ownership approach, the public sector is a set of all state and municipal entities without legal personality that are subject to the state and, respectively, local government units.²

Public sector activities are primarily based on ensuring security for citizens, access to education, health care and social support, etc.³

Administration (Latin ministrare - service, serve, ad ministro - lead, rule, administrator, manager, manager). The concept of administration can be defined in many ways. The following four defining contexts of administration are distinguished in the literature⁴:

1. Sociological context - leads to the separation, presentation and research of administration as it was shaped and shaped, together with its most important objective features, without reference to the applicable law. In this context, pu-

²Cf. A. Adamik (ed.), Science about organization, Wolters Kluwer business, Warsaw 2013; Act of August 27, 2009 on public finances (Journal of Laws of 2009, No. 157, as amended).

³ R. Przygodzka, [Efficiency of public sector](#) "Optimum. Studia Ekonomiczne", No. 4/2008, pp. 153-167.

⁴More: Ernest Knosala, Lidia Zacharko, Andrzej Matan, Elements of administration science, PWM, Warsaw 2002. B. Kudycka, B. Guy Peters (ed.), Science of administration, Wolters Kluwer Warsaw 2009. J. Hausner (ed.), Public administration, PWN, Warsaw 2005. Z. Leoński, Science of administration, CH Beck, Warsaw 2010.

blic administration means satisfying the collective and individual needs of citizens resulting from social coexistence by pending state bodies and local self-government bodies.

2. Political context - allows for a real understanding of the administration. It delimits the field (including pre-election relations, personnel policy, influencing public authorities and employees, introducing reforms in the state, and others) in which the administration can be viewed, separated and examined in the context of political analysis.

3. Linguistic context - consists in searching for the essence of the phenomenon through the interpretation of linguistic meanings. Individual phenomena can be understood more fully if we use its original term (e.g. Latin ministro and administration means to serve, demonstrate, perform in a permanent manner).

4. Legal context - this is the understanding of administration from the point of view of the legality criterion. It is also understanding from the criterion of formalization, durability achieved by specific means, this understanding as the subject of standardization.

Functional definition (in force until 1989) - public administration is the organizational activity of the state⁵. It assumed:

- ⇒ full dependence on the state,
- ⇒ the lack of location of this activity in the institutional system of separation of powers,
- ⇒ no functioning of the law is attributed to the administration,
- ⇒ lack of a descriptive and valuable factor, i.e. no reference to the public interest,
- ⇒ the specificity of public administration collapses,
- ⇒ blurring the separateness of administration and politics,
- ⇒ lack of information on the rules of responsibility for the functioning of the state.

Mixed definition - public administration is a set of organizational activities, activities and undertakings, performed for the realization of the public interest by various entities, bodies, institutions on the basis of authorities and in the forms specified by law.

Essence and features:

- ⇒ the organizational essence of public administration is emphasized,
- ⇒ binding the administration of law (formalization),
- ⇒ in the subjective sphere - this definition indicates that the performance of public administration is the responsibility of an extensive organizational structure, which includes "various entities, bodies and institutions",
- ⇒ in the substantive sphere - the subject of public administration is the public interest (common good), therefore the subject of public administration depends on deciding what is in the state's interest.

⁵ J. Gierszewski J. (ed.), Public administration. Script, PWSH Pomerania, Chojnice 2012, pp. 9-12.

Thus, in definitions of public administration, a balance between the three building blocks is essential:

- ⇒ subject approach, referring to the category of public interest,
- ⇒ functional (functional) approach,
- ⇒ subject approach, referring to various entities, bodies and institutions.

Administration can be referred to as a system because:

- ⇒ it consists of subsystems (e.g. individual ministries, offices) with mutual relations;
- ⇒ it can be distinguished from the external environment (first of all, it is possible to indicate which subsystems belong to administration and which are its external environment);
- ⇒ there are relations between the administration and its subsystems with the direct and indirect external environment;
- ⇒ implements the goals set for it in connection with the mission;
- ⇒ administration and its subsystems are able to modernize and even change their goals;
- ⇒ has a control system (e.g. mayor)⁶.

Electronic administration - otherwise known as e-government. Electronic administration is based on the use of information and telecommunications technologies in public administration in order to provide electronic public services to various stakeholders (entrepreneurs, citizens and office employees). Public e-services can be provided at four levels of advancement: basic information level - when administration offices provide citizens and entrepreneurs with public information on offices' websites; interactive level - when stakeholders communicate electronically with individual offices, however, the complete settlement of the matter requires a personal visit to the office; transaction level - involving the possibility of performing all activities necessary to settle a given official case completely electronically in a single office; and the most advanced integration level - ensuring the integration of various e-services in the area of the entire public administration (not only individual offices). An important aspect is the standardization of e-government systems within EU countries. The implementation of electronic administration is supported by community initiatives in the form of specialized programs. These EU initiatives aim to improve the efficiency and cooperation between European public administrations by providing financial support for the implementation of projects of common interest⁷.

⁶S. Wrzosek, System: public administration. Systemic determinants of the science of administration, Lublin 2008. S. Wrzosek, Public administration, [in:] Encyclopedia of administrative law, ed. M. Domagała, A. Haładów, S. Wrzosek, Warsaw 2017.

⁷E. Ziemia, The place of e-administration in creating the information society - theory and practice, Annals of the College of Economic Analyses of the Warsaw School of Economics No. 24, 2012; R. Perdał, Development factors of electronic administration in local government in Poland, Bogucki Wyd. Scientific, Poznań 2014; M. Ganczar, Informatisation of public administration: new quality of public services for citizens and entrepreneurs, CeDeWu, Warsaw 2009.

Local government - operates on the basis of the application of the principle of decentralization of public authority, by transferring authority to entities separate from the state as legal persons under public law - municipalities, poviats, voivodships and equipping these entities with competences and financial and material resources. Thus, local self-government participates in the exercise of public authority on the basis of a constitutional norm, i.e. at the will of the state's legislative body, and therefore at the will of the state itself. Local self-government is one of the basic legal and political institutions of the modern state. The subject of local government is public administration. The state imposes on the self-government the obligation to perform this administration. Local government administration (local government) can be understood as separate in the state structure, a union of local society established by law, appointed to perform public administration independently, equipped with material means of carrying out the assigned tasks. The separation of territorial self-government unions results in their relative independence from other parts of the state apparatus and, consequently, the possibility of shaping their own internal organization, the choice of representative bodies and the power to establish local law. The fact of performing state administration results in the possibility of exercising administrative powers and being subject to state supervision. The separation of territorial self-government unions results in their relative independence from other parts of the state apparatus and, consequently, the possibility of shaping their own internal organization, the choice of representative bodies and the power to establish local law. The fact of exercising state administration results in the possibility of exercising administrative powers and submission to state supervision. The separation of territorial self-government unions results in their relative independence from other parts of the state apparatus and, consequently, the possibility of shaping their own internal organization, the choice of representative bodies and the power to establish local law. The fact of exercising state administration results in the possibility of exercising administrative powers and submission to state supervision⁸.

⁸Z. Niewiadomski, Administrative entities, [in:] Administrative law, ed. Z. Niewiadomski, Warsaw 2007; A. Wiktorowska, Local government, [in:] Administrative law, ed. M. Wierzbowski, Warsaw 2009.

SELECTED MODELS OF TRADITIONAL ADMINISTRATION

Administration, understood as structures that are a tool of power, accompanies man since antiquity⁹. The principles of traditional bureaucratic administration, formulated at the turn of the 19th and 20th centuries by Henri Fayol and Max Weber, are briefly presented.

Principles of traditional administration according to Henri Fayol:

1. Division of work- the more people specialize, the more efficiently they can do their job work.
2. Authority - managers must give orders for the work to be carried out, but personal authority is also necessary.
3. Discipline - members of the organization should follow the rules and agreements governing the organization (including fair remuneration and penalties).
4. Unity of command- each employee should receive instructions for a given operation from only one person.
5. Uniformity of management- operations in an organization leading to a single goal should be managed by a single manager with a single plan.
6. The subordination of the personal interest to the general interest.
7. Remuneration - should be fair.
8. Centralization - Managers should retain ultimate responsibility, but at the same time are required to provide their subordinates with sufficient authority to be able to do so do your job properly. The problem is finding the right degree of centralization in each case.
9. Hierarchy - the lines of power in the organization run from the top management to the lowest level in the company.
10. Ład - every thing and every person should be in the right place at the right time.
11. Treat staff appropriately - accommodating and fair.
12. Stability of staff- high turnover of employees adversely affects the efficiency of the organization.
13. Initiative - subordinates should be free to create and implement their plans, even if some mistakes may result from this.
14. The spirit of unity - fostering a sense of belonging to the team.

At the same time, Fayol described management as integrally interconnected functions (administrative activities): anticipating, organizing, ordering, coordinating and controlling.

Max Weber's bureaucratic model:

⁹ Manager in the office, editor M. Makowska, Foundation for the Development of Local Democracy, Warsaw 2011.

1. All activities, including relations between members of the organization, are governed by specific regulations.
2. Each official has a specific area of responsibility for which he is responsible as appropriate on your own competences.
3. The hierarchy of authority is clear, tasks are assigned as official duties, and all lower offices are controlled by the supreme offices.
4. All relations between officials are impersonal, personal characteristics and feelings do not affect these relations.
5. Officials are suitably prepared, educated professionals.
6. The career of officials, promotion within the organization depends on their achievements and seniority and in accordance with applicable regulations.
7. The professional sphere of officials who perform their functions as hired employees is completely separated from the private sphere - they do not own any part of the organization.
8. Written form of communication. Information is exchanged only through the transmission of official documents.
9. The collection of documents becomes the memory of the organization.
10. Officials are guaranteed high prestige and stability of work and pensions.

CONCENTRATION AND DECENTRATION

Concentration it is the concentration of the decision-making process in the hands of the central authorities. With concentration, the number of intermediate levels of decision decreases (decision making moves up) and the number of decision makers decreases. Concentration is related to centralization and concerns the relationship between administrative bodies. However, excessive concentration makes it difficult to obtain information about the situation on the ground, deprives lower institutions of independence of responsibility, which in emergency situations with difficult communication causes decision paralysis.

Distraction is shifting tasks to lower-level authorities. It can be vertical (territorial) or horizontal (departmental). The concept of deconcentration is also understood as entrusting lower authorities with the power to make decisions in a strictly defined scope, while maintaining the extensive interference of higher authorities, delegating some powers of the central authorities to lower-level authorities.

Paradoxically, it is combined with centralization when decisions come from the top and tasks are moved down the administrative ladder. An example of deconcentration is the delegation of ministerial powers to voivodes. Sometimes a reasonable link between deconcentration and centralization allows for faster modernization of the state. One of the conditions is, of course, the existence of reliable control over the activities of lower offices.

Distraction it is the dispersion of decision-making powers in public administration without introducing the independence of entities to which these powers have been delegated. The number of entities performing public administration proves the scale of deconcentration in public administration. The more entities there are to perform tasks of public administration, the more it indicates that the administration is distracted. In deconcentration, entities are dependent. For example, government administration - is significantly distracted. Modelly, all tasks would be concentrated in one entity, but this is not possible.

We distinguish between: material, departmental and functional deconcentration, which consists in creating specialized bodies in a specific scope of public tasks¹⁰.

The most important goal of distraction is to make everything work better, faster, more efficiently.

Material distraction: instead of one entity, we have many entities. It takes place at the organizational level. The ministers are a sign of distraction. The prime mi-

¹⁰ M. Chmaj, The traditions of local government, [in:] Chmaj M. (ed.), The law of local government, Wolters Kluwer, Warsaw 2013; M. Clarke, P. Stewart, Local Government and Service Focus [in:] Świaniewicz P. (ed.), Basic values of local government and local democracy, Municipium, Warsaw 1997.

nister decides on the number of ministers, so he deconcentrates material, departmental ones at the central level. The expansion of administration horizontally is the basic trait of material distraction.

The second direction of the development of public administration, which is necessary in large countries, is territorial deconcentration, which is manifested in the creation of counterparts of central authorities in the field; the result is the level of government administration. There is a need to distract for the efficient performance of tasks. Some central government bodies do not have field equivalents, such as the consumer protection office.

An example of territorial deconcentration is the police - main headquarters, provincial and district headquarters.

Outward distraction is associated with the creation of public administration bodies. Establishing a new body is possible by means of an act of the rank of an act. Internal deconcentration is not related to the creation of new bodies, but causes an increase in entities involved in the performance of public administration tasks. However, these entities do not have their own competences.

Example: In the city of X, in addition to the voivodeship office at ul. ABC has several office delegations. This is a sign of distraction. The structure of these equivalents operating in different districts is similar¹¹.

Distraction can be considered on two planes - in a static and dynamic sense.

Static sense it is a picture of the current distribution of competences between individual organs of the administrative apparatus. If the bodies of the lowest degree (or lower levels) will have a significant resource of competences in relation to the superior administrative bodies (or bodies of a higher degree), then we can speak of a high degree of distraction¹². Dynamic sense means shifting competences from one subject to another (or from one to several). In other words, deconcentration is a competence movement. It is a delegation of competences to lower bodies. The opposite process is combining competences, i.e. concentration. This process means the concentration of competences always by a higher authority.

The process of transferring competences (with the exception of the organizational level of entities and changes in legal relations between authorities) is a process of deconcentration and will manifest itself in the dispersion of competences, regardless of its direction. In such a situation, the concentration process will be parallel and simultaneous with the deconcentration process - from the point of view of the authority conferring competences, we will deal with distraction, while from the point of view of the receiving authority it will be concentration. The development of the process of deconcentration is conditioned

¹¹ More: H. Izdebski, M. Kulesza, Public administration general issues, Liber, Warsaw 1998.

¹² A. Błaś, J. Boć, J. Jeżewski, Public administration, 4th edition, Kolonia Limited 2004, pp. 180-182.

by organizational transformations in administration, when a new scope of competences is formed for authorities in new structures.

By deconcentration it should be understood:

- ⇒ transferring competences to a lower or equivalent body (bodies),
- ⇒ made by way of a normative act (act) or normative act of an authority transferring competences,
- ⇒ maintaining the hierarchical supremacy of supervisory bodies in the implementation of delegated powers.

These three elements always come together.

Example of deconcentration: - a voivode authorizing his deputy or another employee of the voivodeship office to exercise on behalf of the voivode some competences that the act has assigned to the voivode, - the provisions of the act on commune self-government also allow the possibility of transferring competences from the executive body of the commune to another entity, which results in a change of the competent authority to settle matters by means of a decision. Pursuant to the provisions of the act on the commune self-government, the commune council may authorize the executive body of the auxiliary unit as well as the bodies of units and entities, i.e. the bodies of the commune's organizational units and other entities with which the commune concluded agreements in order to perform the commune's tasks, to deal with individual cases in the field of public administration, including with NGOs.

Examples of concentration:

- ⇒ *The voivode may issue orders applicable to all government administration bodies operating in the voivodeship, and in emergency situations, also to local government bodies,*
- ⇒ *the voivode supervises the activities of local government units, in accordance with the principles set out in the act on commune self-government, poviats self-government and voivodeship self-government,*
- ⇒ *The starosta supervises the activities of e.g. a poviat labor office*

Currently - under the influence of Anglo-Saxon literature - the concept of governance is becoming popular, which is usually translated as "governing" or "co-government", if it is meant allowing social organizations and private sector entities (entrepreneurs) to rule the state. An additional dimension is taken by the concept of good governance, i.e. governance that is legal, efficient, effective, meets the needs of citizens, takes into account their participation in the management of the state and is consistent with the public interest.

ORGANIZATIONAL STRUCTURES IN PUBLIC ORGANIZATIONS

Organizational structure it is a system of positions and organizational units composed of them within the company, it is also a clear division of powers and responsibilities and a definition of the relationship between individual employees of the organization (including public). Our typical organizational structure consists of three essential elements:

- ⇒ organizational regulations - which is a document that comprehensively regulates the order in the company, indicates the competences of each of the company's units,
- ⇒ job description - defines the qualification requirements for people occupying individual positions and their scope of duties, along with the scope of responsibilities and powers,
- ⇒ organizational chart - it is a graphic representation of the company's structure.

The structure of the organization provides answers to the questions¹³:

- ⇒ who can and should contact and cooperate with whom, and what relationships are forbidden
- ⇒ who decides about what and who, to whom in what and how
- ⇒ who is responsible for what and how
- ⇒ who, what and from whom knows and how to use this knowledge
- ⇒ what is the distribution of benefits and privileges (material, prestigious and others) between members of the organization

The organizational structure of an organization is a very broad concept. It is distinguished by many types based on various criteria¹⁴.

a) basic types of organizational structures:

- [divisional structure](#),
- [task structure](#) (design),
- [matrix structure](#)
- hybrid structure (mixed)

b) due to [steering spread](#) and the number of management levels:

- flat structure,
- slender structure

c) classic:

- [linear structure](#)
- [functional structure](#)
- [line-staff structure](#)

¹³A. Koźmiński A., D. Jemielniak Management from scratch, Oficyna, Warsaw 2011, p. 69; A. Koźmiński, D. Jemielniak., D. Latusek-Jurczak, [Management rules](#), Oficyna, Warsaw 2014.

¹⁴D. Jemielniak, D. Latusek-Jurczak, Classics of management theory. Exercises, examples, tests, Poltex, Warsaw 2014; D. Jemielniak, D. Latusek-Jurczak, [Management](#). Theory and practice in a nutshell, Poltex, Warsaw 2014; A. Stabryła, Fundamentals of organization and management. Selected problems and practical examples, Publishing House of the University of Economics in Kraków, Kraków 2013.

d) modern:

- process structure
- [network structure](#)
- [virtual structure](#)
- fractal structure

e) due to the division of tasks:

- U-type structures (unitary)
- structures of type M (multidivisional)
- H-type structures ([holding](#))

f) due to the structural configuration:

- simple structure
- [bureaucracy](#)machine
- [bureaucracy](#)professional
- [divisional structure](#)
- [adhocracy](#)
- mission structure
- political structure

Organizational structure it is also divided into centralized and decentralized, about who makes most of the decisions in the enterprise, and into formalized and informal structures. In order to create a resiliently functioning organizational structure, it is necessary to comply with a few basic rules:

- 1) the principle of purposefulness: consists in a clear and explicit definition of the goals of the organization and their division from system-wide to partial;
- 2) the principle of minimum complexity: the maximum minimization of the complexity of the organizational structure - it should be simple and uncomplicated;
- 3) the principle of the best use of human potential, which says that when creating appropriate cells, people with appropriate education and skills should be assigned to them. On the other hand, when it comes to managerial positions in these cells, these people should also have a predisposition to lead a team;
- 4) the principle of uniformity of management - this is the most important principle of creating an organizational structure, which says that a given employee or group of employees should be subject to only one manager who will give orders to them;
- 5) the principle of adaptation to external conditions: the organizational structure of the company should be adapted to external conditions, such as the group of customers, the nature of the market, etc .;
- 6) the principle of reasonableness of supervision: is that the size of a team reporting to a single manager is reasonable;
- 7) the principle of specialization: it concerns the grouping of structure elements according to the most homogeneous tasks.



Before introducing an organizational structure, it should be carefully designed, taking into account all possible aspects. When designing the organizational structure, it is necessary to:

- ⇒ define elements of a given structure (design workstations),
- ⇒ group workstations according to appropriate criteria and establish a hierarchy and relationships between them,
- ⇒ assign goals and tasks to each organizational unit (position),
- ⇒ define relationships between cells,
- ⇒ deploy decision-making powers.

Typical structures in Polish public organizations are:

- ⇒ Position variant - individual persons employed in independent positions are under the management of the office (e.g. commune administrator, secretary, treasurer); this is a typical structure for small offices where one employee deals with many matters.
- ⇒ Mixed variant (lectures and jobs) - in the structure of the office there are both independent positions (most often reporting directly to the management) and papers (with managers and their employees).
- ⇒ Report variant - the heads of the departments are under the management of the office, and individual employees are assigned to them.
- ⇒ Faculty variant - the structure of the office includes both departments (departments) and their reports - this is a typical situation for larger offices.

FLAT OF MANAGEMENT AND ORGANIZATIONAL STRUCTURES

Organizational structures can be analyzed and assessed on the basis of various criteria. One basic criteria is the targeting spread. The range of management is the number of organizational units directly reporting to a higher hierarchical level. Depending on how this criterion is shaped, we can distinguish a slender and flat structure.

In a slender structure, there are many levels of management, the range of management is small, cells are small, but a large number of managers of various levels.

There are few management levels in a flat structure, the range of management is large, and organizational cells are much more numerous than in a slender structure. Adopting a specific type of an addict's structure in an organization depends on various factors.

The advantage of a slender strategy is the possibility of precise and ongoing control of the work of subordinates, and thus a direct influence of the manager / unit manager on the employee. In this type of strategy, the employee also has great opportunities for vertical promotion.

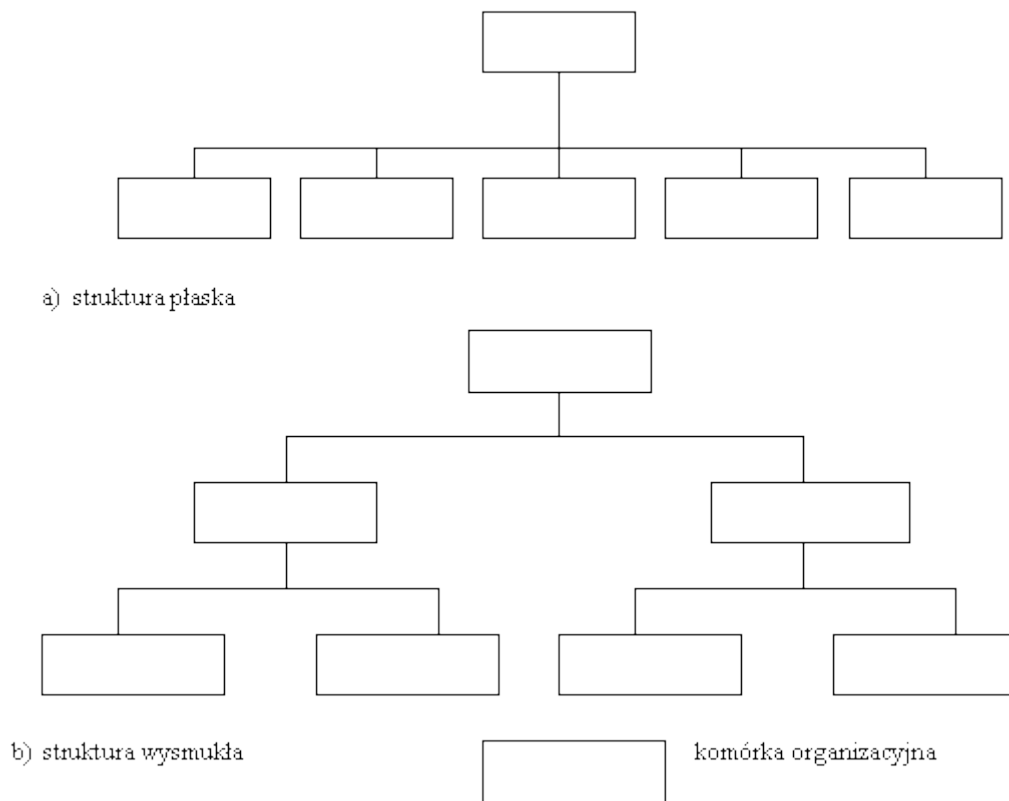
The disadvantages are the long flow of information and the possibility of its distortion. This structure does not adapt quickly to changes and, for example, in the event of illness or incompetence of one of the managers (managers), the chain is interrupted and it is difficult for the organization to adapt to the new situation¹⁵.

The advantage of a flat structure is the great independence of employees. The disadvantage may be that an employee who is not properly prepared to make decisions may take actions that are not always consistent with the goals of the organization. In most situations, a slender structure is more expensive than a flat structure. Currently, there is a tendency to flatten organizational structures and reduce the number of intermediate levels.

The selection of the optimal management span is difficult and the selection criteria are not clear cut.

¹⁵ Cf. D. Jemielniak, D. Latusek-Jurczak, Classics of management theory. Exercises, examples, tests, Poltex, Warsaw 2014; D. Jemielniak, D. Latusek-Jurczak D., Management. Theory and practice in a nutshell, Poltex, Warsaw 2014; A. Stabryła, Fundamentals of organization and management. Selected problems and practical examples, Publishing House of the University of Economics in Kraków, Kraków 2013; A. Zakrzewska-Bielawska (ed.), Fundamentals of management. Theory and exercises, Oficyna, Warsaw 2012.

Diagram 1: Flat and slender structures and steering span



Source: J. Kisielnicki, Organization management, WSHiP, Warsaw 2004

The following main factors influencing the spread of management are listed, i.e. the flatness and slenderness of the organization¹⁶.

1. The competence of superiors and subordinates - the greater it is, the wider the potential range.
2. Physically, the dispersion of subordinates - the greater it is, the narrower the potential span.
3. The scope of work of a manager other than supervisory, the more there are, the narrower the potential scope.
4. The degree of interaction desired - the more of it, the narrower the potential range.
5. The scope of occurrence of standard procedures - the more of them, the wider the potential scope.
6. Likelihood of supervised tasks - the more similar they are, the wider the potential range.
7. The frequency of occurrence of new problems - the greater, the narrower the potential range.
8. Preference of superiors and subordinates.

¹⁶ Wider: R.W. Griffin; Fundamentals of organization management, PWN, Warsaw 1996; J. Kisielnicki, Organization management, WSHiP, Warsaw 2004; A. Koźmiski, W. Piotrowski (ed.), Management, PWN Warsaw 2001; M. Romanowska (ed.), Fundamentals of organization and management, Difin, Warsaw 2001.

In some situations, the above-mentioned factors are insufficient to select a flat type or a slender organizational structure. Each of the described factors also develops in various ways. Therefore, managers in a specific situation, assigning weights to individual factors, assume the optimal range of management.

Organizational centralization and decentralization, i.e. the system of power in an organization, are related to the spread of management, but not only. Centralization is the process of holding power in the hands of the top management of an organization. Decentralization is the delegation of power to the lower hierarchical levels of the organization.

Linear structure it is based on the principle of unity of command. The manager is responsible for the overall operation of the unit under his control. A subordinate has only one superior from whom he receives orders. The line is both an official route for sending orders and directives, as well as a channel of power and delegation of competences. In this type of structure, hierarchical thinking prevails. It is a rigid structure and managers need to know a wide range of issues. In fact, there is no specialization in management functions. In the absence of at least one of the managers in the chain of transmitting commands, disruptions in the functioning of the organization usually occur. The advantages of the linear structure are: simplicity, precision, defining the authority of responsibility and creating conditions for quick decision-making and the enforcement of their implementation.

Diagram 2: Linear structure

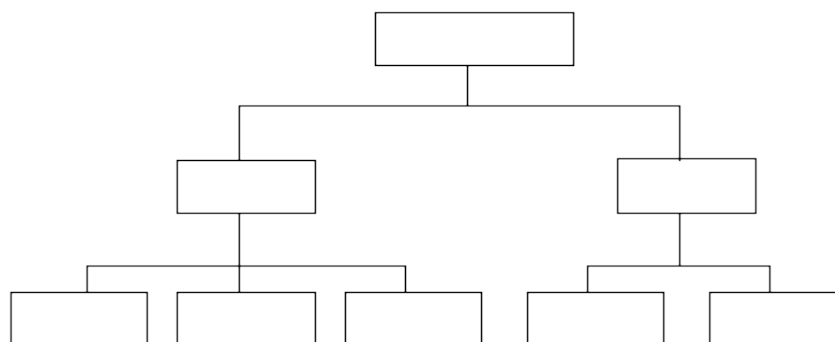
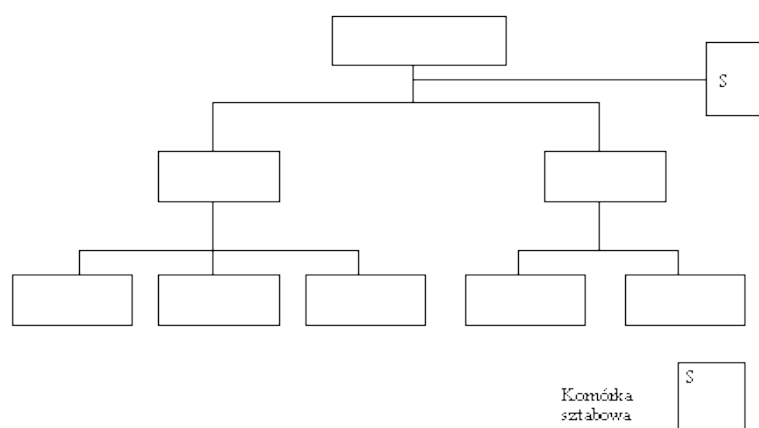


Diagram 3: Staff-line structure



Source: . Kisielnicki, Organization management, WSHiP, Warsaw 2004 (diagram 2 and 3)

Diagram 4: Functional structure

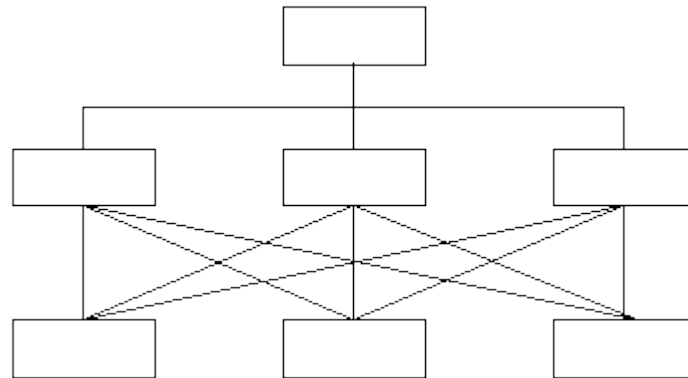
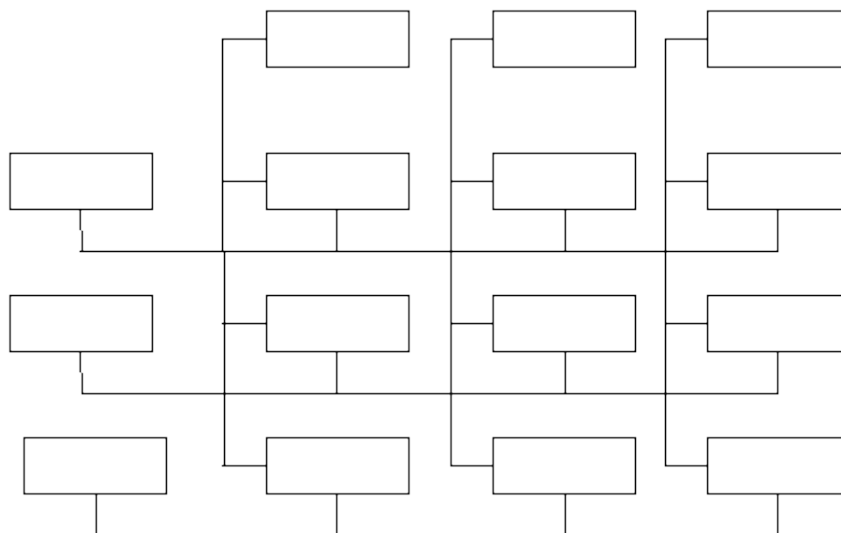


Diagram 5: Matrix structure



Source: Kisielnicki, Organization management, WSHiP, Warsaw 2004 (diagram 4 and 5)

Staff-line structure it is based on the principle of unity of command. An additional important feature is the creation of specialized management support by creating staff cells. The manager makes decisions and is responsible for the functioning of the organization. On the other hand, the staff unit: collects information, prepares decisions, formulates recommendations, and conducts forecasting work. Sometimes the staff unit fully prepares decisions, including the development of relevant legal acts. However, the final decision must be made by the appropriate line manager. In the staff-line structure, a staff cell may be located as follows:

⇒ at the top management of the organization,

- ⇒ at lower levels of management,
- ⇒ universally as a unit that performs advisory services for all levels, e.g. legal advisor.

In a staff-line structure there is a separation of decision-making competences from professional competences. The disadvantage of this type of structure is possible conflicts between line cells and staff cells. Line cells often believe that advisers receive significant funding for their activities and that the benefit to the organization is little. They also think that the advice they give is unrealistic or that it concerns marginal (insignificant) problems. Staff cells, on the other hand, quite often believe that line managers are incompetent and do not know how to use their advice. They also believe that when they lead, they prescribe success, while in the event of failure, they blame the staff cells for the situation. A correctly applied staff-line structure combines the advantages of a linear structure (unity of command,

Functional structure requires a break with the principle [unity of command](#) and based on the principle of specialization in managerial functions. A subordinate has several superiors, each of whom is responsible for a certain aspect of management. Effective management requires close cooperation of specialized managers - a high-class specialist in a given field will make rational partial decisions within his specialty. Advantages: specialization benefits, excellent resource efficiency, the decisions of specialized managers on the detailed function should be of good quality. Disadvantages: uncoordinated work of the management team competency conflicts between managers, manipulation of commands by subordinates, low adaptability. The disadvantages outweigh the advantages in this structure, so it is rare to find a successful example of its use.

Matrix structure it is considered modern and, at the same time, very difficult to use in practice. The matrix structure is made up of columns and rows. Most often, the columns contain frequently repetitive functions and the rows contain unusual, changing specific tasks. In the matrix structure, the employee has two bosses, i.e. the principle of double submission is applied. Therefore, this structure is often referred to by the term "multiple ordering system" and the schema itself as a two-dimensional organizational structure. Matrix structures were first used in the aerospace industry. The government that ordered research and design works made it a condition that each task must have a head responsible to the government for the course of work and the results obtained. Therefore a person was appointed which would be responsible together with the managers of previously appointed departments and divisions. This solution then evolved into a matrix structure. The advantages of this type of structure include the combination of functional and linear structures, i.e. substantive support for managers in the implementation of tasks, the possibility of comprehensive project analysis and management, shortening of information flow channels, relative equality of task areas, flexibility. The disadvantages are: departure from the principle of

one-man command, the possibility of competency conflicts between managers due to the double subordination of employees, as well as costly to implement. thus substantive support for managers in the implementation of tasks, the possibility of comprehensive consideration and management of the project, shortening of information flow channels, relative equality of task areas, flexibility. The disadvantages are: departure from the principle of one-man command, the possibility of competency conflicts between managers due to the double subordination of employees, as well as costly to implement. thus substantive support for managers in the implementation of tasks, the possibility of comprehensive consideration and management of the project, shortening of information flow channels, relative equality of task areas, flexibility. The disadvantages are: departure from the principle of one-man command, the possibility of competency conflicts between managers due to the double subordination of employees, as well as costly to implement.

A structure of this type stabilized after a period of high euphoria. It is quite commonly used in such organizations as: consulting companies, computer systems design, in advertising agencies. However, in a small number of organizations we deal with a comprehensive matrix structure. Most often it is applied to individual divisions or specific activities of the organization. An employee in this type of structure may work in various organizational units. He also often plays different roles, i.e. as a manager and a member of the implementing team.

Amorphous structure. In this structure, individual cells of the organization are completely independent and independent. It is characterized by the lack of hierarchical and horizontal connections. In this type of organization there is a unity of command and execution. So the manager is also the executor of his commands. This requires professional versatility of each organizational unit. These cells are usually single-person. This structure is created on a voluntary basis. The effect of using this type of structure is its high flexibility and low operating costs related to the lack of service and coordination cells. The disadvantage, however, that such a structure may turn out to be unstable, is a tendency to disintegrate. At the same time, it can be transformed into a different type of structure. This occurs when

SUMMARY - ADVANTAGES AND ADVANTAGES OF DIFFERENT ORGANIZATIONAL STRUCTURES

Linear structure (simple structure)- basic type of organizational structure characteristic of small organizations. There is a clear line of subordination in the linear structure, power is usually centralized, most often all the most important decisions in achieving the goals of the organization are made by one person: the founder, the head of the company, etc.

Defects:

- ⇒ does not benefit from the principle of specialization
- ⇒ low flexibility and adaptation
- ⇒ "business route" preference, eg filing complaints in the army
- ⇒ extension of information channels
- ⇒ ease of falling into centralization
- ⇒ possibility of excessive extortion

Benefits:

- ⇒ simplicity, clarity of authority and responsibility
- ⇒ unambiguous hierarchy
- ⇒ ease of control and coordination
- ⇒ speed of decision making
- ⇒ confidence in cooperation
- ⇒ clarity in conflicts

Simple structures they are poorly formalized, and the structure of departments / departments / sections is rare in them. There are no strict operating standards for most of the tasks performed. They have unity of command, and at particular levels in the hierarchical system, managers have a strong formal authority, which makes it difficult to gain promotion. This structure becomes dysfunctional the moment it begins to expand, with more and more problems being solved by the person at the top of the hierarchy.

Functional structure - one of the types of organizational structure characterized by the presence of functional departments headed by specialists and the principle of unity of command.

Defects:

- ⇒ difficulties in accounting for the competences and responsibilities of functional managers
- ⇒ possibility for contractors to receive conflicting instructions
- ⇒ manipulation of commands by subordinates
- ⇒ autonomization of functional cells

Benefits:

- ⇒ the possibility of direct contacts with specialists who are functional superiors
- ⇒ ability to react quickly to changes in the organization

In the functional structure a given member of the organization, an employee reports to more than one manager. In case of problems with the performance of tasks, he / she may refer to the appropriate specialist. Structures of this type were first introduced by Frederick Taylor. One of the disadvantages of this type of organizational structure is the difficulty of dividing tasks at the managerial level, because with high specialization of tasks, it is often difficult to determine what competencies of the manager are needed to lead the team performing specific tasks. Using this type of structure requires a lot of trust between managers, otherwise it can lead to conflicts.

The purpose of creating line-staff structures is the simultaneous use of the principles of unity of command and specialized management support. The line manager still retains the rights and responsibility for the functioning of the unit subordinate to him. Only he makes decisions and gives orders. The posts and staff cells are to help him, consisting in collecting information, highlighting problems, giving opinions, advising and forecasting. In some cases, they may even make their own decisions in the delegation court. The more such situations there are, the more this structure resembles a functional structure. It is then defined as a linear-staff structure with elements of functional bonds. Positions and staff cells can be placed both at the highest level of the organizational hierarchy, i.e.

Defects:

- ⇒ possibility of line-staff tensions
- ⇒ "Gray eminence" - an order without responsibility
- ⇒ the possibility of creating new redundant functions
- ⇒ staff alienation

Benefits:

- ⇒ clarity of authority and responsibility
- ⇒ professionalism and support with the staff
- ⇒ speed of decision making
- ⇒ relieving line managers
- ⇒ simplicity and clarity of the layout
- ⇒ ease of coordination

Matrix structure - this is one of the types of organizational structure in which the organizational cells, which are most often ad hoc working teams, are arranged in a matrix that is defined by the principle of two-dimensional grouping. Matrix columns are usually the counterparts of constantly repeating functions, while lines describe tasks that are performed ad hoc, such as special projects or new types of products. In such a matrix, each cell focuses on performing one task, which enables better use of the creative energy of the members of the organization and proper allocation of specialists to tasks. The selection of teams may consist of either the project manager commissioning functional managers to assign people to teams,

Benefits:

- ⇒ in terms of sentences, unambiguous coordination
- ⇒ considerable flexibility and innovation
- ⇒ shortening information routes and the entire decision-making process
- ⇒ lowering the top management from ongoing coordination

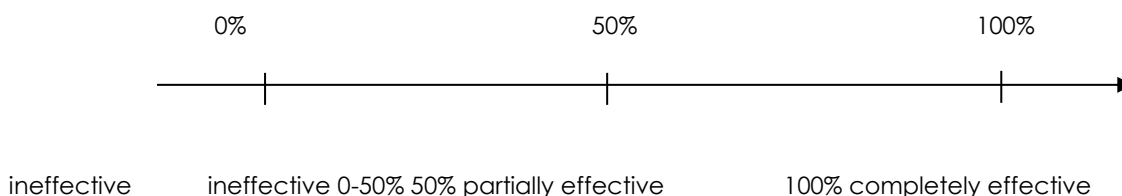
Defects:

- ⇒ increased principle of one-person liability
- ⇒ possible distrust between the two types of managers
- ⇒ element dual powers with its consequences
- ⇒ tensions may arise in the distribution of tasks by the dual power
- ⇒ feeling of uncertainty of team members at the moment of completing the task
 - to which they were called

Members of the task force implementing a given project are subordinate to both the project manager and the manager of these functional units in which they are permanently employed. The manager has the so-called design qualifications. Organizational structures of this type are most common in organizations of highly qualified specialists.

EFFICIENCY, EFFECTIVENESS AND ECONOMY

Effectiveness- an action that leads to the effect intended as an end. The measure of effectiveness is the degree of achievement of the goal.



The condition for effectiveness is the intensity of activities (intensification or concentration of activities in time and space).

Benefit - the difference between the useful result W and the costs of action K (including unintended effects).

If:

$W > K$ - the action is favorable

$W = K$ - the action is indifferent to the benefit

$W < K$ - the operation is unfavorable

Economical - the ratio of the useful result W to the costs of action K taking into account all costs, both material and moral.

If:

$W / K > 1$ - the action is favorable

$W / K = 1$ - the action is indifferent to the benefit

$W / K < 1$ - the operation is wasteful

The most advantageous option is not always the most economical at the same time. Therefore, the criteria of profitability and cost-effectiveness are separate criteria for selecting options. Increasing economic efficiency, that is finding a more economical way of operating, is called economization of activities. It is an attempt to maximize the ratio presented above.

Economization is sometimes presented in the following forms:

- ➔ In max. $\Leftrightarrow K$ const.
- ➔ at constant costs, we maximize the useful result; this is called performance variant,
- ➔ In const. $\Leftrightarrow K$ min. with a constant useful result, we minimize costs; this is called savings option,
- ➔ In max. $\Leftrightarrow K$ min.
- ➔ we maximize the result (increase efficiency), minimize costs (increase savings).

The first two forms are considered alternative, while the third is the so-called non-alternative form.

Measure efficiency is made by using [indicators](#) partial characterizing the effectiveness of individual [factors of production](#), e.g. [performance](#) work or productivity [capital](#), and synthetic indicators of the effectiveness of the activity of the entire enterprise, e.g. [indicator](#) return on capital, assets, sales.

Efficiency can be identified ex post and ex ante. When calculating the ex ante efficiency, the expected effects are estimated with the involvement of specific resources and time, while the ex post efficiency is determined by the results of specific activities.¹⁷:

- ➔ difference between outcomes and inputs - referred to as [benefit](#), where the desired result should be greater than zero, which means that the results obtained exceed the costs incurred
- ➔ the ratio of inputs to effects - referred to as [economy](#), where the desired result is less than one, which means that the costs incurred are less than the obtained results
- ➔ the ratio of the difference of effects and inputs to inputs - referred to as [rate of return](#) from investment (ROI - return of investment), where the result is expressed as a percentage.

Changes in the public sector relate to the introduction of new organizational solutions that allow for more effective activities of public administration. The term "efficiency" is difficult to define and measure, while the "effectiveness" of an action is influenced by many factors. "Efficiency" can be defined as: "a positive trait attributed to activities that give a positive result, regardless of whether the result was or was not intended"¹⁸. In the context of the concept of "efficiency" understood in this way, two categories that constitute its components can be presented. The first is efficiency, which is defined as doing the right thing. The second, on the other hand, indicates effectiveness related to the goal in the context of whether the goal adopted for implementation is appropriate. The analysis of these categories shows that efficiency is the result of efficiency and effectiveness, i.e. to act effectively is to act efficiently and effectively.

Efficient administration it is efficient and effective management, which functions thanks to the conscious and well-organized staff of officials quickly and effectively responding to emerging social and economic challenges and skillfully using the available knowledge and experience in order to improve the quality of its operations. For citizens and other legal entities, effective administration means serving in their activities, simplifying procedures and improving the quality of services. One of the essential elements in assessing the performance of institutions and entire sectors is efficiency. This can be measured, for

¹⁷ R. Brajer - Marczak, [Organizational effectiveness from the perspective of the process maturity model](#), [Management](#) and Finance, 2012, pp. 513-523; E. Pilar, [Businessplan](#), POLTEXT, Warsaw 1996.

¹⁸ A. Gołębiowska, A. Zientarski, The right to good administration as a fundamental right of constitutional rank, [in:] The effectiveness of public administration in Poland (ed.) Anna Gołębiowska, Piotr Benedykt Zientarski, Senate of the Republic of Poland, Senate Office, Warsaw 2016, p. 11 and d.

example, by the relation of the results specific to a given institution / organization to the inputs made. In different areas, these performance measures are different and are not related to the level of inputs. For example, in education, these may be the results of standardized tests. In administration, the times of individual procedures are often used, in particular the time in which a citizen or an external institution receives a given benefit or service. The most frequently used measure that comprehensively illustrates the efficiency of public administration is the governance efficiency index developed by the World Bank. It is a weighted average of a number (from 7 to 13) of other indices reflecting the opinions of experts, entrepreneurs and households on various aspects of the functioning of the public sphere.

Areas such as:

- ⇒ quality of public services;
- ⇒ the quality of public administration and the degree of its independence from political influence;
- ⇒ quality of formulated and implemented policies;
- ⇒ public structure: transport, sanitary, IT, etc.

The value of the governance efficiency index, like other indicators, is standardized in the range from -2.5 to 2.5, and the higher the score, the higher the assessment of the quality of governance in a given country. For years, the Scandinavian countries have been leaders in this respect: Denmark, Finland and Sweden. But also this indicator somehow globalizes the actions of the administration, i.e. it does not illustrate what we should care about the most, i.e. how effective public administration is in its processes.¹⁹

We should also look at the efficiency of administration from a procedural perspective. With each process in administration - provided that we are able to define and describe it correctly - the resources used can be linked and it can be assessed whether the goal for which a given process is used by the administration structures has been achieved. If an administrative structure, e.g. environmental or sanitary inspection, carries out control processes, they fulfill some purpose. Not only the basic one, i.e. the legal status within the controlled area. But most of all, such control or any other activity limits, prevents or indirectly protects some groups of citizens. And you should look at these activities, among others in terms of whether they are effective, i.e. whether the outlays allowed for the achievement of the assumed goal and to what extent. There is no doubt,

Example: It is enough to read any NIK report or other audit or audit reports. For example, the NIK report published in mid-May 2016, describing the effects of the standardization processes of police headquarters and police stations carried out in 2013-2015²⁰. The aim of the inspection was to assess whether, as a

¹⁹ S. Wysocki, Effectiveness of administration - can we measure it? [in:] The effectiveness of public administration in Poland (ed.) Anna Gołębiowska, Piotr Benedykt Zientarski, Senate of the Republic of Poland, Senate Office, Warsaw 2016, p. 169 and next.

²⁰ See: Information on the results of the NIK audit - <https://www.nik.gov.pl/aktualnosci/nik-oprogramie-standaryzacji-komend-i-komisariatow-policji.html>

result of the Program implementation, the conditions for servicing citizens in Police headquarters and police stations as well as the work of police officers and civil employees were improved. In other words, whether the investment processes were effective, brought any benefits internally for this structure and, consequently, for citizens. And here the content of the report is clearly negative - the expenditure incurred did not bring the expected results. The problem is that the Ministry of the Interior [during this period] did not produce any studies that would contain reliably defined indicators of achieving the planned final effects. What can be seen in this individual example, unfortunately, has been the bane of the administration for at least 8 - 9 years.

It is important to "persuade" the administration to use indicators that describe not only the products of its activities (the number of decisions issued or the amount of support provided to entities or citizens). The description of the results of the administration's actions in the language of result indicators is still very narrow. Despite the need to indicate goals, and thus measures used to assess the degree of their implementation, both in the area of task-based budget planning and in implementing management control standards. For several years, both of these areas, the implementation of the performance-based budget and management control, have been the subject of many critical opinions included in expert and official studies. Both mechanisms, performance budget and management control, are subject to internal self-regulation or improvement mechanisms from time to time. It is essential that do the administration structures have any tools at their disposal that would allow to extend the scope in which the effectiveness of the administration's actions is measured? I will try to point out two such mechanisms, which are currently used somewhat by sector, with a remarkable potential to become a mandatory mechanism for the entire public sector.

ORGANIZATIONAL STRUCTURES IN PUBLIC ADMINISTRATION

The shape of the organizational structure of public administration is influenced by many factors, which can be broadly divided into two groups: political and technical. Political factors boil down to the consequences of the principles of the state system, and so in the parliamentary system it is important to subordinate the central administration to this authority. On the other hand, technical factors include the postulate that the construction of the administrative apparatus should ensure specialization leading to the intensification of works, while not undermining the uniformity of the organization of the state administration apparatus.

When shaping the structures, the recommendations of the theory of organization should be taken into account, although the structures of public administration are undeniably shaped to a large extent by legal regulations. The theory of organization gives tips on, inter alia, a model of the institution of team activity that can be used in the construction of public administration structures.

The steps taken in creating the institution model are:

- ⇒ defining the goal which its implementation is to serve (at a later stage, the overall goal is divided into partial goals);
- ⇒ combining positions into organizational units (creating hierarchical bonds and specialist bonds);
- ⇒ building an information system;
- ⇒ formalization of the institution (creation of a statute, organizational chart, unit regulations).

Internal division of the organizational structure it mainly²¹ line units and staff units. Linear units are the basic units directly involved in achieving the main goal of the institution (body). Staff units are units that perform service (advisory) functions in relation to line units. The following bodies can be distinguished in the structure of the public administration apparatus: professional and social; collegial and single; bodies with general and special competences. Generally speaking, the structures of public administration focus on issues related to the principles according to which its operation should be subordinated.

If management is not carried out efficiently and competently, the main threat arising from the structure may be the isolation of individual organizational cells and the creation of parallel power relations, which in turn leads to:

- ⇒ the formation of group interests within administration,
- ⇒ competition between faculties,

²¹ B. Adamiak, J. Borkowski, Code of Administrative Procedure. Commentary, CH Beck Publishing House, Warsaw 1996; A. Błaś, Dilemmas of public administration in a state of law, [in:] The right to good administration: materials from the Congress of the Departments of Law and Administrative Procedure, Warsaw-Dębe, September 23-25, 2002; A. Błaś, J. Boć, J. Jeżewski, J. Boć (ed.), Public administration, publ. 4, Kolonia Limited, Wrocław 2004.

- ⇒ in this way, the administration, instead of on the public interest, focuses on the implementation of internal goals²².

Parallel power relations result from the emergence of spheres of uncertainty in an inefficiently managed organization, because:

- ⇒ certain skills or specialties are mastered by one person in the organization,
- ⇒ the organization's connections with the environment are controlled,
- ⇒ a specific type of information is controlled,
- ⇒ organizational regulations are operated.

Functional structure it works great only when the administration has to face simple tasks that allow the use of known schemas. The structures can be oriented towards: program or service, client, administrative activities²³.

Staff structures they are built into other organizational structures. Staff - it is a small structure within the organization, the task of which is to support the performance of one of the management levels of the organization or activities. The staff can be personal (supports their superiors, has no formal decision-making powers) or specialized (performs tasks that require appropriate expert knowledge). The personal staff is, for example, the Chancellery of the Prime Minister - it supports the Council of Ministers, the Prime Minister, standing committees at the Council of Ministers, etc. for the further implementation of these tasks, coordinates the personnel policy in the government administration, handles personnel matters of people who hold managerial positions in administration, coordinates the cooperation of the Council of Ministers and its President with the Sejm, Senate, President, etc., provides information and press services, coordinates the control activities of the Prime Minister towards government administration bodies, performs defense tasks and state security, such staffs are found in almost every structure of public administration. Specialist staffs are auxiliary and consultative. performs tasks in the field of state defense and security, such staffs are found in almost every structure of public administration. Specialist staffs are auxiliary and consultative.

In recent years, there has been a tendency to increase the importance of personal staffs in administration. The structure of the staff is conducive to the grouping of experts. Matrix structure The matrix structure has two dimensions:

- ⇒ vertical dimension - permanent functions of the organization,

²²J. Boć, Sphere interfering in administration, [in:] J. Boć (ed.), Administrative law, Wrocław 2000; J. Gaciarz, The organization and principles of operation of public administration in Poland, [in:] J. Hausner (ed.), Public administration, PWN, Warsaw 2008; J. Hausner, From ideal bureaucracy to public management, [in:] J. Hausner, M. Kukielka (ed.), Studies in public management, vol. 2, Wydawnictwo AE, Kraków 2002; J. Hausner (ed.), Public administration, PWN, Warsaw 2005; H. Izdebski, Research on public administration, [in:] J. Hausner (ed.), Public Administration, Warsaw PWN, 2005; H. Izdebski, M. Kulesza, Public administration. General issues, Warsaw PWN, 2004; W. Jakimowicz, Public subjective rights, Zakamycze, Kraków 2000.

²³ Wider: <http://www.kprm.gov.pl/s.php?id=1316>

- ⇒ horizontal dimension - atypical, ad hoc tasks, it may pose a threat to the commanding unit (head of a functional unit and team leader), a competency conflict between two managers may be accompanied by a conflict between superiors and employees.

The horizontal dimension is a combination of two different structures:

- ⇒ functional structure - specialization,
- ⇒ program-oriented structure - coordination of tasks.

The team appointed to carry out each task groups specialists from various fields, thanks to the work in such a team, the activities of officials are better coordinated and gain independence, although they are still subject to the control of the team leader and the head of the functional team.

In Polish public administration, matrix structures became more popular thanks to the reform of January 1, 1999. Designing organizational structures includes the following activities²⁴:

- ⇒ defining the elements of the structure and their location in relation to each other, grouping into larger units and determining their mutual relations,
- ⇒ defining tasks and activities to be performed by individual elements of the organization,
- ⇒ defining specialization for individual organizational positions,
- ⇒ determination of the management span and the scope of control performed in managerial positions,
- ⇒ distribution of decision-making powers,
- ⇒ defining formal procedures for carrying out tasks by the organization.

This type of design is very rarely associated with the emergence of public administration, because administrations are usually not created from scratch, but are based on previous experience, therefore they require correction of the structure or its reorganization.

Reorganization of the structure of public administration can be done in two ways:

- 1) examination of the existing structure in terms of its adequacy to the needs of the environment, in this way dysfunctional elements of the organizational structure will be identified and it will be possible to change them,
- 2) creating an area of an ideal structure, reality is changed in such a way as to correspond to the ideal.

When designing a structure, two aspects should be taken into account:

- 1) task aspect - indicates to what extent the structure corresponds to the tasks it carries out,

²⁴See more: J. Hausner, From ideal bureaucracy to public management, [in:] J. Hausner, M. Kukielka (ed.), Studies in public management, vol. 2, Wydawnictwo AE, Kraków 2002; J. Hausner (ed.), Public Administration, Warsaw 2005; H. Izdebski, Research on public administration, [in:] J. Hausner (ed.), Public Administration, Warsaw 2005; H. Izdebski, M. Kulesza, Public administration. General issues, Warsaw 2004; W. Jakimowicz, Public subjective rights, Zakamycze, Kraków 2000.

2) social aspect - it refers to the human resources at the disposal of the administration (whether the human resources correspond to the adopted assumptions of the structure and whether this structure satisfies the aspirations of the people who will create it and work in it.

Although there are no universal structures or methods for reorganizing the administration, there are dependencies that should be taken into account when designing the structure of public administration:

- ⇒ the more dynamic the technical and information environment, the more decentralized the structure should be,
- ⇒ the more dynamic and complex the administration environment, the greater the need for decentralization of the decision-making process, which facilitates efficient response to external changes.

These dependencies do not confirm the modus of the recent thesis that complex social reality required complex institutions. On the contrary, the effectiveness of solving social problems depends on the simplicity of the organizational structure and internal procedures. Therefore, one should strive for the most flat organizational structures.

Consequences of creating flat organizational structures in administration:

- ⇒ creating flat organizational structures in practice means increasing the margin of freedom of lower levels of administration in deciding and acting,
- ⇒ these, in turn, should lead to the decentralization of management of the organization and the granting of autonomy to operating units (those that are closest to the recipients of services),
- ⇒ The most appropriate direction of change is therefore a matrix structure or a program- or service-oriented structure.

Conclusions:

Apart from the tendency to create flat organizational structures, we can now see tendencies towards the formation of staff structures. The creation of staffs is the result of three phenomena:

- 1) methods appropriate to economics are used more and more often in the political process, and this requires highly qualified specialists associated with the decision-maker,
- 2) computerization of public administration allows for efficient collection and processing of information, so there is no need to resort to the help of other officials, there is a need to react quickly to the dynamic external environment, and for this you need a small and available team that supports the decision-maker²⁵.

²⁵More: P. Jeżowski, New Public Management - a new paradigm of management in the public sector, [in:] P. Jeżowski (ed.), Management in the public sector - sustainable development - valuation methods, Warsaw School of Economics, Warsaw 2002; Z. Leoński, Science of administration, publ. 5, C.H. Beck, Warsaw 2004; Z. Leoński, Science of administration, publ. 6, CH Beck, Warsaw 2010; Z. Leoński (ed.), Outline of administrative law, Warsaw 2006; J. Łukasiewicz, Outline of the science of administration, publ. 3, LexisNexis, Warsaw 2007.

CHOICE AND DESIGN OF ORGANIZATIONAL STRUCTURES

Choosing the optimal structure for an organization is a difficult matter and requires taking into account many factors that change over time.

Peter Drucker²⁶ proposed the following criteria that managers should take into account when choosing an organizational structure:

- ⇒ clarity, as opposed to simplicity, a gothic cathedral is not a simple structure, but the place that a person has to occupy in it is clear: one knows where to stand and where to go, a modern office building has a structure that is extremely simple, but very easy, you can get lost in it, because it is not clear to the outside person,
- ⇒ saving efforts to maintain control and minimizing friction
- ⇒ focusing the view on the product and there is no process, on the result instead of efforts,
- ⇒ understanding by each person of its task and task of the organization as a whole,
- ⇒ decision making focused on the right problems, action-oriented, performing at the lowest possible level of leadership,
- ⇒ durability as opposed to stiffness to survive during the posting period and the ability to adapt,
- ⇒ consolidation and self-renewal, which requires the organization itself to prepare the leaders of tomorrow, helping everyone to develop continuously. The structure should also be open to new ideas.

H. Mintzberg²⁷ defines the organizational structure as a set of all the methods by which, in the first stage, the tasks of the organization are divided among its elements such as: positions, organizational units and other internal organizational units, and then coordinated to ensure its efficient functioning.

The design theory of an ideal structure is based on the following principles:

1. The five main parts of the organization.
2. Five basic coordinating mechanisms.
3. Nine parameters (design characteristics) of the organizational structure.
4. Four groups of conditions.

The five main parts of the organization shown in diagram 6. These are:

- ⇒ **Strategic top**, which are top managers, including the supervisory board and the management board. In non-business organizations it will be, depending on its character, e.g. in universities: the rector and the senate, in newspapers: the editor-in-chief and the editorial board. Often, the strategic node includes support workers associated with chief managers,

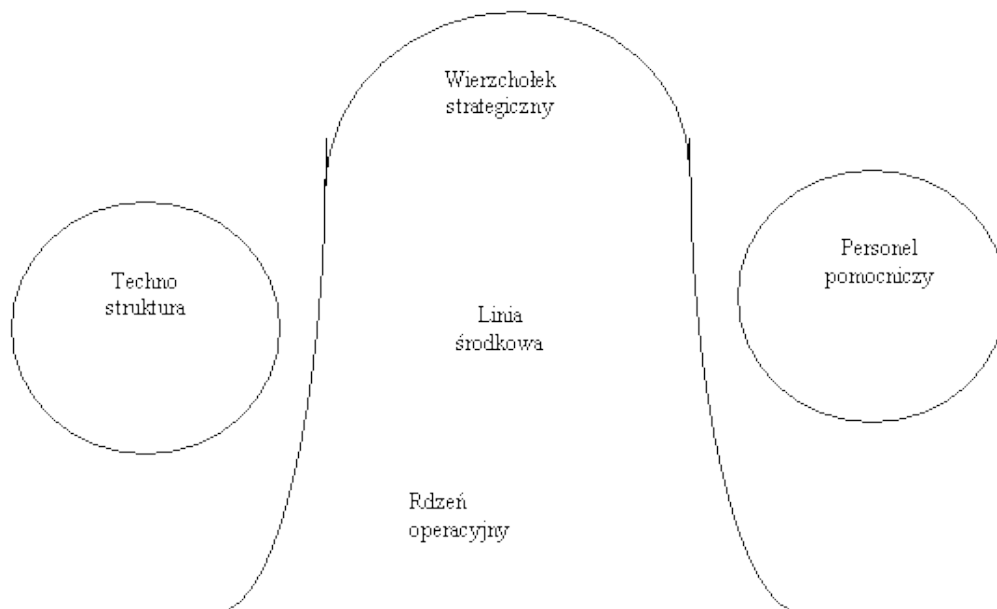
²⁶ P. Drucker, Practice of management, MT Biznes, Warsaw 2017, p. 222.

²⁷ H. Mintzberg, Management, Non-obvious, Warsaw 2021.

for example: advisers, assistants. This part of the organization is responsible for the entire policy of the organization, including in particular: development strategy, resource allocation, personnel policy, control system, external contacts.

- ⇒ **Operational core** which are the employees on which the current activities of the organization are based. In a construction company, they will be: bricklayers, plasterers, electricians, crane operators, etc., while at school they will be teachers, janitors, in a supermarket: salesmen, supply workers. Operational core employees are most often to perform tasks in the following three spheres of activity: providing raw materials and materials, producing products or providing services, distributing products or services.

Diagram 6: The five main parts of the organization



Source: J. Kisielnicki; Organization management, WSHiP, Warsaw 2004.

- ⇒ **Average line**, that is, managers who constitute an intermediate link between the strategic top and the operational core. They include managers of the lowest middle management levels. In the ministry, these will be, for example, heads of departments and deputy directors of a department; in the supermarket steering stands.
- **Technostructure**- these are employees dealing with updating and controlling compliance with the applicable standards, e.g. chemical and microbiological laboratory technicians in organizations producing food products, and IT specialists in various types of organizations.
 - **Support staff**- these are employees who do not achieve the presented goals, but their functioning allows for the creation of better working conditions. This group includes, for example, employees of publishing houses, employees of canteens and buffets, security guards.

Five Basic Coordinating Mechanisms.

- ⇒ **mutual adjustment** consisting in arrangements between employees, e.g. working on an investment project, or in a hospital, doctors from different departments making decisions on the treatment of patients,
- ⇒ **direct management supervision**, where, for example, the manager directly evaluates and controls the work of salespeople,
- ⇒ **standardization of workflow**, allowing for the unification of the form and rules of operation, for example, the development of document circulation instructions or the rules of conduct in emergency situations,
- ⇒ **standardization of results**, which is to specify the results, how, under what conditions should the diploma of graduation with honors be awarded,
- ⇒ **standardization of qualifications**, as part of this activity, requirements are imposed on employees for specific positions, e.g. graduation, knowledge of foreign languages.

Nine parameters of the organizational structure.

- ⇒ **specialization**- a problem that needs to be solved. It is what specialization and on what position we want to carry out the related task, whether we prefer narrow or wide specializations. Mixed solutions are most often used within one organizational structure.
- ⇒ formalizations, where you should answer the question to what extent the work is to be regulated by appropriate instructions, regulations, etc.
- ⇒ **training and indoctrination** in this regard, it is necessary to answer the questions of how the training should be conducted, whether within the organization itself or externally. Indoctrination consists in promoting and inculcating certain values and norms on which the organization wants to build its development, it applies to all employees, however, the most important role is played by those who independently operate in changing conditions, such as: managers of foreign branches of the company, franchisees of insurance companies, etc.
- ⇒ **departmentalization**, i.e. grouping positions and organizational units according to the adopted criteria, e.g. production, market, region.
- ⇒ **the size of organizational units** most often measured by the number of employees,
- ⇒ **planning and control system** here it is necessary to answer the question about the method and scope of standardization of the results of individual organizational units.
- ⇒ **bonding mechanisms**, so the coordinating action of organizational cells, they can be committees, groups of matrix structures.
- ⇒ **vertical decentralization**, where the distribution of decision-making powers is described, and thus how down the decision-making powers can be transferred and how to control their implementation.

- ⇒ **horizontal decentralization**, where, in turn, it is determined to what extent the powers can be transferred from the line levels to: staff, operational core, auxiliary units. In this regard, we define to what extent we can transfer the rights related to the HR policy to the HR units and how many to leave in the line units.

Four groups of conditions.

- ⇒ **Age and size of the organization.** Organizations that have long traditions and function for a longer period of time have a structure different from that of newly established organizations. Also large organizations have a different structure than small organizations.
- ⇒ **Technical system** which we define with what type of complexity of the organization's functioning we are dealing with. To what extent a standard product is produced by the organization. Is it possible to precisely design all phases of the organization's operation or will it require highly qualified specialists and a decentralized management system?
- ⇒ **Surroundings** analyzed in terms of dynamics and hostility. The previously presented strategic analysis and the competitive position of the organization are useful in this respect. The hostility of the environment, including aggressive competition, makes it necessary to "boil" ranks and use a centralized system.
- ⇒ **Authority**- presented as the property and needs of members of the organization. It is about determining which group of employees plays the most important role in the organization.

According to Mintzberg, in designing the organizational structure, it requires that it meets two postulates simultaneously, i.e. the coherence and adjustment of the structure to the system of situational factors.

Based on the analysis of the previously mentioned elements, the following ideal structures in administration are distinguished depending on the situation:

- ⇒ **simple structure**, where the basic part of the organization is the strategic node and the basic coordination mechanism,
- ⇒ **a bureaucratic machine**, based on the standardization of the process, where officials and technostucture play a key role,
- ⇒ **bureaucratic professional**, where the basis of the organization is the operational core, i.e. qualified employees performing basic tasks in the organization,
- ⇒ **divisional**, where the middle line, i.e. the management of individual divisions (branches), plays a key role,
- ⇒ **adhockation** where mutual agreement is the primary means of coordination. Support personnel plays an important role as they support the operating core. This structure includes a large number of bonding mechanisms as well as a low degree of formalization.

A feature of adhockation is the displacement of executive, co-ordinating and supporting roles. The effectiveness of adhockation depends to a large extent on the auxiliary part, i.e. how much it can support the managerial staff and create favorable conditions for the implementation of the organization's tasks. HM Mintzberg's theory allows to determine what factors should be taken into account when designing the structure of an organization and how they shape their final form. A diverse set of approaches is used to design structures, such as a diagnostic or prognostic approach.

PUBLIC MANAGEMENT

Public management- sub-discipline of management sciences. She is interested in actors, structures, processes, mechanisms and resources related to creation and realization public policies and solving collective problems (e.g. municipalities).

In terms of public management, four basic theoretical and methodological orientations are visible:

1. Political (use of power and control over resources to achieve public goals);
2. Legal (norms and rules for coordinating collective actions);
3. Economical (efficiency and effectiveness of public activities);
4. Management (tools and techniques for managing public affairs).

For example, as a scientific sub-discipline, it is characterized by theoretical and methodological pluralism, which makes it attractive for research, and at the same time is a source of problems with ensuring its conceptual identity and the clarity of its boundaries. The conceptual rooting of zp should be seen in the theoretical traditions related to scientific management, the doctrine of the rule of law, the model of classical administration, New Public Management, public co-management and "neo-berism"²⁸.

Public management it always refers to the processes taking place in the public sphere, and concerns both the public sector as a whole and the activities of individual organizations and public institutions that are part of it. In its broadest sense, public management is the management of public affairs and includes the models of public administration, public management and governance. The essence of public management is the implementation of public programs, created in order to solve problems related to meeting social needs.

Public management comprises five spheres:

- ⇒ creating public policies;
- ⇒ regulating social and economic life with the use of classical instruments of power: do's and don'ts;
- ⇒ meeting the collective needs of citizens by providing them with public services;
- ⇒ ensuring the internal efficiency and capacity of public administration to effectively perform its tasks;
- ⇒ cooperation between entities participating in public management processes.

Public management can be interpreted as activities aimed at ensuring the effective functioning of the entire public sector, in the sense of ensuring the effectiveness of public organizations and institutions, through the proper use of

²⁸ Wider: B. Kozuch, Public management. In the theory and practice of Polish organizations, Placet, Warsaw 2004.

resources at their disposal in the processes of achieving the set goals. The four meanings of public management include:

- ⇒ activity of public services and elected politicians (functional approach);
- ⇒ a set of management activities relating to public executive structures and processes carried out by these authorities;
- ⇒ management of public organizations or the system of public organizations;
- ⇒ sub-discipline of management science.

Public management, as opposed to administration, is a concept that includes activity and creativity. It is closely related to politics, law and civil society. Decision-making choices take into account not only economic efficiency, but also social and political reasons. A feature of modern public management is transparent cooperation and partnership of the public sector with the private sector and with the sector of social organizations²⁹.

The managerial approach shows the similarity of the organizational features of public administration and the private sector (profit seeking organizations), as well as the non-governmental organizations / not-for-profit organizations, emphasizing the importance of professional management and efficiency.

²⁹ D. Sześciło ed., A. Mednis, N. Niziołek, J. Jakubek-Lalik, Public administration and management, science about modern administration, Publisher Association of the Faculty of Law and Administration of the University of Warsaw, Warsaw 2014; B. Kożuch, Public management in the theory and practice of Polish organizations, Placet, Warsaw 2004; G. Bukowska, A. Karpiński, J. Kleer, B. Kożuch, R. Lech, S. Owsiak, J. Siwińska, S. Paradysz, K. Zubelewicz, The condition and prospects of the public sector in a market economy. Conclusions for Poland, ed. J. Kleer, Publisher: OLYMPUS Centrum Edukacji i Rozwoju Biznesu, Warsaw 2004.

GOOD GOVERNANCE CONCEPT

The concept of good governance (good governance) was first introduced to its documents and aid programs by the World Bank in the early 1990s. This was related to the support programs for developing countries conducted by this institution and the response to the postulates to improve the effectiveness of their functioning in terms of achieving the assumed development goals. The ineffectiveness of this assistance was mainly related to the lack of adequate administrative capacity to properly use external financial assistance. This fact became an impulse to start a discussion on how to increase the administrative capacity and the quality of management as the most important element of support. Over time, the conditions related to the improvement of governance, i.e. the introduction of good governance principles to the practice of administration,

It is worth noting that in the initial period, the basic reference for good governance were the issues of efficient and effective functioning of the administration, especially in terms of effective absorption of funds. It was important to improve the quality of management in institutions and to develop their state capacity. These areas were related to the main goals of development programs, including the improvement of macroeconomic conditions, reduction of poverty, social exclusion and the development of individual countries.

Later, they covered more and more new elements, of which two basic categories can be mentioned:

1. Political conditions related to the democratization of the state, respect for human rights, freedom of operation of non-governmental organizations, etc.,
2. Additional economic conditions, most often related to the expectations of foreign investors.

Precise definition of the concept of good governance must be preceded by understanding and specifying the concept of governance. The World Bank defines the term governance as processes and institutions for making decisions and exercising power in a given country (or international organization). Many definitions of this concept apply governing to two dimensions:

1. The functioning of the administration and political authorities (at all levels of government) and;
2. Including interest groups as well as social and non-governmental organizations in the decision-making processes.

World Bank experts present the analyzed concept in terms of three elements, as:

1. The process of selecting, monitoring and exchanging governments,
2. Administrative capacity to formulate and implement public policies and ensure good quality public services,
3. Citizens' participation in the work of administrative institutions that manage social and economic policies.

Due to the fact that this is a fairly new concept, there are many definitions in the literature. They expose various components of good governance and describe its scope in a different way.

However, when defining the scope of the concept of good governance, the following elements should always be included in the analysis:

1. Government efficiency: the ability (potential) of public authorities and administration (at various levels of management) to implement public policies efficiently, fairly and economically (including adjusting the scale of public intervention to real social needs). This applies in particular to the provision of basic social services, raising the standard of living of inhabitants and eradicating poverty, ensuring economic development to fight poverty, guaranteeing equal opportunities for all citizens, developing human resources in society, ensuring social protection and employment policy, protecting nature and sustainable development, etc. An important element of the discussed component is to ensure appropriate qualifications of human resources in the public sector, appropriate regulatory competences,

2. Development of the economy: the ability to create high-quality economic policies that guarantee the functioning of the free market, macroeconomic stability, ensuring economic growth, etc. This element includes the observance and effective enforcement of property rights and concluded contracts, as well as the elimination of unnecessary administrative burdens hindering economic development (including regulatory), and trade liberalization, openness to foreign investors, privatization of state-owned enterprises, ensuring an effective tax system and public debt policy, etc.

3. Democratization: transparency and transparency of the functioning of public authorities and administration, as well as the ability to involve citizens in administrative work, including social and non-governmental organizations, on the basis of appropriate representativeness and pluralism. The discussed component also covers the broadly understood democratization of management, respect for human rights, minority rights, accountability of public authorities and administration, ensuring social consensus and resolving conflicts between conflicting social interests. In addition, it includes decentralization and implementation of democratic principles at the local level, and civilian control of the armed forces (and the reduction of defense spending). The discussed aspect of good governance is related to ensuring political stability in the country, including ensuring peace and security for the inhabitants.

The World Bank has developed a list of basic indicators of good governance. The six main items are now used to assess countries' progress towards implementing the principles of good governance.

Belong to them:

1. Voice and accountability: the scope of citizens' participation in the work of government institutions, the democratic election of the authorities, as well as freedom of expression and media, freedom of association, etc.
2. Political stability and non-violence: the likelihood of stable governance, the security of citizens, peace and countering terrorist threats.
3. Government efficiency: the indicator relates to the administrative capacity of governments to effectively implement public policies and services (state capacity).
4. Regulatory quality: concerns the formulation and implementation of regulations, mainly related to the development of the private sector in the economy.
5. Rule of law: This indicator relates specifically to the conditions of economic activity, in particular respect for property, the enforceability of contracts, the efficiency of the police system and the judiciary.
6. Control of corruption: the indicator mainly concerns the perception of corruption threats. In the White Paper "European Governance", the Commission proposed five main criteria of good governance, which relate primarily to the functioning of European policies, but also concern the improvement of governance in the Member States:
 - ⇒ Openness, consisting in the fact that administrative institutions should be as transparent as possible for citizens and the public,
 - ⇒ Participation, as a broad public participation in administrative work, at all levels of public authorities (multilevel-partnership), as well as at all major stages of the implementation of public policies (i.e. during programming, implementation and monitoring). The Commission puts emphasis on the participation of social and non-governmental organizations in the work of the administration (the so-called civic dialogue) and representatives of employers and trade unions (the so-called social dialogue),
 - ⇒ Accountability, which means a precise definition of the scope of responsibility of individual institutions, and in particular ensuring the separation of powers between the legislative and executive powers,
 - ⇒ Effectiveness, relating to the improvement of state capacity in terms of effective, efficient (i.e. without undue delay) implementation of public policy objectives. The aforementioned criterion of good governance includes two additional principles: first, the principle of proportionality, which assumes that the instruments of providing services and public policies will be proportional to the assumed objectives, and thus implemented in an optimal and cost-effective manner; second, the principle of subsidiarity, according to which activities of a higher level of administration are only auxiliary to activities carried out at lower levels of management, and therefore do not replace them,
 - ⇒ Coherence as an integration of management of various public policies, both European and national, as well as between different levels of public authorities (within the framework of a multi-level governance system: multi-level governance). Moreover, it concerns the integration of sectoral and territorial policies. The approach to good governance of the Dutch government also deserves attention, as it is close to the criteria applied by the Commission.

Among the most important elements that should characterize good governance, he lists:

- ⇒ transparency of government institutions' activities,
- ⇒ openness of the administration to social organizations and conducting a systematic dialogue with these organizations,
- ⇒ the effectiveness of public policies, in particular targeting them to achieve specific goals,
- ⇒ the legitimacy of governments and administration, accountability to society and respect for the democratic separation of powers,
- ⇒ anti-corruption. Also in Poland, attempts were made to define and refine the concept of good governance.

Good governance it is the exercise of public power within the mutual relations of government, administration and society, characterized by openness, partnership, accountability, efficiency, effectiveness and coherence. This definition takes into account the participation in the exercise of power by three groups of entities: government, administration and society, because only their harmonious cooperation can ensure the effective implementation of the state's functions.

By indicating the government, administration and society at the same time, it is possible to include the roles behind them in the definition of good governance - appropriately decisive and executive roles, as well as participation and cooperation in exercising power. Only properly shaped relations, based on the principles indicated in the definition, are able to ensure efficient implementation of the state's tasks.

Example: The principles of good governance are rare in Polish legal culture. In 2012 [European Court of Human Rights](#) accused ZUS of violating the citizens' right to [good administration](#). People in pre-retirement age injured by ZUS first received a pension from ZUS and resigned from work, and after several months it was withdrawn from them under an administrative decision of ZUS. The Tribunal emphasized that the decisions on the withdrawal of pensions were lawful and usually justified, but the principles of good administration were violated by the proceedings of ZUS in these cases - first the unjustified award of benefits, and then their withdrawal immediately, without verification before the court, and then lengthy court proceedings during which the injured persons were deprived of their livelihood [\[3\]](#).

Conclusions: principles of good governance:

- ⇒ **participation** - all members [society](#) ([citizens](#)) participate in the governing process; participation may be direct or indirect (participation through representatives or institutions);

- ⇒ **rule of law** - governance is governed by and within limits [laws](#); are respected [human rights](#), in particular those relating to minorities; over compliance [laws](#) impartial [police services](#) and independent [courts](#);
- ⇒ **Clarity** - decisions are made and implemented in accordance with established principles and procedures; information about them is open, comprehensible presented and communicated to the persons whose decisions concern;
- ⇒ **responding to needs** - institutions that participate in governing take into account the needs of all [stakeholders](#); the needs are satisfied as far as possible on a regular basis (or as soon as possible) as they arise;
- ⇒ **consensus** - due to the multiplicity of actors, points of view and individual and group interests, they are developed broadly [consensus](#) that respond to the present and future needs of society as a whole;
- ⇒ **equality and inclusion** - all members of society have the ability (and the feeling that they can influence) the governing process; in particular, politically and economically weaker individuals and groups are involved in the governance process;
- ⇒ **efficiency** - the effects of governance respond to social needs, and are achieved at the best - from the point of view [sustainable development](#) and [environmental protection](#) - allocation of available resources;
- ⇒ **responsibility** - public institutions, [private sector](#) and social organizations are responsible for their decisions and actions to the rest [society](#) and are particularly responsive to these [stakeholders](#) on which they affect.

CONCEPT AND ASSUMPTIONS OF NEW PUBLIC MANAGEMENT - NEW PUBLIC MANAGEMENT

Many traditional tools of public policy (economic and social) are becoming ineffective in the contemporary world. The traditional bureaucratic model derives from Weber's concept of rational administration. It is characterized by a clear division of roles, reliance on procedures, tight financial control, hierarchy and oversight by a central agency.

Among the reasons for the emergence of the concept of New Public Management (NPM) is the ineffectiveness of the traditional Weberian administration. It was organized in a hierarchical manner, and only people with appropriate formal qualifications, such as higher education, could be members of the administrative apparatus. It is also emphasized that the vision of administration created by Max Weber assumed the apolitical nature of officials and their professionalism, but based on the aforementioned formal qualifications, and not necessarily on practical skills and their real usefulness.

The activity of such an organizational structure was highly formalized and based on strictly defined rules regulated by legal norms with an emphasis on processes. Hence, this phenomenon came to be referred to as the operation of the administration under the principle of legalism³⁰.

New Public Management can be described as a modern form of managerial approach to administration. It is characterized primarily by the "marketization" of public administration. New Public Management aims to ensure the effectiveness of public administration through the use of mechanisms known from the private sector. Some representatives of the science of administration or management indicate that this is only one of the models of public management, although it is widely used in practice³¹. The growing interest in the NPM concept used in practice was supported by numerous scientific studies and a series of

³⁰ J. Supernat, Public administration in the light of the concept of New Public Management, source: http://www.supernat.pl/artykuly/administracja_publiczna_w_swietle_koncepcji_new_public_management.html; H. Izdebski, M. Kulesza, Public administration - general issues, Liber, Warsaw 2004, p. 93; C. Hood, The "New Public Management" in the 1980's: Variations on a Theme, Accounting, Organizations and Society, Vol. 20, No. 2/3, Pergamon Publishing House, 1995, p. 97; B.G. Peters, The Future of Governing: Four Emerging Models Lawrence, University Press of Kansas, 1996; J. Hausner, From ideal bureaucracy to public management [in:] Public management studies, volume II, edited by J. Hausner and M. Kukielka, Academy of Economics in Kraków, Kraków 2002, p. 62; H. Izdebski, Elements of the theory of the state, [in:] Hausner J. (ed.), Social economy and development, Małopolska School of Public Administration of the University of Economics in Kraków, Kraków 2010; D. Kaufmann, A. Kraay, M. Mastruzzi, The Worldwide Governance Indicators, Methodology and Analytical Issues, "Policy research Working Paper", No. 5430/2010; B. Kożuch, Public management in the theory and practice of Polish organizations, Placet, Warsaw 2004; M.S. Grindle, Good Enough Governance: Poverty Reduction and Reform in Developing Countries, "Governance: An International Journal of Policy, Administration, and Institutions", Vol. 17, No 4/2004. Public management in the theory and practice of Polish organizations, Placet, Warsaw 2004; M.S. Grindle, Good Enough Governance: Poverty Reduction and Reform in Developing Countries, "Governance: An International Journal of Policy, Administration, and Institutions", Vol. 17, No 4/2004. Public management in the theory and practice of Polish organizations, Placet, Warsaw 2004; M.S. Grindle, Good Enough Governance: Poverty Reduction and Reform in Developing Countries, "Governance: An International Journal of Policy, Administration, and Institutions", Vol. 17, No 4/2004.

³¹Ch. Hood, A public management for all seasons ?, "Public Administration" 1999, No 69, quoted after K. Czarnecki, Ideas and practices of new public management, "Zarządzanie Publiczne" 2011, No. 1 (15), p. 22;

publications by the Organization for Economic Co-operation and Development (OECD) in the Public Management Service (PUMA) series. The OECD established a Public Management Committee, which elevated the NPM to the rank of a separate policy.

Traditional public management is rooted in the US civil service reforms of the nineteenth century, which first proposed a managerial approach to the organization of public service. Just like administration, management also carries similar content. Traditional public management assumes that public administration should focus on organizing, i.e. maximizing efficiency. Efficiency functions as the number one axiom on the scale of administration values. The new managerial approach to public administration first appeared in Great Britain, Australia and New Zealand in the 1980s, and since the beginning of the 1990s it has gained its place in the United States. Similarly to the traditional managerial approach to public administration, it grew out of the drive to improve the functioning of the public sector. The general tendency to replace traditional public administration with public management occurs in many countries, but manifests itself in various forms.

An interesting classification was presented by Peters³², who distinguished and characterized four models of public management:

- ⇒ market government;
- ⇒ Participative Government;
- ⇒ Flexible Government;
- ⇒ Deregulated Government.

Among the distinguished models, the most popular and practically developed model of public management is market management, most often called New Public Management (NPM).³³

The basic assumptions of the new management model can be formulated in the following assumptions:

- ⇒ focus not on processes but on achieving results;
- ⇒ transition from traditional public administration towards a model that places much greater emphasis on the personal responsibility of managers;
- ⇒ the will to move away from classical bureaucracy towards creating more flexible conditions for employment, work and organization;
- ⇒ public administration should be deregulated, and employees should be created conditions for independent initiatives (postulate to free the management); - the administration should, in principle, be apolitical;
- ⇒ the goals set for the organization and for employees are clearly defined, and the scope of their implementation can be assessed using indicators.
- ⇒ the evaluation of public programs uses the 3Es principle: economy, efficiency and effectiveness;

³² B.G. Peters, *The future of governing: Four emerging models*, Univeristy Press of Kansas, Kannsas 1996.

³³ See J. Hausner, *From ideal bureaucracy to public management*, [in:] J. Hausner, M. Kukielka (ed.), *Studies in public management*, vol. 2, Wydawnictwo AE, Kraków 2002, pp. 62-64.

- ⇒ some of the tasks performed by the public sector are subject to market assessment in the form of, for example, contracts;
- ⇒ there is pressure to limit the functions performed by public authorities through privatization.

New public management emphasizes on:

- ⇒ proper goal setting and performance monitoring,
- ⇒ financial management (efficiency),
- ⇒ setting service standards,
- ⇒ use of benchmarking solutions (the possibility of making comparisons on a sample of proven, good solutions) and modern human resource management³⁴.

New public management contributed to the strengthening of public administration by strengthening the ties between the political and administrative spheres and creating a citizen-friendly administration.

Table 1: Strategies for New Public Management

Strategy	Actions
"Political" Control	Strategic management through political and administrative leadership, clear mandate and funding rules
Lean and flexible organizational structure	Decentralization, greater independence of public administration institutions, cooperation between departments
Processes	Focusing on results, preparing reports and evaluations of performed tasks
Professional and organizational development	Increasing the scope of responsibility of management level employees, increasing the number of training courses, planning career and professional development of employees
Relations with citizens	Improving contacts with citizens through marketing activities and improving the quality of governance

Source: own study

The trends in public administration of the 1990s are reflected in the concept of Good Governance. Good management takes more account of the social context in reforming public administration, in particular with regard to reaching universal standards, such as professionalism, political neutrality, honesty, and avoiding conflicts of interest. In this case, the starting point is the assumption

³⁴For more on the concept of New Public Management, see: B. Kudrycka (ed.), Development of public administration personnel, WSE, Białystok 2001. For a critique of new public management, see D.J. Savoie, What is Wrong with the New Public Management? Canadian Public Administration, 1995, vol. 38, no. 1, pp. 112–121.

that the spheres of public administration and business are fundamentally different from each other, therefore the way they are organized and operated should be different.

The very concept of "good governance" includes a democratic and effective system of governance, effective public institutions, appropriate quality of public services and the ability to adapt to new social needs. Good governance requires public trust in government; without it, democracy is an empty slogan, limited only to certain procedures and conventions.

Good management takes into account the principles of transparency, personal honesty, high ethical standards, respect for the law, responsibility, accessibility and solidarity with citizens. At the same time, it ensures that people and companies that are influenced by both politics and the market achieve the greatest benefits³⁵.

The concepts of new public management and good governance need not contradict. The optimal solution would be synergy, i.e. a combination of the effectiveness and efficiency of new public management and transparency, respect for the law and fairness of good management³⁶.

Table 2: Features of good governance

Characteristic	Meaning
Openness	Accessibility to public institutions and decision-making processes
Participation	Increased social trust in institutions, increased public participation in political processes
Clarity	Transparency of roles and relationships of institutions in legislative and executive processes
Efficiency	Effective achievement of goals based on the assessment of previous experiences and forecasts of future events
Compatibility	Compatibility of policy and actions taken, commitment to political leadership, ensuring consistency and logic

Source: Commission of the European Communities: European Governance - A White Paper. Brussels, 25 July 2001

Thus, there are fundamental differences between the three main models of public administration management.

³⁵M. Dębicki: Public services in the corporate world. Limitations and dangers of managerialism as a tool of public administration. "Służba Cywilna" 2002/2003, No. 5, p. 103; F. Vibert: Governance in the European Union - from Ideology to Evidence. European Policy Forum, January 2001, p. 5.

³⁶J. Hausner: Fundamentals of Interactive Governance, in: Studies in Public Management. Scientific seminar materials. Krakow 2001, p. 11.

The bureaucratic model characterized by a hierarchy and subordination of many units to one headquarters. The superior central office determines the responsibilities and jurisdictions of all units, equips them with resources and supervises their operation. In other words, the headquarters decide and impose the rules of the game on everyone.

New public management is a market model that recognizes the existence of independent and equal entities. Businesses, independent government agencies and individuals are self-employed. The relations between the entities are regulated by the contract. Effective rules of behavior that have withstood the test of competition and are generally recognized as binding, encourage the intensification and expansion of exchange. Good governance resembles a model of a network made up of companies, individuals, union members, government agencies, etc. Relationships between entities are governed by conventions. The highest organ of the hierarchical structure establishes the rules of the game and performs a supervisory function, but as a participant in a broader constitutional order it is also limited by these rules.³⁷.

A summary of the most important differences between the above models is presented in Table below.

Table 3: Comparison of management models in public administration

Description	The bureaucratic model	New public management	Good management
Management method	Hierarchy	Market	Network
Normative basis	Administrative law	Contracts	Conventions
Management style	Bureaucratic - administration	Managerial - management	Affiliate - consulting
The nature of the relationship	Domination and submission	Competition and cooperation	Equality and interdependence
Purpose of activities	Maintaining order	Invoking changes	Building a social agreement
Targeting activities	Procedures	Effects	Needs
Organization of the state	Monocentric systems	Autonomous systems	Civil society

Source: Own study.

³⁷ https://praceffinansepubliczne.wordpress.com/2013/01/11/modele-zarzadzania-w-administracji-publicznej/#_ftn2

Thus, public administration should make greater use of market competition mechanisms where it delivers things and services, in order to achieve higher results. This applies, for example, to: privatization (outsourcing) consisting in buying from private organizations things and services cheaper and of higher quality than those for which it was previously responsible, you can also reorganize public administration units like private companies in order to obtain income from the sale of goods and services, create free competition in the market between public and private agencies. Public administrations should ensure that certain goods and services are offered, but need not necessarily offer them. There should be a network and interdependent, not a hierarchical system of service provision. Conditions must be created for public administration employees to show initiative and creativity in order to better serve consumers and achieve better results (empowering employees to get results). Empowerment is possible due to higher education of public sector employees, computerization, thanks to which they have more knowledge, it also fosters teamwork.

There are four main aspects of public sector management in NPM:

- ⇒ management in the public sector as administration,
- ⇒ management in the public sector as business management;
- ⇒ public sector management as policy making and implementation;
- ⇒ management in the public sector as people management³⁸.

Table 4: Traditional management in the public sector and the NPM concept

Distinguishing element	Traditional management in the public sector	New management in the public sector (NPM)
Organizational structure	centralized	divided between units organized around individual services
Relations between administration units and within them	indefinite, indefinite	based on contracts
mode of action	emphasis on governance ethics, without organizational changes	adoption of management methods from the private sector
Financing method	fixed or growing budget	cuts in the use of resources
Management style	important role of political and regulatory literacy	transparent management
Results orientation	use of implied and implicit standards	the need for clearly defined goals
Control method	controlling only the procedures and rules related to the spending of money	control of outputs and results

Source: K. Opolski, P. Modzelewski, Quality management in public services, CeDeWu Publishing House, Warsaw 2004, p. 35

³⁸Source: G. Belz, Management system as a regulator of renewal and growth of enterprises, Publishing House of the University of Economics in Wrocław, Wrocław 2011; J. Czaputowicz J. (ed.), Public administration. Challenges in the era of European integration, PWN, Warsaw 2008; MS Grindle, Good Enough Governance: Poverty Reduction and Reform in Developing Countries, "Governance: An International Journal of Policy, Administration, and Institutions", Vol. 17, No. 4/2004.

NPM AS A DOCTRINE OF PUBLIC SECTOR MANAGEMENT AND ITS CRITICAL

As a management doctrine in the public sector, NPM has a definitely managerial character and focuses primarily on³⁹:

- ⇒ marketization;
- ⇒ public partnership;
- ⇒ flattening of organizational structures;
- ⇒ efficiency and measurable achievements;
- ⇒ external audit, competent supervision and evaluation.

The NPM concept, as a result of the flattening and fragmentation of organizational structures and the decentralization of powers, is to ensure flexibility of the public sector and increase its efficiency. The new public management focuses on: service recipient - their needs and expectations, promoting competition between service providers, transferring control to the local community, decentralizing competences and introducing participatory management. The goal of NPM administration is to obtain results and to have control and accountability for the results. Effective operation requires combining the efforts of the public, private and non-governmental sectors to solve problems⁴⁰.

The change in the paradigm of the functioning of public administration is also associated with the use in administration of specific organizational solutions known from the private sector. Also in this respect, market mechanisms are to replace the classic civil service system. There are three main aspects of changes in this respect. He distinguishes between: the problem of transition from the career system to the position system; introducing decentralization and privatization of recruitment; as well as the issue of departing from taking into account formal competences, towards increasing the importance of experience, real practical skills, as well as the so-called soft skills or interpersonal skills⁴¹.

The first public administration reforms implementing the assumptions of the NPM were carried out, inter alia, in Great Britain, Australia and New Zealand. A little later, the NPM concept was transferred to other countries, often as an element of radical economic and administrative reforms. Examples include the United States, Ireland, France, Sweden, the Netherlands, Canada, as well as Hong Kong and Singapore. However, the method of its implementation was varied, because:

- ⇒ it was not always inspired by right-wing governments (for example in New Zealand, where the political initiative was on the side of left-wing parties),

³⁹ P. Jeżowski, New Public Management - a new management paradigm in the public sector, [in:] P. Jeżowski (ed.), Management in the public sector - sustainable development - valuation methods, Warsaw School of Economics, Warsaw 2002, p. 12.

⁴⁰ From administration problems. Selected issues in public administration, edited by Tadeusz Maciejewski, Janusz Gierszewski, Mariusz Brunka, PWSH Pomerania, Chojnice 2012.

⁴¹ M. Kwiatkowski, Unclearness - barriers of personnel meritocracy in the public sector, Publishing House of the University of Zielona Góra, Zielona Góra 2011, pp. 51 and d.

- ⇒ the government did not always play the leading role in the preparation and implementation of reforms (e.g. in the USA, the main centers of change were state and local administration units),
- ⇒ not always the changes had a statutory basis, i.e. they were implemented in a centralized manner.

The implementation of the NPM concept consisted in such internal reforms in the organization of public administration as political and task decentralization, the reorganization of the structure of units or the introduction of a managerial method of management. The most important change in this respect was the transition to the contract and agency system. The first was for the purpose the separation of the role of the provider of public services (contractor) from their "producer" (principal - administration), while the latter was based on the idea of separating responsibility for the performance of tasks (operational aspect) from the process of making political decisions of public authorities (strategic aspect). In connection with the above, in practice, there were, inter alia, individual management contracts in public sector entities and executive agencies established to perform specific operational tasks⁴².

The concept of new public management continues to evolve. This process is also a consequence of the criticism to which this model is subject. He is mainly accused of the fact that solutions used in the commercial sector are difficult to transfer to public administration due to the different end goals underlying their operation. Many difficulties are related to, among others with the measurement of the performance of public tasks, but also the resistance of the administration itself to accepting responsibility for the implementation of specific objectives. The politicization of administration is often an important barrier, which limits managers' ability to assume full management responsibility.

The most important areas of criticism of the NPM concept concern the answers to the following questions:

- ⇒ How to assess the efficiency of administration (individual public units) not only in the economic sense, but understood as the ability to meet the changing social needs (individual groups of stakeholders)?
- ⇒ who is to make such an assessment?

The answers to the above questions resulted in the next stage in the development of the NPM concept, defined as co-management or public governance (PG), which is closely related to the issue of civil society. Public governance focuses on issues such as stakeholder engagement, transparency and equal treatment, ethical and simply fair behavior, accountability and solidarity. This idea was first used in international institutions, incl. PG rules apply to the World Bank's support programs for developing countries, as well as to the development programs of the United Nations. At the same time, the OECD publishes

⁴² K. Marchewka - Bartkowiak, New public management, "Infos", Biuro Analiz Sejmowych, No. 18/2016.

public governance analyzes, supporting the implementation of good practices in individual countries with its recommendations⁴³.

Conclusions

New Public Management - it is a management doctrine in public administration, characterized by the definition of results-oriented activities of public administration, the aim of which is to increase the effectiveness and efficiency of the functioning of public administration.

NPM introduces a managerial approach to public sector management, it is characterized by a departure from the principles of hierarchical organization, resignation from focusing attention on structures and procedures and regulations in favor of economic mechanisms in the organization of public administration and actions oriented at achieving results visible to the citizen.

NPM arose as a result of criticism of Weber's model, i.e. bureaucratic administration. NPM is characterized by:

- ⇒ changing the position of a public administration employee - from an official to a manager;
- ⇒ implementation of rules based on the analysis of the results achieved;
- ⇒ adopting a strategic orientation and introducing a market mechanism to the process of providing public services;
- ⇒ human resource management based on flexible employment, work and pay conditions;
- ⇒ remuneration of officials according to operational efficiency;
- ⇒ goals set for the organization and for employees are clearly defined, and the scope of their implementation can be assessed using indicators;
- ⇒ public administration bodies may perform their functions using external entities, e.g. private or non-governmental organizations;
- ⇒ market competition mechanisms are used in the process of providing services, e.g. outsourcing;
- ⇒ focusing the services offered by the administration on the customer;
- ⇒ depoliticization of management by separating public policy from operational management.

⁴³ M. Zawicki, New Public Management and Public Governance - an outline of the concept of public management [in:] Public management studies, volume II, edited by J. Hausner and M. Kukielka, Cracow University of Economics, Kraków 2002.

PUBLIC ADMINISTRATION EFFICIENCY

Efficiency of administration it is the ability to adapt to changes in the environment on an ongoing basis and to use the resources in a productive and economical way to achieve the adopted structure of goals.

External factors influencing the efficiency of public administration:

- ⇒ state system
- ⇒ political regime (democratic or undemocratic);
- ⇒ form of government (parliamentary-cabinet, etc., republic or monarchy);
- ⇒ territorial structure (federal or unitary, local government, etc.) the concept of the state's relationship with society traditions of statehood administrative traditions in a given state legal system
- ⇒ internal and international political processes society (culture, values, mobility, etc.)

Internal factors determining the effectiveness of public administration:

- ⇒ Division of labor (thanks to the specialization of activities);
- ⇒ Management authority (associated with the sense of responsibility) - external, formal results from the possession of formal authority insignia, e.g. title, and internal, real, personal - associated with the authentic social acceptance of managers and superiors.
- ⇒ Steering spread.
- ⇒ Distribution of decision-making powers.
- ⇒ Discipline.
- ⇒ Order-making unity: punishment, division of competences
- ⇒ Unity of management.
- ⇒ The subordination of the personal interest to the general interest.
- ⇒ Decent salary
- ⇒ Centralization and hierarchical structure.
- ⇒ Material and social order.
- ⇒ Staff integration.
- ⇒ Proper flow of information.
- ⇒ Initiative.
- ⇒ Staff-to-staff ratio
- ⇒ Non-financial incentives.

Efficiency of public administration it is measured by the ratio of material inputs used to the activity achieved. The factors shaping the efficiency of public administration are: law, budget, human resources, structure and information. Public administration must systematically change and adapt to new conditions, acquire new skills and techniques in order to fully effectively fulfill its functions⁴⁴.

⁴⁴ J. Gaciarz., The organization and principles of operation of public administration in Poland, Public administration, edited by Hauser J., PWE, Warsaw, 2006; Z. Leoński, Science of administration, 5th edition supplemented and updated, PWN, Warsaw 2004; J. Czaputowicz, Public administration. Challenges in the era of European integration, PWN, Warsaw 2008.

Effectiveness in New Public Management is understood primarily as providing citizens with access to services of the highest possible quality, with a relatively low burden on the state budget at the cost of their provision. It should be added that in the discussed concept, the effectiveness of the activities of a given organizational unit does not depend on the level of its expenses or the amount of the budget, but on what has been achieved thanks to these expenses. So the emphasis is on the effects. The real impact of the services provided on the lives of citizens is also important, which is especially emphasized in the United States. As J. Supernat points out - within the framework of New Public Management itself, it is possible to define the desired level of service quality depending on the needs. And so, to distinguish it from the example of the United States,⁴⁵.

The change in the paradigm of the functioning of public administration is also associated with the use in administration of specific organizational solutions known from the private sector. Also in this respect, market mechanisms are to replace the classic civil service system. Mariusz Kwiatkowski points to three main aspects of changes in this respect⁴⁶. He distinguishes between: the problem of transition from the career system to the position system; introducing decentralization and privatization of recruitment; as well as the issue of departing from taking into account formal competences, towards increasing the importance of experience, real practical skills, as well as the so-called soft skills or interpersonal skills. The career system formed the basis of Weber's administration. The clerk worked almost throughout his professional career only in public administration, where he gained successive levels of clerks - hence the name of the said system. The promotions were conditioned by the length of service or special achievements, and the decision about them usually belonged to the clerk's superiors on the basis of the above-mentioned factors. The system of positions is shaped differently, in which the employment relationship takes place as part of a competition announced for a given position, in which anyone who meets certain requirements can participate. Irregularities related to such a structure of the employment system in public administration are to be prevented by the aforementioned delegation of the recruitment procedure to independent and professional entities. The very effectiveness of the administrative apparatus built in this way is to be served by the employment in public administration of people who can approach the tasks entrusted to them in an efficient and effective, as well as innovative and enterprising manner (this is achieved through the aforementioned practical requirements and the so-called soft features) Irregularities related to such a structure of the employment system in public administration are to be prevented by the aforementioned delegation of the recruitment procedure to independent and professional entities. The very effectiveness of the administrative apparatus built in this way is to be served by the employment in public administration of people who can approach the tasks entrusted to them in an efficient and effective, as well as innovative and

⁴⁵J. Hausner, *Od ideal bureaucracy* ..., p. 63. 22; BG Peters, *The Politics* ..., pp. 205-207; J. Supernat, *Public administration* ..., p. 6

⁴⁶ M. Ochnio, *New Public Management - basic features of the model. Its use in Poland*, "Working Paper" No. 1/2012.



enterprising manner (this is achieved through the aforementioned practical requirements and the so-called soft features) Irregularities related to such a structure of the employment system in public administration are to be prevented by the aforementioned delegation of the recruitment procedure to independent and professional entities. The very effectiveness of the administrative apparatus built in this way is to be served by the employment in public administration of people who can approach the tasks entrusted to them in an efficient and effective, as well as innovative and enterprising manner (this is achieved through the aforementioned practical requirements and the so-called soft features)⁴⁷.

⁴⁷25 J. Hausner, *Od ideal bureaucracy ...*, p. 63. 26 M. Kwiatkowski, *Nieprzejrywość - barriers of personnel meritocracy in the public sector*, Publishing House of the University of Zielona Góra, Zielona Góra 2011, p. 51 and following. 27 J. Hausner, *From ideal bureaucracy ...*, pp. 50-51. 28 *Ibid.*, P. 67. 29 In the literature on the subject, one can come across the term "rewarding for performance, performance of a task" (pay for performance) BG Peters, *The Politics ...*, p. 305.

DECENTRALIZATION PROCESSES IN PUBLIC ADMINISTRATION

Centralization of administration- it is such a way of organizing the administrative apparatus of the state in which the lower-level organs are hierarchically subordinated to the higher-level organs. The lack of independence of lower-level organs is expressed, on the one hand, in the powers of superior organs to decide on the legal situation of employees of a lower-level body in terms of employment relationship, and, on the other hand, a lower-level body does not have a guaranteed sphere of independent decision-making. The essential elements of modern centralization are:

- ⇒ strict legal separation of tasks and competences at each organizational level of administration;
- ⇒ the possibility of their deconcentration to lower level organs;
- ⇒ maintaining hierarchical subordination in the sphere of exercising these competences⁴⁸.

Decentralization being the opposite of centralization, it provides for a significant independence of lower-level organs in relation to higher-level organs, and thus limiting their subordination to these organs. Hence, decentralization is most often defined as such an organization of administration in which lower-level (level) bodies are not hierarchically subordinated to higher-level (level) bodies. The legal independence of lower-level bodies, which is the essence of decentralization, is expressed in the following:

- ⇒ the higher degree of interference can only relate to activities already carried out by the decentralized entity (meaning that it is follow-up and verification, not prior and shaping);
- ⇒ interference of the superior body may only take place through the application of supervision, the means of carrying out of which are defined in a taxative manner;
- ⇒ a decentralized entity (of a lower level) should have open court proceedings to protect its independence⁴⁹.

Principles of centralization and decentralization are related to the organization of public administration and relate to the issues of functioning in public administration of entities that perform public tasks on the basis of relative independence.

The decentralization of administration is the statutory transfer of public-law responsibility for the implementation of specific public tasks. As a result, independent and independent entities appear in public administration. These tasks are

⁴⁸ A. Wiktorowska, Basic theoretical concepts in the science of administrative law, [in:] Administrative law, ed. M. Wierzbowski, CH Beck, Warsaw 2009.

⁴⁹ J. Szymanek, Decentralization, [in:] Dictionary of terms in public administration, ed. I. Wieczorek, J. Szymanek, Publishing House of the National Institute of Local Self-Government, Łódź 2018, p. 44.

transferred to legally independent entities, authorities or administrative institutions that do not belong to centralized public administration. The most popular form of decentralization is local government, which entrusts the management of public affairs to associations of citizens. Self-government is a systemic form of exercising management of the affairs of a specific corporation by its members. Corporations may be of a territorial or professional, economic or agricultural character. Local communities are the entities of local self-government. Other forms of administrative decentralization are institutions based on the capital factor. These are enterprises and establishments providing public utility services, as well as fund institutions, such as the Social Insurance Institution. Centralization is the organizational structure of the administration, which consists of several levels, but decisions are made only by a central authority. Employees at lower levels in this structure perform only auxiliary functions. Centralization means depriving lower-level organs of independence, making them dependent on central organs, combined with personal and professional dependence. It is a way of organizing the administrative apparatus of the state in which the lower-level organ is hierarchically subordinate to the higher-level organ, and carries out its orders, instructions and guidelines. The government administration acts on behalf of the state, it is part of the public administration,⁵⁰. If the ties connecting the individual elements in public administration correspond to the management ties, we are dealing with a centralized system, however multi-level and dispersed it may be. The superior organ has the right to influence the lowest situated organs by using its competences.

Decision cycle it consists of structured activities in an orderly manner. A decision is a conscious, non-random and deliberate choice of one of several options for action, which was based on specific information. This choice is aimed at achieving the chosen goal. Decisions can be made under the conditions of certainty, probability and uncertainty, and partial information. The decision-making process consists of orders or prohibitions as well as powers constituting the content of a decision, shaped not only by one act, but by a whole set of acts that interact with each other.

Decision cycle phases:

1. Statement of a decision problem - determining the differences between what is and what should be.
2. Gathering information - information that is the basis for making a rational decision should be true, up-to-date, available. They should be carefully analyzed.
3. Defining the goal and directions of the solution - in other words: a solution strategy should be established.
4. Determining options for solving the problem - the degree of feasibility and possible side effects should be taken into account.
5. The act of selection - the decision stage.
6. Submitting the decision for implementation

⁵⁰H. Izdebski, M. Kulesza, Public administration - general issues, Liber Publishing House, Warsaw 1998, chapter IV Public administration - basic concepts and problems; J. Czaputowicz J., Public Administration, Challenges in the era of European integration, Wyd. Naukowe PWN, Warsaw 2008, New methods of public management in the EU

- putting the decision into effect. It is very important to choose the right contractors who will correctly read the intentions of the decision-maker.
7. Decision control - comparison of intentions with actual achievements⁵¹.

⁵¹J. Łukaszewicz, Outline of the science of administration, LexisNexis, Warsaw 2007, chapter IX Activities in the external sphere; H. Izdebski M. Kulesza, Public Administration "general issues, 3rd edition, extended edition, PWN, Warsaw 2004.

HUMAN RESOURCE MANAGEMENT - HUMAN RESOURCE PLANNING IN A PUBLIC ORGANIZATION

The concept of human resource management is not unequivocal. In the literature on the subject, we can come across various terms for this term. However, all authors agree that this is the most important problem of the organization. Human resources are the most important capital of an organization and they determine its economic success (private sector) as well as social efficiency and rationality (public sector).

The implementation of the function of managing the social potential of the organization consists in the planned and purposeful selection and coordination of individual elements of the personnel system and their adaptation to the organization's strategy.⁵² Managing human resources is about entrusting people with specific goals to achieve their implementation and control from the point of view of the logic of the system.

Diagram 7: Functions of human resource management

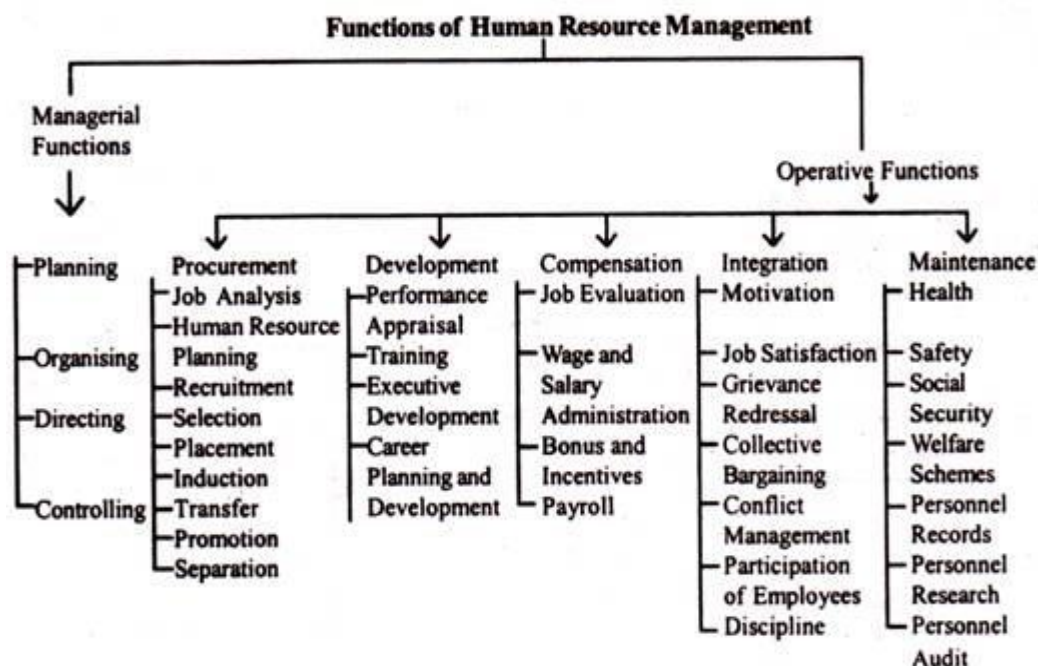


Fig. 1.2 : Functions of Human Resource Management

Source: <https://profshraddha.wordpress.com/2017/08/18/first-blog-post/>

⁵² M. Armstrong; Human Resource Management, ABC Oficyna Ekonomiczna, Kraków 2003; M. Dale; Effective Recruitment and Selection of Employees, ABC Oficyna Ekonomiczna, Kraków 2002; Z. Janowska, Human resource management, PWE, Warsaw 2002; A. Mayo; Shaping the training and development strategy for employees, ABC Oficyna Ekonomiczna, Kraków 2002; J.A.F. Stoner, Ch. Wankel; Management, PWE, Warsaw 2001.

HR process management requires them to control the diversity and changeability of phenomena related to the sphere of management⁵³. The greatest difficulty in managing human resources concerns the complexity of human nature itself. As a result, the use of more complex methods is limited. An improperly prepared manager believes that the only management tool is experience and intuition. It becomes crucial to understand and take into account the needs of staff, mindsets and actions, beliefs, hierarchy of values, personality, interests and temperament. It is also necessary for the organization to quickly adapt to changes in the environment. Human resources differ from other resources of the organization mainly in that they can be quickly lost, especially when trying to solve personnel matters incorrectly. The root cause of all complications is the non-transferability of ownership rights to these resources. This is because that the employee decides on his own to what extent he wants to use his potential in the position entrusted to him. Therefore, finding the right people and creating conditions that encourage them to actively participate in the life of the company is a great art. The human resource management process is implemented in every organization, but the scope and manner of their implementation depends on its size, type of production, situation on the labor market and management philosophy adopted by managers or owners.

The goal of human resource planning is to get the right people at the right time for the organization's tasks. Therefore, it is necessary to prepare and then implement action programs that should ensure the elimination of differences between the desired and the existing state.

The primary functions of human resource planning are⁵⁴:

1. Reduction of personnel and social costs by adjusting the size and structure of employment to current and future needs, so that there are no situations of shortage or excess of personnel.
2. Optimizing the organizational resource of knowledge, skills and competences through the identification of needs, analysis and better use of the existing potential, development and implementation of appropriate improvement and staff development programs; an alternative to these activities is the use of external computer services.
3. Defining broadly understood human competences necessary for the effective functioning of the organization now and in the future.
4. Continuity of participation achieved by adjusting the demand for people with specific qualifications to their supply on the labor market - avoiding mass admissions with a large shortage of employees or group layoffs, elimination of excessive staff fluctuation.

⁵³ Source: M. Kostera; Managing the social potential of an organization at work, edited by A. Koźmiński and W. Piotrowski, Zarządzanie, PWN, Warsaw 2004.

⁵⁴ E.g. D.M. Stewart (ed.), Practice of management, PWE, Warsaw 1994, p. 383.

5. Development and application of appropriate criteria for assessing the effectiveness of the personnel function and measurement tools - the basic method of assessment is the analysis of the implementation of specific tasks specified in the personnel plans.

Planning issues such as staffing, appraisal, pay system and staff development programs are taken into account. In human resource management practice, the following planning approaches exist.

1. Ignoring this zone and adapting the personal function to changes in the environment on an ongoing basis. This approach may work for small businesses in view of a stable market.
2. Detailed research and analysis of all trends in the environment for the creation of alternative action scenarios. The costs of this approach often outweigh the benefits, although it may lead to new discoveries.
3. Overview of the main trends (the so-called scanning). This is the most effective and widespread approach. The starting point for determining which trends should be taken into account is the organization's strategy.

In a modern organizational strategy, there should be a place for building a human resources plan, which should take into account all exchanges of the environment constituting opportunities and threats in the process of shaping the human resources of the organization.

Personnel planning process is a process that consists of the following steps:

1. Collect and analyze data, predict trends in order to develop a forecast of the supply and demand of personnel.
2. Formalizing by personnel managers and the general manager of the goals of human resource management closely related to the goals of the organization.
3. Creation of action plans and programs for staffing, evaluation, compensation and development.
4. Control and evaluation of the implementation of plans and programs or criteria techniques, such as:
 - o current employment status in relation to the planned one,
 - o current productivity and efficiency compared to planned,
 - o ratio of the actual staff liquidity to the planned turnover,
 - o programs actually implemented compared to those adopted,
 - o the actual effects of the implementation of the programs in relation to the anticipated effects,
 - o employment costs and program implementation costs in relation to the adopted budget,
 - o relation between costs and benefits resulting from the implementation of the employee education program.

Recruitment it is an initial stage for hiring employees. In order to conduct recruitment, it is most often necessary to: prepare a description of the position for which we are looking for a candidate, a personal profile, i.e. a description of

requirements or qualification standards (the term profile of personal characteristics of a candidate for a job is often used here) and post advertisements to bring the right people to answer them.

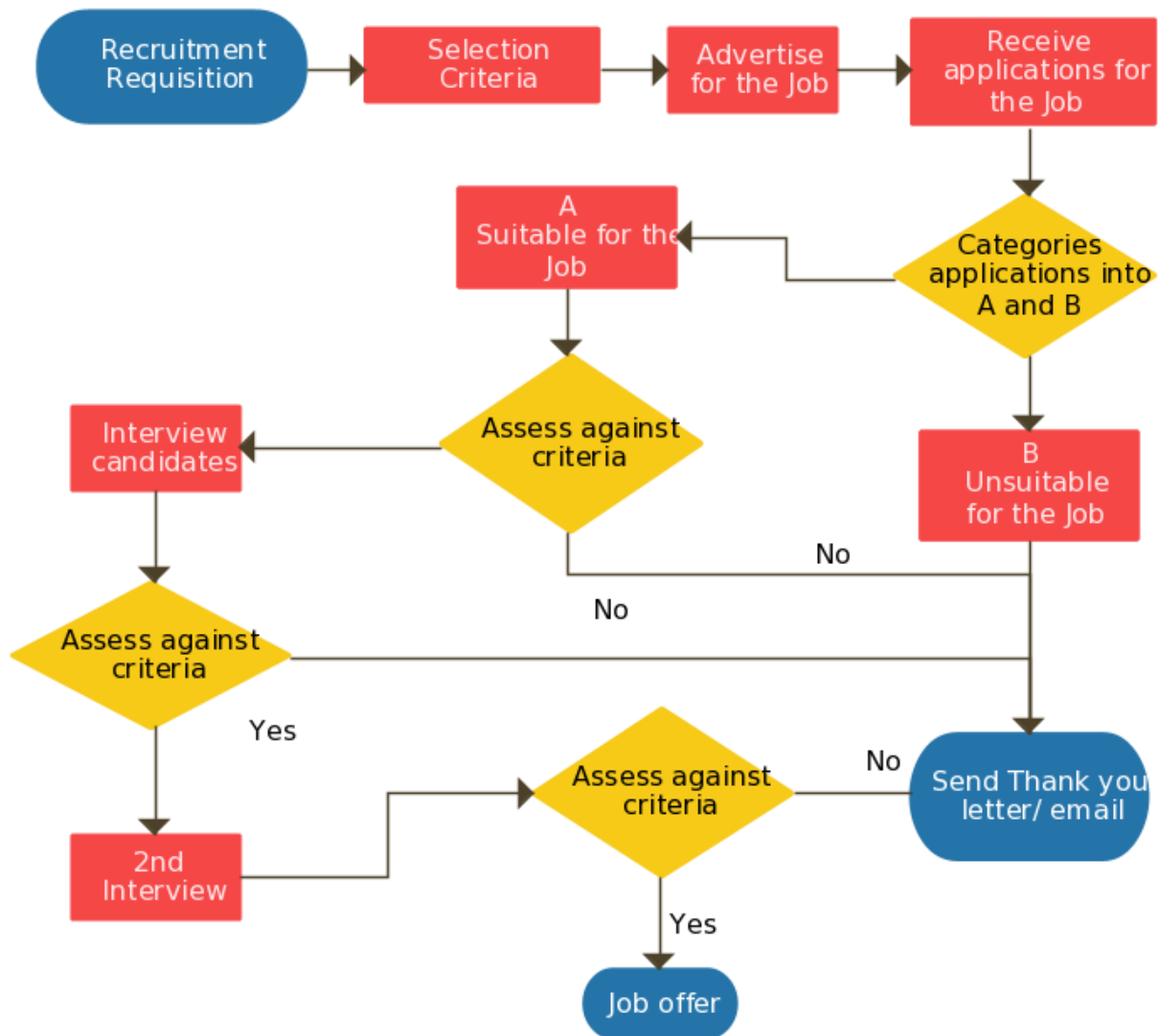
After the recruitment process in which candidates and information about them have been collected, you can proceed to selecting the most suitable candidates for the vacant position. This process is called the selection or selection of employees from a set of job candidates. The selected candidate should meet the best conditions for the job position. In a situation where there is no such candidate, we choose the person whose qualifications are the least different from the desired pattern, or we abandon the selection process and re-recruit.

On the basis of the collected data about the recruitment candidates and their comparison with the desired employee profile, an initial selection is made. Good preparation of this stage significantly shortens the recruitment time and lowers the costs of the selection procedure. The most important thing is to consider all the documents prepared by the candidate and compare them with the requirements. The most common requirements are: a curriculum vitae, a cover letter, certificates of education and improvement courses, knowledge of foreign languages, a medical certificate of health and no health contraindications for the profession.

On the basis of the preliminary selection, an appropriate multi-stage process of candidate evaluation is carried out. In the course of this procedure, the following activities are carried out, which can be referred to collectively as getting to know the candidates by organizations:

1. Initial interview, i.e. qualifying interview. This is the moment when you can find out about the qualifications, motivation and talents of the candidate. At this stage, the candidate who is looking for any job is separated from the one who wants to be employed in this company. After the initial interview, the person or team evaluates the candidate.
2. Qualification tests. They are not always carried out. Their implementation is to determine the abilities, skills and personal characteristics of the candidate. Various types of tests are used. Among others, the following are used: sociometry techniques (for information on the functioning of candidates in the team), message tests, and attitude tests, such as APO (Personal Profile Analysis).
3. Candidate information verification. Research by personal counseling organizations shows that one third of applications and resumes contain errors or false data.
4. Interview. It takes place with persons selected during the preliminary hearing. Materials from the qualification tests and the results of verification of information about the candidate are also taken into account. Depending on the importance of the position filled, it is run by a personnel unit employee or its manager, and sometimes the director of the institution. Based on this interview and the analysis of the candidate's materials, the final decision will be made to admit the employee to the organization.

Diagram 8: Flow chart of the selection process



Source: <https://pl.pinterest.com/pin/305681893455542759/>

People recruited to work in a new organization feel the tension associated with the need to adapt to the new environment. As a consequence of this attitude, some newly hired employees leave their new job after a few months. This may be due to the following factors:

- ⇒ the employee's inability to adapt to new conditions,
- ⇒ his non-acceptance of the management style prevailing in the organization,
- ⇒ his false expectations shaped in the course of recruitment,
- ⇒ employee uncertainty as to the scope of duties and requirements.

The goal of induction programs is to reduce the stress that arises from these circumstances. It is recommended to provide the new employee with three types of information:

- ⇒ general information about daily routine work,
- ⇒ reviewing the history of the organization, its goals, operations, products or services,
- ⇒ details - sometimes in the form of a brochure - about the rules in force in the organization, its regulations and benefits due to employees.

The staff employed in the organization should constantly update their knowledge and improve the skills and competences necessary for the proper performance of tasks. In this process, three successive stages can be distinguished, namely:

- ⇒ determination of training needs,
- ⇒ choice of training methods,
- ⇒ implementation of the education plan and its evaluation.

Determining the training needs. Training needs are most often defined at three levels, namely: the level of the entire organization, the level of divisions and positions, and the level of individual training needs. As a result of identifying these needs, appropriate training plans are created. These needs are also to relate to the current and future status related to the development of the organization, e.g. computerization of the company, a new curriculum, the introduction of the ISO 9000 standard.

Choosing a training method. The choice of training method depends on answering the following questions:

1. Who will be trained? The answer to this question is obtained as a result of the analysis of training needs.
2. Will the training be carried out within the organization or will it be entrusted to other organizations?

Within the organization, a distinction is made between training within the organization with detachment from work and without detachment from work.

With a break from work it is conducted in various ways, such as: training by a specialized department of the organization that conducts courses and develops its own training programs. Often, employees of the organization prepare and deliver lectures and organize workshop demonstrations.

Without taking a break from work. It is the most recommended method that allows you to improve your skills directly during work. There are a number of ways here, the most popular of which are:

Training through work. It is a simple and inexpensive method. Used in programs for introducing new employees to the workplace. The trainee can observe an experienced employee, and when he solves a new problem himself, he can count on the advice of the person entrusted with the training.

Learning in action. It is based on interactions with other employees and joint solving of real problems arising in the organization.

Rotation of managers. The manager gets a new perspective on old problems. A variation of rotation is the so-called management by "walking", where there is a rotation of managers in various positions.

Patronage. It is a process in which one of the people (guardian - mentor) is responsible for the career and development of the other (the charge beyond the usual relationship between the superior and subordinate. Patronage allows to counteract discrimination and accelerates the career of highly gifted people as well as allows for the effective introduction of new employees into the organization. It is believed that the supervisor of employees should be a person who is at least two levels higher in the hierarchy of the organization, but not the direct supervisor of the charge.

PERSONNEL POLICY

The evaluation process consists in constantly paying attention to the behavior and performance of all subordinates in order to help them, stimulate activity and control. The value of the assessment depends on the accuracy of observation and the quality of contacts between the superior and the subordinate. Thanks to the evaluation processes, it is possible to correct and consolidate the effective functioning of employees in the organization. Proper and timely assessment may result in an early inhibition of negative effects resulting from employing the wrong people in the organization.

Employee evaluation system can be divided into large categories.

1. **Informal assessment.** These are the manager's constant remarks that are communicated to the subordinate in various forms during the course of work. Thanks to the feedback, the supervisor subordinate employee can constantly know opinions about his work and correct it.
2. **Formal assessment.** It is carried out on a regular basis, most often in business organizations, every six months or every year. In other types of organization, this assessment is done at different times. Such an assessment can be carried out as: assessment of subordinates by the immediate superior or a group of superiors, assessment of the supervisor by subordinates, assessment by the clients of the organization, sometimes self-assessment is performed. In Poland, it is not always well received. This is due, among other things, to the fact that the older generation of managers associate self-criticism during the period of totalitarian rule. It can be specified that the employee evaluation method is a multi-criteria evaluation, with the following types of criteria:
 - ⇒ **formal criteria** which are the easiest to analyze and include the general knowledge and skills that the employee acquired at school, university, and at various types of courses,
 - ⇒ **efficiency criteria**, covering the results of work in quantitative and qualitative terms achieved by one employee or the entire team. The assessed top manager is an analysis of the results of the entire organization,
 - ⇒ **behavioral criteria**, are used to evaluate the behavior of employees or teams. Such a criterion may be the number of customer complaints about a given team of employees,
 - ⇒ **personality criteria**, include those features of the psyche that are important for a given job. Research on personality traits can be carried out using psychological tests, interviews and questionnaires.

Many methods are used to conduct employee appraisal. These methods are described in detail in the literature on the subject at the end of the chapter.

The most common evaluation methods are⁵⁵:

- ⇒ **descriptive assessment** where the supervisor analyzes the employee in the form of a standard (evaluation sheet with questions) or any opinion and presents his strengths and weaknesses,
- ⇒ **technique of critical events**, it is a record of all the successes and mistakes of the employee,
- ⇒ **comparison with standard (with standards)**, consists in analyzing how the employee meets the established standards. This assessment is possible only for use in work whose effects can be quantified,
- ⇒ **ranking** it is a ranking of employees according to the order from the best to the weakest adopted criterion. In the People's Republic of Poland, this method was used to select the so-called work leaders,
- ⇒ **portfolio personale**- it allows you to group employees according to two criteria at the same time.

Diagram 9: Recruitment process

Recruitment Process



Source: <https://businessjargons.com/recruitment-process.html>

By placing the assessed person in one of the four groups, we define the strategies of conduct. And so we know that for employees classified as problematic, intensive training should be started as soon as possible. Including an employee in a specific group requires combining this evaluation method with other tech-

⁵⁵Compare: K. Sedlak, Total benefits of work. Polish model of Total Rewards, Sedlak & Sedlak, Krakow 2015.

niques, such as an employee evaluation sheet. It is a previously prepared document, which most often contains four parts that are filled in: by the HR unit, superiors, co-workers and the employee himself.

The most common mistakes made when evaluating employees⁵⁶:

1. Differentiation of the norm. An assessment method can only be effective if it is based on uniform, fair standards. You shouldn't judge each of your subordinates based on different norms and expectations.
2. Evaluator bias. Some managers distort the assessments of their subordinates through their personal prejudices. Most often they result from prejudices regarding gender and religion, as well as other characteristics such as age, style of dress, political beliefs.
3. Different evaluation patterns. Managers have a different style of evaluation, namely there are those who are lenient, while others are very strict and pay attention to minor shortcomings. The lack of a uniform standard of assessment is unfair to employees.
4. Halo effect. It is a tendency to rate employees on the basis of one trait, e.g. consistently high or uniformly low.

⁵⁶ K. Sedlak, Tajniki HR - the best remuneration and recruitment practices, Sedlak & Sedlak, Kraków 2010.

NEW INSTRUMENTS FOR HUMAN RESOURCES MANAGEMENT

The introduction of specific standards for the effective operation of public administration also entails the need to evaluate officials who, under the discussed concept, are rewarded for their performance.⁵⁷ This applies primarily to promotion opportunities. This increases the motivation of administrative employees to work effectively and may partially prevent the phenomenon of over-employment in administration, as long as labor standards and norms are properly defined and adhered to.

New Public Management concept with regard to administrative employees, it assumes that their work does not differ significantly from work in the private sector. Therefore, incentive and reward instruments that have already proven themselves in the private sector should be used in public administration.

Changing the position of a public administration employee - from an official to a manager. The essence of the concept of New Public Management, apart from the marketization of the provision of public services by the administration, is also the change in the status and nature of work of a public administration official who should become a manager. This should be related to the use of effective management methods known from the private sector in the work of managers. Therefore, managing functions in public administration should be performed by professional managers (including former employees of the private sector), and not by officials using only managerial methods in their work. Managers in public administration, as noted by the mentioned author, should be "proactive or progressive" and not "reactive" like traditional officials.

Another aspect, which shows the specificity of the new "market" approach to public administration, is a new type of relationship between individual entities of the public sector. Under the traditional concepts of public management, these relationships were shaped as beneficiary-trustee relationships and assumed a high degree of trust between actors. New Public Management introduces in this place the shaping of contracting, i.e. obligations that bind entities operating in the sphere of providing public services.

The consequence of the application of the aforementioned organizational structure is also the reduction of the importance of central authorities' control over the activities of lower-level administration bodies, in particular with regard to expenses for the day-to-day operation or the purchase of the necessary equipment. The role of the administration should be to decide who and how can provide a given service, so that it can be done to the greatest possible

⁵⁷K. Sedlak, Total benefits of work. Polish model of Total Rewards, Sedlak & Sedlak, Krakow 2015; K. Sedlak, Tajniki HR - the best remuneration and recruitment practices, Sedlak & Sedlak, Kraków 2010.

benefit for citizens. The literature on the subject indicates that organizational units of the administrative apparatus with a certain degree of independence can do it much more effectively. Sometimes it is even argued that a certain autonomy of public entities is necessary for the efficient functioning of public administration in the contemporary globalized world.

The introduction of a specific vision of relations between public sector entities by the concept of New Public Management also forced a change in the approach to the method of supervision over the activities of subordinated entities. It points to the development of the concept of "accountability", ie the responsibility of a specific entity for its actions towards the supervisory authority. Emphasizing the effectiveness of public administration activities requires the provision of resources that can verify the level of effectiveness or serve to increase it. However, they must not significantly restrict the freedom of action of public sector entities, as this may result in effects other than the intended ones. New Public Management has also changed the benchmark for auditing in administration. From the study of the administration's activities in terms of "embezzlement",⁵⁸.

New Public Management. It also proposes certain changes in the relationship between the supervisor and supervised private entities. One can mention here the concept of responsive regulation, which assumes the appropriate dosing of the means of impact, starting from the least severe and ending with those carried by the New Public Management, it also places emphasis on the development of instruments for controlling the activities of administration by the society.

The new approach to the method of providing public services proposed by New Public Management is also associated with the separation of functions of individual organizational units of the administration apparatus, some of which become payers and commission specific services to be performed, while others provide these services on their behalf. They are separate from each other, so the "monolithic" structures are abandoned in favor of creating a larger number of organizational units, which, moreover, are shaped like corporations known from the private sector.

Certain activities that have so far been performed by administration employees may also be outsourced to external, specialized private entities. It is true that the phenomenon of outsourcing is known from the private sector, but the public administration is also starting to use it more and more often to reduce the costs of functioning of the administrative apparatus. Outsourcing mainly concerns additional activities that are not the main activity of a given entity.

⁵⁸Source: H. Izdebski, M. Kulesza, Public administration ..., p. 112. 44 J. Hausner, Od idealny bureaucracy ..., p. 57; M. Zawicki, New Public Management ..., p. 76 -77; T.L. Doherty, T. Horne, Managing public services, Routledge Publishing, London-New York, 2002, p. 13; M. Zawicki, New Public Management ..., pp. 78-79; J. Hausner, From ideal bureaucracy ..., pp. 64-65.

Examples include managing IT networks, logistics, running canteens, managing call centers, or running websites.⁵⁹.

We can also mention here the idea of consumerizing government, according to which the administration should be friendly to citizens who would behave like consumers and would have a similar influence on the possibility of choosing whether to use the services of one or another entity. Vouchers are an example of an instrument that would allow the use of public services provided locally by various providers. They prove that a citizen is entitled to a specific service, but he can choose an entity that will provide the service to him - whether it will be, for example, a social organization or a public sector entity. Public administration in New Public Management performs a specific, servant role towards the citizen, and its activities should be directed at satisfying his needs. It is the citizens who are best able to define what their needs are. Hence, the shift of the administration based on the concept of New Public Management towards the citizen and "getting closer" to him, precisely through the use of deconcentration. There is also a psychological aspect to the deconcentration of public service delivery, namely the difference in the level of citizens' trust in public and private entities. As a rule, citizens consider public sector entities to be less trustworthy than those in the private sector. Consequently, they are more likely to use the services provided by the latter. There is also a psychological aspect to the deconcentration of public service delivery, namely the difference in the level of citizens' trust in public and private entities. As a rule, citizens consider public sector entities to be less trustworthy than those in the private sector. Consequently, they are more likely to use the services provided by the latter⁶⁰.

⁵⁹J.A.G. Ewalt, *Theories of Governance and New Public Management: Links to Understanding Welfare Policy Implementation*, American Society for Public Administration, New Ark, 2001, p. 4.; L.M. English, *Public Private Partnerships in Australia: An Overview of Their Nature, Purpose, Incidence and Oversight*, The University of New South Wales Law Journal, Vol. 29, No. 3, 2006, p. 251; J.H. Piletič, *The Public-Private Partnership Act of the Republic of Slovenia: An Accelerator or a Brake to the Development of Public-Private Partnerships?*, European Public-Private Partnership Law Review, No. 4/2008, pp. 171-172.

⁶⁰H. Izdebski, M. Kulesza, *Administracja publiczna* ..., p. 225; B.G. Peters, *The Politics* ..., p. 317; E.S. Savas, *Privatization* ..., p. 1736; J. Hausner, *Od ideal bureaucracy* ..., p. 57; K.J. Meier, L. O'Toole Jr., *Bureaucracy in a democratic state*, The Johns Hopkins University Press, Baltimore 2006, p. 143; B.G. Peters, *The Politics* ..., p. 330.

MARKETING IN THE PUBLIC SECTOR

The essence of the concept of marketing is to provide satisfaction to buyers by producing, offering and selling products and services that meet the needs and requirements of all types of buyers in every market to the highest degree.

The basis of the concept of marketing are the needs of buyers, target markets, the complexity of instruments for acquiring buyers and achieving profits from the values created and accepted by buyers.

A practical expression of the implementation of the concept of marketing is placing buyers in the center of interests and activities of the company and ensuring them satisfaction with the purchased and used products, as the most important source of the company's success among all its customers.

The concept of marketing assumes that the key to achieving the organisation's goals lies in identifying the needs and requirements of the target markets and delivering the desired satisfaction more efficiently and effectively than competitors.

The basis of marketing orientation is understanding the needs of customers / stakeholders and the factors influencing their satisfaction (quality of service, implementation time, etc.).

The expression of the modern concept of marketing are the following three orientations of organizations ensuring their success in the market:

1. orientation to best meet the needs of stakeholders - this is the purpose and task of each public administration body,
2. focus on building a positive image of public administration by offering better quality services or providing more favorable services, taking into account the time of their implementation and efficiency in meeting the expectations of stakeholders,
3. orientation to the social responsibility of public organizations by observing the law and ethical standards.

The basic change in the orientation of public organizations brought about by marketing consists in replacing their current attitude towards bureaucratization and procedures - with an attitude towards stakeholders and getting to know and best meet their needs, requirements and expectations.

Strategic Marketing is an expression of an active, dynamic approach of the organization to fulfill its mission and implementation of the vision of development, through the undertaken projects based on the effective allocation of public resources, developed and implemented local and regional development programs, quality management strategies, entrepreneurship development strategies, etc. the best possible conditions for satisfying public (social) needs in the long term through strategic thinking, planning and management.

Formulating a strategy is a set of activities aimed at setting specific goals of the company's operations in the future and developing effective programs of its operations enabling the achievement of these goals in an economic manner and in accordance with the requirements of the environment.

The essence of formulating an organization's strategy comes down to finding answers to four basic questions⁶¹:

- ⇒ What is its current position and what are its development opportunities?
- ⇒ what position does it want to take in the future and what goals does it want to achieve in the strategic period, in the period for which the strategy is being developed?
- ⇒ what makes it difficult now and what may make it difficult to achieve the desired position in the future?
- ⇒ what should and what must it do to move from the position currently occupied to the desired position and achieve success?

In seeking answers to these questions, the management of the organization should make⁶²:

1. Analysis of the environment aimed at identifying the emerging opportunities and threats from the external environment.
2. Analysis of the human resources and service potential of the organization consisting in the assessment of its internal dependencies and determining its strengths and weaknesses.
3. Analysis of possible strategic alternatives by comparing and balancing individual alternatives available now and in the future.
4. Choosing a winning strategy, that is selecting the most attractive alternative for the organization and at the same time possible to implement.

The goal of teaching administration is to discover, first, what are the right and achievable tasks of the administration, and second, how it can do the right

⁶¹See: H.I. Ansoff, E. McDonnell, *Implanting Strategic Management*, Prentice Hall, New York 1990; J. Penc, [Projects](#) company strategy, "[Organization](#) and [Steering](#)", No. 2 (72) / 1993; K. Woźniak, [Managerial information system](#) as an instrument of strategic management in the company, [work](#) PhD thesis, Cracow University of Economics, Cracow 2005.

⁶² A. Stabryła, [Strategic management](#) in the theory and practice of the company, PWN, Warszawa-Kraków 2000, pp. 19-21.

things with the maximum possible efficiency and with the least possible expenditure, be it money or energy. "In other words, traditional public management assumes that public administration should do the right things in the right way in the sense of being focused on maximizing efficiency, that is, effectiveness and efficiency. Management was to belong to managers, not to politicians, and efficiency was recognized as the highest good: "the number one axiom on the scale of administration values"

A new managerial approach to public administration it first appeared in Great Britain, Australia and New Zealand in the 1980s, and since the beginning of the 1990s it has gained its place in the United States. Like the traditional managerial approach to public administration, it grew out of a drive to improve the functioning of the public sector.

Basic assumptions of the new management model in administration whether the reinventing was captured by David Osborne and Ted Gaebler in the following assumptions⁶³.

1. Public administration should be results-oriented first, and then inputs and operational processes. Put emphasis on the quality of the services provided. Managers in public administration (proactive or progressive managers, not reactive officials) should therefore pay much more attention to tasks (efficiency requires a hard look at objectives), and the assessment of their performance (and the functioning of public organizations) should result from the achieved results and be performed on the basis of clear and measurable (quantitative) standards or indicators of performance (standards of performance / performance indicators).

That is, employees of the organization should be hired on the basis of a contract and remunerated adequately to the achieved results or, if they are not dismissed, as is the case in New Zealand or Great Britain. The results boil down not only to the quality of services provided by public administration (outputs), but also to the actual changes in people's lives resulting from the outcomes of the administration.

2. Public administrations should make greater use of market competition mechanisms where they deliver things and provide services to achieve higher outcomes. This applies, for example, to: privatization (outsourcing) consisting in buying from private organizations things and services cheaper and of higher quality than those for which it was previously responsible, you can also reorganize public administration units like private companies in order to obtain income from the sale of goods and services. Creation of free competition in the market between public and private agencies. The last two solutions are generally related to the so-called disaggregation of the public sector and the creation of smaller organizational units, which makes it easier to define their tasks, and the place of faceless bureaucrats is taken by visible or well-known managers, who are easier to assign responsibility. This changes the perception of

⁶³D. Osborn, T. Gaebler, Reinventing Government, Addison-Wesley Publ. Co., 1992.

people using public administration services and goods from applicants to consumers.

3. Public administration in the free market for goods and services should change the approach from petitioners to its clients or consumers (stakeholders) whose needs need to be known and satisfied.

4. Public administrations should ensure that certain goods and services are offered, but need not necessarily offer them. A network and interdependent rather than hierarchical system of service provision should be created. The growing popularity of the term governance, which in the indicated context is contrasted with the term government and defined as "governance without government participation".

5. Deregulating the public administration as its operation so far is inadequate in results-oriented administration. The system of hiring staff, the financial management of purchasing and allocating resources, business travel, etc. should change. Public managers / agency managers should have greater freedom in managing employees, resources and budget (manage to budget).) to meet the needs of consumers and be competitive on the market.

6. Conditions should be created for public administration employees to show initiative and creativity in order to better serve consumers and achieve better results (empowering employees to get results). Empowerment is possible due to higher education of public sector employees, computerization, thanks to which they have more knowledge, it also fosters teamwork. This is followed by the concept of liberation management from bureaucracy and they should be allowed to manage.

7. Public administration should focus on the economization of activities, that is, pay more attention to the use of human, material and financial resources.

Managers in public administration should additionally fulfill five roles:

- 1) consensus builder. - searching for a platform;
- 2) educator on community issues - communication with the local community in terms of its functioning and operating conditions;
- 3) interpreter of community values, paying attention to the needs of the entire community, identifies significant values;
- 4) bearer of ethical standards should be an authority in the public and ethical service;
- 5) a sharer of community power shares its power with others, bearing in mind that only by building a strong network of connections with the local community can a public organization respond to their expectations.

It can also be noticed that the indicated five additional managerial roles are, in fact, appropriate not only to managers in public administration, which may even more emphasize that management in public organizations does not differ from management in private and non-governmental organizations.

NPM AND PUBLIC FINANCIAL MANAGEMENT - DIRECTIONS OF RATIONALIZATION (SELECTED ASPECTS)

From the subjective point of view, public finances can be divided into central and local government. Local government finances are local and regional finances. However, a question arises whether, when considering the areas of public funds management and wanting to indicate their specificity, this branch is sufficient. It seems that it is not, because it is important to take into account institutional and content-related criteria. From the point of view of these criteria, it should be pointed out that the most important institution of public finances is the budget of both the state and local government units. On the other hand, in the substantive area, the most important phenomena from the point of view of their effects, such as the budget deficit and the State Treasury debt, should be mentioned.

Each of the listed parts of public finances should be subject to the management system so that the management of public funds has a rational nature and requires an indication of how this process should proceed.

Public finance management it has the most global character. It is at this level that decisions are made that determine everything related to the collection and spending of public funds. However, it must be realized that at this level there are the greatest political entanglements that are undergoing transformation and are inextricably accompanied by changes in government teams and cooperating party coalitions. As a result, general recommendations are formulated regarding the way of managing public funds. This is expressed in various types of slogans, such as "cheap state", which is supposed to mean a reduction in administrative expenses. In this context, discussions are held in the forum of the government or parliament, focused on seeking opportunities to reduce expenditure. Another direction of political disputes is turning towards public revenues. An expression of this is e.g.

Therefore, attention is focused on two sides of the financial economy, i.e. on the processes of collecting and spending public funds. In this arrangement, what is essential, i.e. the dispositions to manage public funds, often disappears from sight. As previously stated, this cannot be general. There is no uniformity in the area of public finances, even though the general assumption is the same for all areas. Public funds should be managed in such a way that they are used effectively, that is, they contribute to the satisfaction of the social needs of various social groups and strata. Reaching the above-mentioned areas of public finance management from the institutional and substantive point of view, it is necessary to indicate the essence and characteristics of this process within such basic institutions as the state budget and budgets of local government

units at all levels. From this perspective, it is necessary to indicate what the management of state budget funds should be based on.

Traditional budget whose basic element of the constitution is the budget classification, must evolve towards a "task-project" budget that is flexible and effective in management. At this point, it can only be added that currently there is a rigid framework of the budget economy on the one hand and the system of individual first-level administrators on the other hand, in fact, greatly limit the possibilities of rational management of public funds. Similar problems, only on a smaller scale, accompany the budgets of local government units. At this level, also in the management of public funds, there are barriers which essentially hinder effective management. This is due to reasons similar to those mentioned in relation to the state budget. Again, the only way that can change this situation leads to a change in the budget structure system and requires resignation from the traditional methods used so far. A separate and very important area of public funds management is the management of their surplus or shortage. Since the shortage in the form of a budget deficit turning into public debt is a common phenomenon, it should be given special attention. At this point, it is important to distinguish between the streaming nature of income and expenditure, which is related to a specific time, such as a calendar year, and a cumulative deficit that leads to a consideration of government debt issues. Since the shortage in the form of a budget deficit turning into public debt is a common phenomenon, it should be given special attention. At this point, it is important to distinguish between the streaming nature of income and expenditure, which is related to a specific time, such as a calendar year, and a cumulative deficit, which leads to a consideration of government debt issues. Since the shortage in the form of a budget deficit turning into public debt is a common phenomenon, it should be given special attention. At this point, it is important to distinguish between the streaming nature of income and expenditure, which is related to a specific time, such as a calendar year, and a cumulative deficit, which leads to a consideration of government debt issues.

Both the phenomenon of the budget deficit and the public debt cannot be treated "as shares" (ie actions are taken to limit the deficit, for example). This is because it requires a long perspective and must be managed not incidentally, but on a long-term basis. For this reason, the management of the above-mentioned phenomena is particularly important. For example, it may turn out that it is necessary from a rational and effective point of view to use public funds to temporarily increase the deficit. Such a decision cannot be of a political nature, and should result from economic and social reasons. This area of public funds management is of fundamental importance and requires the use of appropriate methods, i.e. adapted to the nature of the regulated phenomena. The above remarks related to the state budget apply to the budgets of local government units. In this case, however, the management of public funds does not only refer to decision-making bodies, e.g. boards of the appropriate level, but also has institutional support in the Regional Accounts Chambers.

The concept of New Public Management has had the greatest impact on the current shape of public services in the world. The roots of this concept come from Great Britain. During the 1980s, the organization and management of UK public services were put under pressure to change. New concepts of management in the public sector began, which inspired many OECD countries in reforming public administration. It was clearly visible that the fundamental change postulated in the New Public Sector Management was the method of financing and management style, as well as clear expression of the organization's goals and their implementation. The efforts to increase the maneuverability of the public service system were also vivid. In recent years, the above assumptions have been modified and expanded.

Four concepts were invented according to which reforms were to be made as part of New Management in the Public Sector:

- **NPM model 1. Increasing efficiency;**
- **NPM model 2. Decentralization and "trimming the public sector";**
- **NPM model 3. In search of perfection;**
- **NPM model 4. Public service orientation.**

Recent decades are characterized not only by the significant development of the third sector, but also by the growing participation of civic movements and non-profit organizations in the planning of public policies at the national (as well as EU) level and the growing importance of social activity in local development. This trend has been clearly noticed in the European Union, where the principles of subsidiarity, partnership and social dialogue lead to the postulate of gradual expansion of the scope of cooperation between public institutions and civil society organizations.

Therefore, the basic question is not "Should I cooperate?" But "How to cooperate?". In the system of intersectoral cooperation, the state performs two, partially independent functions.

Firstly, the state is one of the actors of this cooperation, interacting with the others (state - business sector, which is also referred to as public-private partnership, and state - non-governmental sector, i.e. public-social partnership).

Secondly, the state - as the legislator - defines the rules of functioning of the public sphere and the rules of cooperation between actors. This undoubtedly gives the state a privileged position, which in a democratic system is partially balanced (or at least should be) by the principle of the limited nature of state power.

Two models of cooperation between public administration and non-governmental organizations in the field of public benefit (social benefit) dominate in Europe: the German and the English model.

German model is characterized by (1) the full implementation of the state subsidiarity principle, operationalized in the legal system as the principle of priority of social entities in the provision of social services using public funds, and (2) the corporate nature of the public administration - non-governmental organization relationship. The latter is reflected in the high level of federation of the third sector and the actual building of structures compatible with public administration structures and able to negotiate the terms of cooperation at every level of the administrative division of the state.

English model is characterized by (1) greater openness to competition between service providers, and thus a greater role of market (or quasi-market) mechanisms in the system of commissioning public tasks, and (2) the resulting lack of preferences for non-governmental organizations. It is no coincidence that in Great Britain there is talk of cooperation between the state and the "independent sector", defined as all for-profit and non-profit entities interested in participating in tenders for commissioning public tasks. Moreover, the principles of intersectoral cooperation are shaped to a greater extent by public-private partnership than by public-social partnership. Both models have their own strengths and weaknesses that are identified and described in the literature. It's worth pointing out, that the standardization in the German model is aimed at (1) maintaining high-quality social services and (2) securing the continuity of their provision. The consequence of the latter goal is the statization of non-governmental organizations. In the English model, standardization serves primarily effectiveness, which in practice is reduced to the reduction of costs of maintaining the system of social services.

In both models, the standardization of cooperation serves the professionalisation of the third sector. However, this is a different type of professionalization. NGOs in Germany become professional and become similar to public institutions, adopting their standards and organizational culture. On the other hand, the English version of professionalization means that non-governmental organizations become similar to commercial companies, both in terms of management (seeking profit or even balance surpluses) and work culture. The side effect of the German model is the aforementioned statatisation of social organizations, and of the English model - the commercialization of the non-profit sector. In the case of both countries, the currently implemented recovery program consists in attempts to popularize the elements of the competitive model in their own model. Great Britain introduces elements of negotiations, characteristic of the corporate approach (this is what the idea of the aforementioned pact boils down to), and Germany - elements of competition, opening one of the segments of the social services market to commercial entities. When undertaking works on the standardization of social services, one should continue to strive to develop compromise solutions combining elements of both these models. Standardization of services is a process of gradual refinement to the question of what, in what quantity and at what level, as part of a given service, for specific individuals and groups adequately to their identified needs and in accordance with the requirements of rational satisfying them. opening one of the

segments of the social services market to commercial entities. When undertaking works on the standardization of social services, one should continue to strive to develop compromise solutions combining elements of both these models. Standardization of services is a process of gradual refinement to the question of what, in what quantity and at what level, as part of a given service, for specific individuals and groups adequately to their identified needs and in accordance with the requirements of rational satisfying them. opening one of the segments of the social services market to commercial entities. When undertaking works on the standardization of social services, one should continue to strive to develop compromise solutions combining elements of both models mentioned above. Standardization of services is a process of gradual refinement to the question of what, in what quantity and at what level, as part of a given service, for specific individuals and groups adequately to their identified needs and in accordance with the requirements of rational satisfying them.

Standards are developed because they have a number of specific, useful functions, including:

- norm-creating function - standards formally and organizationally determine the model ordering of the relationship between the technical, organizational and qualitative criteria for providing the service and the needs in this respect;
- stimulating function - standards as a set of factors influencing the shape and principles of functioning of the social services market;
- economic function - through the criteria of costs, including unit cost, standards determine the rationality of the service provided;
- social function - standards organize the relationship between the way social service infrastructure functions and the level of meeting social needs (they determine the quality of life factor).

Standards can be described in terms of their basic and most characteristic features, which include such characteristics of standards as:

- ✓ minimum - recommended;
- ✓ static - dynamic;
- ✓ deductive - inductive;
- ✓ values - procedures;
- ✓ external - internal;
- ✓ based on indicators - based on mechanisms;
- ✓ they build an organizational culture - they provide specific services.

The basic methods for constructing standards are:

- ✓ inductive-negotiation (standard built on the basis of the buyer's agreement,
- ✓ suppliers, customers - model);
- ✓ internal regulations (accepted self-regulation of a given service provider or
- ✓ tasks);
- ✓ concession (administrative decision);

- ✓ quasi - market (standard defined or dependent on the client);
- ✓ administrative (external to the ordering party);
- ✓ statutory (example - regulation).

The most important principles accompanying the construction of standards are:

- ✓ adequacy - relative compliance between the needs of specific customer groups and the offered scope and quality of services;
- ✓ flexibility - the use of methods, techniques and ways of satisfying the needs depending on the existing situation, within the limits guaranteeing the preservation of the original meaning and purpose of the task being performed;
- ✓ framework - the ability to navigate in the process of satisfying needs in an appropriate,
- ✓ the set span, the range of norms and norms, allowing, thanks to the possibility
- ✓ selection of criteria, act effectively for a specific client or group of clients;
- ✓ coherence - correlation of solutions adopted and applied at various levels of management of the social sphere.

The issue of creating standards for social services is an important aspect of the state's policy towards the third sector, as well as the functioning of non-governmental organizations themselves.

The problems related to the standardization of social services include:

(1) Diagnosing the needs of social groups and individuals:

- The problem is the attachment of public administration units to obligatory tasks;
- The problem is the "privileged position" of those tasks that have a good formal and legal support and guaranteed annual financing;
- Applications submitted by non-governmental organizations to open tenders are a chance for a new diagnosis.

(2) Formulating goals and priority tasks:

Most often, without a diagnostic foundation, the tasks that are selected for financing

organized interest groups (organizations, political parties, clients) were lobbying;

- Diagnosis and prioritization mechanisms are missing;
- The problem may also be expanding the list of priorities ad libitum, which destroys the sense of prioritization.

(3) Creating social strategies and programs:

- Lack of a strategy in the social sphere with the presence of numerous economic development strategies;
- The lack of social mechanisms for creating strategies in the social sphere, both long-term and short-term;
- Lack of strategies and programs related to priority objectives.

The concept of public service, including social service.

Public services are a system of communal, social and administrative services, aimed at meeting the needs of society in which an important role, for reasons systemic, political, social, property, economic, financial and environmental, government and self-government administration bodies play. The quality of the provision of one of these services, is of paramount importance for the quality of other services and for the entire system.

Utility are public services aimed at meeting the collective living needs of communities.

By social services we mean another specific type of public services, namely:

- Services aimed at the development of the social life of the local community, at meeting social needs (as opposed to their living needs). We mean primarily: education, care and upbringing, health protection, promotion of physical culture and culture, social welfare, public safety, others, e.g. the labor market, some

tasks related to the promotion of the region.

Social services seem to require much more than they are for services municipalities, co-financing or financing from public budgets because:

The provision of these services serves the purpose of meeting the social needs of the community (e.g. social assistance services, and / or;

- Guaranteed and equal availability of certain services is enshrined in the Constitution (e.g. education or cultural programs).

The organizational, management, technical, social, environmental, economic and financial specificity of the provision of services is subject to a number of provisions: administrative law, local government, economic, "social", civil, finance and public procurement law, environmental protection and sectoral law.

It is worth noting that the organization of most public services, especially infrastructure services, is closely related to environmental protection management. Thus, when organizing the system of their provision, one should take into account the consequences of Poland's accession to the European Union, not only in terms of access to European funds, but also in the implementation of EU environmental law. For those involved in the organization of social services, it may be helpful to get acquainted with the Treaty establishing the European Union (and subsequent treaties), which regulates the social and social objectives of the actions of the Member States, as well as with other documents relating to fundamental EU rights. The functioning of the public service system is also regulated by directives concerning, inter alia, consumer and competition protection, energy market and etc.

Public utility activity and commercial activity. One of the arguments of opponents of commercialization of public services is the term-slogan: tasks of general interest. Indeed, the term "public utility" is a description of a legal and social reality rather than an economic one. To describe the economic realities of management and provision of public services, and to make specific decisions rationalizing and restructuring the organization of services, the following aspects are important:

The position of the entity in the market: ie whether it is an inherently monopolistic (or competitive) position or not;

· The scope of statutory legal and economic regulations for a specific service sector;

Material and financial needs as well as capital intensity of service provision;

Ownership of the entity and property on the basis of which a specific type of service is provided, and the methods of managing these entities and property (public, public-private, private);

· Ecological sensitivity of the implementation of a specific service.

These features should, to a greater extent, determine the qualification of individual types of public services and define the objectives of restructuring decisions, than the mere statutory provisions on own tasks or commissioned public administration units. In that sense, no

we will be talking about public utility entities, or rather entities operating in various types of limiting conditions: ownership, organizational, regulatory, technical and environmental, or market entities, or largely susceptible to marketization.

Social service management system. A modern system of organization and service management should be based on a clear division of competences between public administration and service providers. It is necessary to consider how to consistently implement actions increasing the level of less bureaucracy and 'depolticization' of this sector, e.g. by:

- gradual reduction of the functional dualism of public administration units (power in the double and contradictory role of a politician and representative of the "people" as well as the owner of property and the farmer, obliged to the economic and financial development of "their" economic units);
- empowerment of service providers - regardless of their ownership structure - in terms of impact on strategic planning as well as operational and financial planning and execution, based on a stable system of contracting and long-term financing.

The objectives of the public service management system, including social services, should be:

- ➔ increasing the availability of services;
- ➔ increasing the quality and quantity standards of services and environmental protection;
- ➔ optimization of unit costs and total costs of their provision.

Knowledge of the legal and economic environment allows for the implementation of the above-mentioned goals by:

- a) precise definition of strategies, programs and development plans of institutions and services;
- b) precise management and adequate financing of services;
- c) use of the entire development potential, while involving external entities and material and financial resources;
- d) organization of the provision of services by entities with an optimal organizational, legal and executive structure,
- e) development of infrastructure for the provision of social services;
- f) proper supervision of the service provision system.

Cycle of social service management. The real art is to organize the system of providing social services in such a way that all entities active in this sphere cooperate with each other, complementing each other, and that the development goals defined above are mutually agreed (they are not opposed and implemented at the expense of others). It is about focusing energy and available resources on cooperation for a properly understood and defined common good of society. In order to balance the influence and particular interests of active entities and counteract the violation of the principles of rational and functional organization of community activities, it is necessary to precisely define the subjective (who?), Objective (what?) And procedural (how?) Scope of management and organization of the sphere of public services, including social. This is what the methodology of the so-called management cycle.

Service management depending on the division of competences between the public administration unit and other entities participating in the cycle, it may define the role of public administration throughout the process as:

- a) actor: the administration deals directly with all elements of the organization process and management,
- b) pilot: administration dominates at the level of setting goals and rules (policies) and programs for the delivery and development of services, and plays a significant role at the level of planning, control and evaluation, while the current and direct provision of services is the domain of service providers,
- c) client: the primary role of administration is to co-define goals and control their implementation.

Planning of operational and investment activities as well as their financing and implementation belongs mainly to service providers, often external to organizational and budget structures with public administration⁶⁴.

One of the permanent foundations of an efficient democratic state ruled by law is also the openness and transparency of public finances. Transparency of public finances means a situation in which the following are publicly known and clearly defined:

⁶⁴ Public finance management - public finance management tools and effective ways of spending public funds, Chancellery of the Prime Minister, MDDP, Warsaw 2014.

- ➔ framework (scope) of the public finance sector,
- ➔ division of tasks and competences in the public finance sector,
- ➔ procedures and rules of conduct applied in the public finance sector,
- ➔ premises and assumptions of the financial policy and their expected effects,
- ➔ information about the public finance sector.

When public finances are not transparent, it is difficult to demand their openness. Thus, achieving a situation in which the principles of openness and transparency are observed in practice is a sine qua non condition for the successful implementation of projects aimed at healing the state's finances.

NPM TOOLS - PUBLIC-PRIVATE PARTNERSHIP

A feature of the modern public management system is the delegation of public functions to private entities by both state and local administration. The authorities are withdrawing from many areas of practical economic, social and even public (public utility) activity, while maintaining public-legal responsibility for the state of affairs in all major sectors of collective life and the economy. In this way, many markets, hitherto dominated by the state, are liberalized and accessed by other competitors, both domestic and foreign. The new philosophy of public management, expressed in the mechanisms of the subsidiary state, consists in the privatization of the performance of public tasks, assuming that since a specific field of activity can be successfully implemented on market conditions, there is no reason why this activity should be carried out by the public authorities alone. This new form of cooperation between the private and public sectors in various aspects is commonly known as public-private partnership (PPP).

The concept of PPP appeared in the 1970s in the United States⁶⁵. However, the history of the implementation of public utilities and the provision of services as part of public tasks dates back to ancient times. This way of performing public tasks in a later period focused, inter alia, on on water distribution, road, bridge and rail construction projects⁶⁶. In the 1990s, projects of the project finance type began to develop. In 1992, the government program Private Finance Initiative was launched in Great Britain. As part of the program, concession contracts were developed which, in exchange for taking over the risk, enabled the private entity to implement a public investment and benefit from its right to exploit the property. Currently, financing under the project finance model is implemented all over the world, and its application to cooperation based on PPP principles has resulted in public-private cooperation being increasingly implemented in various sectors of the economy, such as sports infrastructure, municipal housing, hospitals, schools, network infrastructure, revitalization and development of urban areas and others)⁶⁷. In Poland, the laws regulating PPP and concessions for construction works or services have been in force for three years and we are observing a slow growth in projects prepared for implementation with the participation of a private partner. This formula is both a challenge and an opportunity to develop investments in the face of the public finance crisis.

⁶⁵ Cf. E. Yescombe, *Public-Private Partnership. Principles of implementation and financing*, Wolters Kluwer Polska, Warsaw 2008, p. 19.

⁶⁶ B. Korbus (ed.), *Collective work, Public-private partnership*. Poradnik, Public Procurement Office, Warsaw, 2010, p. 27; E. Yescombe, *op. cit.*, p. 22.

⁶⁷ Cf. M. Bejm (eds.), P. Bogdanowicz, P. Piotrowski, *Act on public-private partnership*, *op. cit.*, p. 17, B. Korbus (ed.), *collective work*, *op. cit.*, p. 28. 18 Cf. M. Bejm (eds.), P. Bogdanowicz, P. Piotrowski, *Act on public-private partnership*, *op. cit.*, p. 18.

PPP is an alternative to traditional financing of public tasks, used especially when the scope of the project implemented by a public entity includes infrastructure, the construction and management of which, due to the expected effectiveness of operation, should be entrusted to a private partner⁶⁸.

Example: A project for the construction and management of a broadband network, including the construction of an ICT infrastructure that can complement the existing resources belonging to various operators and fill the gap in access to the next-generation Internet network. According to the concepts concerning this type of projects, the owner of the constructed infrastructure may be the voivodeship self-government (or a special purpose vehicle), and the operation of the resulting infrastructure may be entrusted to a private entity (network operator) with appropriate competences and experience. the combination of public and commercial elements of the implemented project brings additional value and is both profitable from a business point of view and beneficial to the public interest

The rationale for the use of PPP there can only be a shortage of funds for the implementation of a specific project, because due to the selection of a private partner and its selection, the costs of preparatory work are sometimes higher than preparation for a traditional public procurement announcement⁶⁹.

PPP has been educated over several dozen years and has the following basic features⁷⁰:

- ⇒ it is a long-term contract concluded between a public entity and a private partner; both parties to the contract are involved in its performance;
- ⇒ the subject of the contract is a project, which means that the private partner is involved in several stages of the investment, i.e. design, construction, financing, operation;
- ⇒ the ownership of the infrastructure created remains with the public entity for the duration of the contract, or is transferred to the public entity upon termination of the contract;
- ⇒ the private partner obtains revenues from the project implemented under PPP, in the form of benefits it brings (e.g. in the form of payments from

⁶⁸Cf. E. Yescombe, op.cit., p. 20; M. Bejm (ed.), P. Bogdanowicz, P. Piotrowski, Act on public-private partnership, op. cit., pp. 19-20, J. Delmon, Private Sector Investment in Infrastructure. Project Finance, PPP Projects and Risk, The World Bank and Kluwer Law International, 2009, pp. 9-11; A. Kopańska, A. Bartzak, J. Siwińska-Gorzela, Public-private partnership. Private entities in the implementation of public tasks in the water and sewage sector, Cedewu, Warsaw, 2008, pp. 13, pp. 21-23

⁶⁹Cf. M. Bejm (ed.), P. Bogdanowicz, P. Piotrowski, Act on public-private partnership, op. cit., p. 11; T. Korczyński, A. Kozłowska, K. Kozłowski, A. Mednis, A. Nowaczek, Concession for construction works or services versus other forms of public-private investment implementation, ABC Wolters Kluwer, Warsaw, 2010, p. 43. 23; A. Kopańska, op. cit., p. 21; M. Bejm (ed.), P. Bogdanowicz, P. Piotrowski, Act on public-private partnership, op. cit., p. 14.

⁷⁰Cf. M. Kulesza, M. Bitner, A. Kozłowska, Act on public-private partnership. Commentary, ABC Publishing House, Warsaw, 2006, pp. 15-25, T. Korczyński, A. Kozłowska, op. cit., pp. 40-42, M. Bejm (eds.), P. Bogdanowicz, P. Piotrowski, Act on public-private partnership, op. cit., pp. 3-9, B. Korbus (ed.), collective work, op. cit., pp. 21-22, E. Yescombe, op. cit., p. 19, UNECE, Guidebook on Promoting Good Governance in Public Private Partnerships, New York-Geneva, 2007, p. 1.

third parties) or in the form of payments from the public entity; the PPP contract is risk-sharing;

- ⇒ Due to the specific nature of one of the parties to the contract (public entity), the basis for concluding a PPP contract should be the benefit for the public interest from the use of this formula for the implementation of the project.

It is worth emphasizing that public-private partnership, depending on the type of undertaking, adopts the most effective structure for the model of involving a private partner in a given investment.

The most common types of PPP in practice include:

- ⇒ BOT - (build-operate-transfer) build-operate-transfer
- ⇒ DBOT - (design-build-operate-transfer) design-build-operate-transfer
- ⇒ BOOT - (build-own-operate-transfer) build-own-operate-transfer
- ⇒ BOO - (build-own-operate) build-own-operate
- ⇒ DBFO - (design-build-finance-operate) design-build-finance-operate.

Value for Money (VfM) analysis is a useful tool for the evaluation of projects implemented under public-private partnership. This analysis allows you to evaluate [efficiency](#) and effectiveness of investment implementation and be one of the factors directly influencing the decision on cooperation by potential partners.

However, it is sometimes difficult to implement as they are important for the evaluation [data](#) quantitative, which are often difficult to identify. In Poland, there is no obligation to apply this type of solutions, however, the public entity is obliged to skillfully manage public finances and thus make prudent and thoughtful decisions regarding the allocation of resources for this type of [goals](#). Another tool used to implement projects under public-private partnership is [model](#) Public Sector Comparator (PSC).

This model represents an estimated [cost](#) implementation of a given project from the perspective of its entire life cycle⁷¹.

Benefits:

- higher efficiency [quality](#) public services,
- generating additional income,
- acceleration of investment processes in the areas of infrastructure,
- higher quality of services provided,

⁷¹ After: R. Cieślak, B. Korbus, [Public-private partnership. From an idea to the choice of a private partner](#), group work, [materials](#) from the collection of the Ministry of Economy, Warsaw 2014; B. Korbus B., M. Strawiński, Public-private partnership. A new form of performing public tasks, LexisNexis Publishing House, Warsaw 2009; B. Korbus, T. Srokosz T., M. Wawrzyniak M., [Public-private partnership. Guide](#), Public Procurement Office, Warsaw 2010; K. Płonka-Bielenin, T. Moll, Public-private partnership. Commentary on the act on public-private partnership, Wydawnictwo Difin, Warsaw 2012; [Assessment of the Value for Money - VfM ratio. Overview of approaches and key concepts](#), EPEC, European PPP Knowledge Center, Warsaw 2017.

- improving the operation of public administration,
- better [allocation](#) risk,
- enforcing transparency of procedures,
- increased [potential](#) innovative and technology transfer.

Defects:

- high complexity of procedures,
- [susceptibility](#) against corruption,
- higher [costs](#) related to the implementation of the project,
- bad risk sharing,
- changes in the economic situation on the market,
- [uncertainty](#) as to the choice of a private partner,
- loss of public control over the process of providing services,
- political turmoil.

EFFECTIVE DECISION MAKING IN THE PUBLIC ADMINISTRATION

Decision-making it is a procedural feature of the management process with multiple economic and psychosociological conditions⁷². Decision-making can be considered in two senses⁷³. It is complex in the broadest sense process consisting of: registration and rating information, identification the decision problem and the application of the adopted selection criterion, determination and issuance of a decision (decision task) and registration of information about its implementation. In the second - narrow sense - making decisions is only one of the stages of the decision-making process and means a conscious act of the will of the decision-maker who makes a non-random selection of one from the set of possible variants solving the decision problem (variants these obviously need to be identified or designed in advance).

System model of the organization - this model based on the importance of data and observations in the decision-making process. although this model does not directly address managerial decisions at the strategic management level, the flows of processes and data also reflect the flows for this decision category.

The decision making process consists of the following steps:

- ⇒ identification of the decision-making situation,
- ⇒ identification and design of decision variants,
- ⇒ evaluation of the designed variants and selection of the rational variant,
- ⇒ creating conditions for the implementation of decisions,
- ⇒ control the effects of the decision made.

Each of these stages requires satisfying specific information needs, and the continuous flow of relevant information is possible only with an efficiently operating information system. The simplest form of decision making is a sequence of three steps:

- ⇒ the first stage - identifying the problem, i.e. determining the causes, effects and probable solutions,
- ⇒ stage two - projects decisions, i.e. developing variants of the optimal solution,
- ⇒ third stage - selection of the final decision, i.e. selection of the best option consistent with the previously established criteria.

⁷² J. Targalski, Decision making, [in:] Organization and management, edited by A. Stabryła, J. Trzcieniecki, Warsaw PWE, 1986, p. 194.

⁷³ R.W. Griffin, Fundamentals of organization management, PWN, Warsaw 2002; E. Kowalczyk, G. Roszyk-Kowalska G., Man in the organization of the 21st century. Challenges for modern management, Student Scientific Association of Business Psychology, Poznań 2016; I.L. Janis, L. Mann, Decision making: A psychological analysis of conflict, choice, and commitment. Free Press, London 1997.

Classification decision constitutes an important element in identifying decision problems. Classifying decisions is extremely difficult due to their enormous number and variety. The following main types of decisions made can be distinguished⁷⁴: [strategic decisions](#), [tactical decisions](#), [operational decisions](#).

Diagram 10: Stages of decision-making processes in an organization



Source: <https://www.umassd.edu/fycm/decision-making/process/>

For example, decisions of a public company in the area of costs include: analysis of significant and insignificant costs, production costs, issues of economies of scale, optimization of enterprise costs or calculation of the company's profitability threshold. The company's decisions in conditions of uncertainty include: uncertainty and risk analysis, risk quantification, risk propensity, selection of decision-making methods used in uncertainty, and elements of game theory⁷⁵.

Decision categories by role in the management process are operational, tactical and strategic decisions. Decisions in terms of the degree of risk include decisions made under conditions of certainty, decisions made under conditions of risk and decisions made under conditions of uncertainty. Decisions

⁷⁴ Source: R.W. Griffin, Fundamentals of organization management, PWN, Warsaw 2002.

⁷⁵ Cf., inter alia R. Milewski, Elementary issues of economics, PWN, Warsaw 2008; G. Morgan, Images of an organization, PWN, Warsaw 2005; E. Moroz, Fundamentals of Microeconomics, PWE, Warsaw 2005; T. Napierała, SWOT analysis in a small tourism enterprise. A new look at the old method, "Tourism and Hospitality", No. 14/2008; A. Noga, Theories of Enterprises, PWN, Warsaw 2009.

made in terms of degrees of innovation are routine, adaptive, innovative and regressive decisions. According to the degree of programmability, we can distinguish programmed and non-programmable decisions.

In the planning process, the first decisions are made, which are then strengthened and corrected as needed. Decision-making in the management process is the foundation of all managerial activities. Decision-making also occurs in other functions, such as organizing, running, modifying and controlling, essential for the smooth running of a company and public organization. The term "decision" has two basic meanings. First, it determines the result of a particular choice. Second, the deadline, the decision may concern the selection procedure itself. Therefore, specific economic conditions that determine making such and not another decision are important. The PD decision-making process can be represented by the following formula:

$$PD = [P, S, W, H]$$

where:

P - stands for the decision-making entity, i.e. who makes the decisions (decision maker).

S - set of decision situations (set of conditions).

W - a set of results necessary to make a choice and determine whether the right decision has been made in order to obtain the right results.

H - a set of hypotheses about future situations that shape the decisions made.

Due to the type of information that the decision-maker has, we can distinguish the following decision-making situations⁷⁶:

1. Making decisions under conditions of certainty (comfortable situation - we have full and symmetrical information to make a decision).
2. Decision making under risk conditions (the most common situations in managerial economy). Let us operate on incomplete and often asymmetric information.
3. Making decisions in conditions of uncertainty. Most of the real situations of the organization fall into this category, especially when they relate to issues of strategic decisions. Our information regarding the future economic situation (micro and macro) is subject to a large possible error. In conditions of uncertainty, our information about the reasons for making a decision is incomplete, not always true and often we do not have it or we use ex post information.

⁷⁶Source: F.W. Samuelson, G.S. Marks, *Ekonomia i Zarządzanie*, PWE, Warsaw 2009, pp. 24-31; J.E. Stiglitz, *Economics of the public sector*, PWN, Warsaw 2001; J. Stoner, *Kierowanie*, PWE, Warsaw 2004; A.F. Stoner, Ch. Wankel, *Management*, PWE, Warsaw 2001.

In practice, the last two decisions (2, 3) are not distinguished and we are talking about deterministic and stochastic situations. When making decisions, one should also take into account the fact that the competitor modifies his previous decisions and tries to predict the decisions made by his competitors (close and distant). The decision-making process in which all its stages are clearly defined is called algorithmic, and the method of its implementation is a typical algorithm, i.e. a set of operating rules that defines the method of solving a given problem in a finite number of steps.

METHODS OF ANALYSIS OF THE ENVIRONMENT OF A MODERN ORGANIZATION - SWOT / TOWS ANALYSIS

SWOT analysis it is commonly and mainly used in public units, in strategic management, when building the strategy of a given organization. It is a diagnostic tool, i.e. it is used at the very beginning of the process of determining strategic plans.

Analysis of the organization's situation- this is a procedure aimed at revealing all opportunities (possibilities of action) and threats in the environment as well as the assessment of the competitiveness of own resources and the current market position of the enterprise. The analysis therefore boils down to two issues:

- ⇒ analysis of the market environment (macro-environment, competitive environment, development trends),
- ⇒ analysis of the company's marketing resources (staff, participation in the market, attractiveness of the offer, price position companies, distribution systems, promotional activities).

The key element used in the analysis of the company's situation is the SWOT analysis. It is a comprehensive method used to study the environment of the organization and analyze its interior. This analysis consists in examining and then confronting the strengths and weaknesses of the organization as well as opportunities and threats in the environment. For this purpose, an analysis of the distant and closer environment as well as an analysis of the company are carried out.

The name SWOT comes from the first letters of the English words:

- ⇒ Strengths - strengths of the company - awareness of strengths, opportunities created by the environment allows for their greater use. They define specific predisposition enterprises to carry out tasks that will bring its greatest profits and which are a tool in the fight against competition.
- ⇒ Weaknesses of the company "indicate areas in the company that should be given special attention as they create opportunities for an effective attack from the competition.
- ⇒ Opportunities - chances occurring in the environment - these are the situations when undertaking has opportunities for particular achievements and the possibility of development, with little risk of the emergence of threats.

- ⇒ Threats - threats occurring in the environment - identifying such threats allows you to avoid activities that may be harmful to the company and bring losses.

The SWOT analysis is based on an exhaustive study of four areas:

1. Competition analysis companies.
2. Identification trends in the company's industry.
3. Rating the company itself.
4. Study of current and potential customers companies.

The advantages of the SWOT analysis include⁷⁷:

- ⇒ comprehensiveness - one matrix presents all the factors determining the development potential of a given organization;
- ⇒ allows you to focus on the most important strategic factors;
- ⇒ versatility;
- ⇒ enables an easy transition from the analysis stage to the planning stage;
- ⇒ forces the recognition of strengths and weaknesses within the organization, and in the environment of threats and opportunities;
- ⇒ it allows to distinguish between factors that are influenced by the organization and should focus its attention on, and those that it has no influence on, but must take them into account when defining the strategy.

Critics of using this method indicate, inter alia, that:

- ⇒ its results are subjective, too banal and obvious;
- ⇒ no evidence of its effectiveness;
- ⇒ it is too much to divide the factors into two categories, namely positive and negative
- ⇒ simplification;
- ⇒ there are factors that do not fit into any of the four categories;
- ⇒ lack of analysis of the causes of weaknesses;
- ⇒ outsourcing a SWOT analysis to an external company may result in a failure
- ⇒ matching the results of the analysis to a given organization.

SWOT it is a universal tool that can be used in various organizations, both business and non-profit, and public administration units. It can be used at the level of the entire organization or its part, which is justified as there may be significant differences at the level of organizational units or units. In such a case, the factor of over-generalization of the analysis results is eliminated. It should also be emphasized that the results of the SWOT analysis may be the starting point for the use of other tools supporting the management of a given unit.

⁷⁷G. Gierszewska, M. Romanowska, Strategic analysis of PWE enterprise, Warsaw 2009, p. 190; M. Jastrzębska, M. Janowicz-Lomott, K. Łyskawa, K., Risk management in the activities of local government units, with particular emphasis on catastrophic risk. Wolters Kluwer, Warsaw 2014.

TOWS- is a method of strategic analysis used to study the environment of an organization and to analyze its interior. It is synonymous with the concept of SWOT analysis, but the acronym of English words is to be arranged in such a way as to emphasize the problem-solving sequence of the strategy formulation processes.

Principles of TOWS analysis are based on a simple classification scheme: all factors influencing the current and future position of the organization are divided into: external to the organization and having the nature of internal conditions, and having a negative impact on the organization and having a positive impact. From the intersection of these two divisions, four categories of factors arise:

- 1) **External positive - opportunities,**
- 2) **External negative - threats,**
- 3) **Internal positive - strengths,**
- 4) **Internal negative - weaknesses**

The TOWS analysis consists in identifying the four groups of factors, describing their impact on the development of the organization, as well as the possibilities of the organization to weaken or strengthen the strength of their impact. The incident of opportunities and threats with the strengths and weaknesses of the company allows you to determine its strategic position, and can also be a source of interesting strategy ideas.

Heinz Weihrich distinguished 4 model strategic situations of the organization depending on the advantage of a given group of factors (positive or negative) in the environment and inside the company and 4 model types of strategies corresponding to these situations⁷⁸:

⇒ **SO situation - maxi-maxi strategy**

The situation concerns the enterprise within which strengths prevail, and in the environment - opportunities. This situation corresponds to the maxi-maxi strategy: strong expansion and dynamic development.

⇒ **WO situation - mini-maxi strategy**

We are dealing here with a company that has an advantage of weaknesses, but is favored by the arrangement of external conditions. Its strategy should be to take advantage of these opportunities while reducing or improving weaknesses within the organization.

⇒ **ST situation - maxi-mini strategy**

The source of the company's development difficulties is the unfavorable system of external conditions (predominance of threats). The company

⁷⁸As cited in: R. Stachelek, Analiza SWOT and the TOWS analysis - advantages and disadvantages; <http://zarzadzanie-blog.blogspot.com/2012/05/analiza-swot-analiza-tows-wady-i-zalety.html>

can oppose it with great internal potential and try to overcome threats using its strengths to the maximum.

⇒ **WT situation - mini-mini strategy**

In such a situation, the company has no development opportunities. It operates in a hostile environment and has little potential for change. It has no significant strengths that could counteract the threats. In the pessimistic version, the mini-mini strategy comes down to liquidation, in the optimistic version - to trying to survive or connect with another organization.

Diagram 11: TOWS analysis diagram

	STRENGTHS	WEAKNESSES
OPPORTUNITIES	S / O	S / T
THREATS	W / O	W / T

Source: Stachelek R., SWOT analysis versus TOWS analysis - advantages and disadvantages; <http://zarzadzanieblog.blogspot.com/2012/05/analiza-swot-analiza-tows-wady-i-zalety.html>

Diagram 12: TOWS / SWOT analysis

<div> <div>Internal elements</div> <div>External elements</div> </div>	Organizational strengths	Organizational Weaknesses
	Strategic options	
Environmental opportunities (and risks)	S-O: Strengths can be used to capitalize or build upon existing or emerging opportunities	W-O: The strategies developed need to overcome organizational weaknesses if existing or emerging opportunities are to be exploited
Environmental threats	S-T: Strengths in the organization can be used to minimize existing or emerging threats	W-T: The strategies pursued must minimize or overcome weaknesses and, as far as possible, cope with threats

Source: <https://quizizz.com/admin/quiz/607ee7a00cef15001b0f4749/swot-tows-analysis-applied-economics-12>

PROCESS MANAGEMENT IN PUBLIC ADMINISTRATION

Process approach is based on the assumption that activities should be optimized taking into account processes, not functions, therefore the process is a natural determinant of achieving an increase in the efficiency of a modern organization. Streamlining operations based on the analysis of processes allows for the dynamization of the organizational system.

Systemic mechanism of the organization functioning. It makes its members aware that it is a kind of ecosystem of elements with a complex system of interdependencies. Interference with even one element of the system can destroy the logic of its functioning and threaten the existence of the whole. The basic principle that is used to build the configuration of team activities is their division into elements so that they become understandable and can be quickly mastered by a human. Such a category is a process, treated as a dynamic object around which a system of intra-organizational relations is built.

Process approach puts emphasis on translating the strategic goals of the organization into process goals, meeting customer needs, reducing the costs of the company's operations, as well as increasing the quality and shortening the time of task completion. It is based on the assumption that you should optimize activities taking into account processes, not functions, and therefore the process is a natural determinant of achieving an increase in the efficiency of a modern organization. An important role in the process approach is played by the process owner (process manager), who is responsible for the effects of the entire process, and also has the appropriate powers to coordinate its implementation. Has appropriate knowledge of the process, is able to design its course and has the appropriate authority to introduce changes⁷⁹.

A process-oriented organization can be considered when:

- ➔ processes have been identified, the number of which should not exceed several dozen,
- ➔ process connection maps have been built,
- ➔ there is a system for measuring the results of processes,
- ➔ the process of process management is carried out, aimed at their permanent improvement.

⁷⁹ A. Bitkowska, [Business process management in the enterprise](#), VIZJA PRESS & IT, Warsaw 2009, pp. 16-26.

Features of the process organization:

- ➔ internal implementation of the principles of mutual relations in the client-supplier system, which in practice entitles the members of the process organization to negotiate between themselves the conditions of implementation and reception of the effects of work of business partners,
- ➔ team nature of work performed in the process organization, which means broadening its subjectivity,
- ➔ designing the course of operations in processes adapted to the contract in order to obtain the maximum effect of adapting the process organization to the complex level of meeting customer expectations,
- ➔ empowering implementers to make the necessary decisions and actions in the performance of operations in processes, which allows the client to be brought closer to the contractor, the creator of the added value of the product or service,
- ➔ configuration of the organizational structure, taking into account the "pro-customer" orientation of intra-organizational relations.

Process orientation of management systems was created as a response to the common, static view of the logic of the organization's functioning. The division of the internal organizational structure into independent divisions, units and positions facilitates assigning them tasks, competences and responsibilities.

There are the following reasons why companies decide to redirect their company's vision towards process solutions:

- ➔ the tasks performed do not relate to the company's value,
- ➔ in most companies, no one manages the processes and no one is responsible for them,
- ➔ companies have a significant level of bureaucracy (e.g. complicated document workflow or task description), which makes it difficult to operate efficiently,
- ➔ many different procedures and instructions are created in companies, which means that knowledge about functioning is dispersed,
- ➔ no one can coordinate one whole process, there are many people involved in the processes, but it is not the work of one functional department,
- ➔ processes divided into fragments and specialized structures are usually too inflexible for companies to react to significant external changes,
- ➔ no control of the effectiveness of processes (costs, quality, time).

What is the difference between process management and classic organization management. In practice, we encounter two management models: functional (traditional) and process-based. Each of them is characterized by a different way of achieving the assumed strategic and operational goals. Functional management is getting more and more difficult. It is influenced by the dynamics

of the market and the environment. On the other hand, process management causes many difficulties for organizations related to the correct modeling of processes, transformation of employees' approach and shaping process maturity.

Functionally managed organizations base their activities on the implementation of individual tasks leading to the achievement of the assumed goals, while minimizing the costs and expenditures. All departments in the company are responsible for the final product, but only in the scope of performed tasks. Employees specialize in assigned duties that can be easily assigned and controlled. Optimization through technology and specialization take place within departments and their own structures. The effect is achieved through a scale that allows you to focus on the entrusted area of operation.

Process management it is always about treating all tasks in the organization as some kind of sequence of sequences that are grouped within one process. The goal of the organization is to satisfy the customer's needs as fully as possible by implementing its own strategic and operational goals, defined on the basis of the added value of goods and services manufactured for the customer. Such a structure of tasks generates greater operational efficiency, more effective use of resources and potential of employees and a structured increase in their competences. The efficiency of the company's operations is verified and implemented by identifying, designing and optimizing processes, standardizing activities and controlling their course. This approach gives the possibility of flexible adaptation to the environment and changes taking place in it.⁸⁰

There are two models of process implementation: revolutionary and evolutionary. The first of them comes down to process implementation - from the optimization of tasks performed by employees, and then to the definition of processes and their modeling. It often takes place without the participation of employees, and the processes themselves are defined by appointed specialists. In practice, it comes down to managing change and constant monitoring of its individual phases - from denial, through resistance, to acceptance, which often does not take place in relation to the entire organization. This leads to the lack of the expected results, frequent changes in the processes, the lack of an unambiguous role of the process owner and problems in obtaining reliable management information. The second model of process implementation - evolutionary - begins with building process competences in the organization and appointing teams. Their goal is to define processes, defining goals and places of influence on other processes. Only on this basis, process owners are identified, processes and their measures are modeled. They are implemented with

⁸⁰Source: M. Kohlbacher, The effects of process orientation: a literature review, *Business Process Management Journal* 2010, No. 16 (1), pp. 135-152; M. Kohlbacher, S. Gruenwald, Process ownership, process performance measurement and firm performance, *International Journal of Productivity and Performance Management* 2011, No. 60 (7), pp. 709-720; T. Hernaus, VB Vuksic, MI Štemberger MI, How to go from strategy to results? Institutionalising BPM governance within organizations, *Business Process Management Journal* 2016, No. 22 (1), pp. 173-195.

the involvement of all employees affected by the change. A practical factor in employee involvement is writing process instructions, assessing the optimality of defined process steps, as well as the reliability and complexity of the measures used. Each change of the organizational culture is a challenge in itself, so it is worth defining precisely the purpose of the first stage of the implemented process - it is to show the weaknesses of the tasks performed and ensure the possibility of changing, improving and improving them. The model prepared in this way is ready for the next two stages: improvement and optimization. Only on this basis, process owners are identified, processes and their measures are modeled. They are implemented with the involvement of all employees affected by the change. A practical factor in employee involvement is writing process instructions, assessing the optimality of defined process steps, as well as the reliability and complexity of the measures used. Each change of the organizational culture is a challenge in itself, so it is worth defining precisely the purpose of the first stage of the implemented process - it is to show the weaknesses of the tasks performed and ensure the possibility of changing, improving and improving them. The model prepared in this way is ready for the next two stages: improvement and optimization. Only on this basis, process owners are identified, processes and their measures are modeled. They are implemented with the involvement of all employees affected by the change. A practical factor in employee involvement is writing process instructions, assessing the optimality of defined process steps, as well as the reliability and complexity of the measures used. Each change of the organizational culture is a challenge in itself, so it is worth defining precisely the purpose of the first stage of the implemented process - it is to show the weaknesses of the tasks performed and ensure the possibility of changing, improving and improving them. The model prepared in this way is ready for the next two stages: improvement and optimization. affected by the change. A practical factor in employee involvement is writing process instructions, assessing the optimality of defined process steps, as well as the reliability and complexity of the measures used. Each change of the organizational culture is a challenge in itself, so it is worth defining precisely the purpose of the first stage of the implemented process - it is to show the weaknesses of the tasks performed and ensure the possibility of changing, improving and improving them. The model prepared in this way is ready for the next two stages: improvement and optimization. Therefore, it is worth precisely defining the goal of the first stage of the implemented process - it is to show the weaknesses of the tasks performed and

ensure the possibility of their change, improvement and improvement. The model prepared in this way is ready for the next two stages: improvement and optimization. Therefore, it is worth precisely defining the goal of the first stage of the implemented process - it is to show the weaknesses of the tasks performed and ensure the possibility of their change, improvement and improvement. The model prepared in this way is ready for the next two stages: improvement and optimization.

PROCESS MANAGEMENT - KEY BENEFITS FOR THE ORGANIZATION AND ITS STAKEHOLDERS

Service quality- many companies have never measured the quality of services before implementing the process. Meanwhile, the transparency of this element is crucial for assessing the value of process management and building value for the customer. Quality comes down to continuous monitoring of results, compliance with safety procedures and the development of team expertise. The interdisciplinarity of employees and their orientation towards understanding business needs becomes a vehicle for success.

Work efficiency- becomes the basis of business. It is measured by the adequacy of processes, standardization of tasks, elimination of unnecessary activities, transparency of procedures and rules of operation. Understood and implemented in this way, it leads to the optimization of structures and an increase in business efficiency.

Organizational flexibility- indicates its ability to adapt to the environment, but also openness to changes taking place in it. Such a possibility is provided by systems and the speed of access to data, effective implementation of new solutions, and the ability to adapt resources to the market situation.

Risk mitigation- it is most often omitted in strategic management within functional, traditional structures. In the process model, the risk is transferred to process steps and measurement and analysis systems. The availability of comprehensive management information allows not only to limit the risks from inside the organization, but also to flexibly react to risks coming from the outside.

Costs- their reduction takes place on the basis of the scale effect, consolidation of task handling and their synergy. Employees' competences and skills, which when properly grouped, become an effective economic indicator, also have a significant impact on cost reduction.

Each tool is used in order to best achieve the intended goals. When observing the changes taking place on the market, it is good to use proven methods that increase the market efficiency and competitiveness of the company. The certificate of quality and credibility of the process management method is confirmed many times by the effectiveness of its application in practice⁸¹.

In general, the following sources of problems in the organization can be identified:

⁸¹ <https://bpo.impel.pl/czytelnia/dyszne-warto-wdrozyc-zarzadzanie-procesowe,news,357,1712.php>

- ➔ Inability to quickly execute customer orders by the manufacturer - this goal is unattainable due to the existence of ineffective, extensive, multi-stage distribution systems.
- ➔ The problem of the efficiency of a specific department and the efficiency of the entire enterprise - the improvement of a specific activity or department often leads to a reduction in the efficiency of the entire enterprise.
- ➔ The problem of collective (project) work that requires coordination of the work of many departments of the enterprise.
- ➔ Lack of people managing work of key importance for the company - in the modern company model, specialization applies, i.e. the division of the process into the simplest tasks, which is associated with the division of responsibility for the performance of its individual parts. In this case, however, there is no person responsible for the entire performance of the task.
- ➔ Increase in the importance of customers - nowadays it is not the manufacturer who decides which product to offer to customers and at what price. It is the customer who dictates the price and properties of the product, and if they do not suit him, he is ready to buy the competitor's product.

How can these problems be addressed and reduced?

What steps and what procedures can be taken. Examples of disruptions to the smooth and efficient operation of an organization may include⁸²:

- ➔ problems with quick decision making,
- ➔ ineffective cooperation between departments of the company,
- ➔ bureaucracy and an excess of manual work that makes it difficult to perform tasks,
- ➔ employees perform their activities in an unstructured manner, without due standardization,
- ➔ efficiency and profitability decrease,
- ➔ customers are dissatisfied and raise concerns regarding time and quality, service performance and the value in use of products,
- ➔ inefficiencies in the functioning of the processes are noticeable, but they are difficult to accurately identify.

For example, the process management implementation procedure may include the following steps:

Stage I

1. Analysis of business processes and performed activities.

⁸² Based: <https://www.crowe.com/pl/services/konsulting/zarzadzanie-procesami>

2. Description of selected customer processes, indication of areas of ineffectiveness and possible optimization.
3. Modeling of target business processes.

Stage II

1. Implementation of recommended changes at the client's.
2. Training and workshops for the client's employees involved in changes.

Stage III

1. Change management in the organization.
2. Change monitoring and post-implementation audit.

Process management brings the following benefits:

- ➔ identification of process inefficiencies and areas requiring improvement,
- ➔ indication of optimal solutions and cost savings,
- ➔ cost reduction,
- ➔ shortening and streamlining processes and information flow,
- ➔ improvement of cooperation between departments in the company,
- ➔ implementation of a system of measures (productivity, quality control, timeliness, etc.),
- ➔ standardization of work,
- ➔ increasing employee awareness of key business processes,
- ➔ increasing knowledge of the costs of a given process and ways to optimize its profitability and profitability,
- ➔ eliminating unnecessary activities and limiting those performed redundantly,
- ➔ increase in the company's efficiency and the accuracy of strategic decisions.

Process management should include the following functions according to the Deming cycle called the PDCA cycle (plan → execute → check → act).

Plan- this is the stage of formulating a hypothesis. It is necessary to precisely define the action plan (what we want to do), define the goals and present the expected results (what we expect to achieve).

Down- test of the hypothesis. The planned activities should be implemented, after which the process should be subjected to careful observations, and the collected data should be thoroughly analyzed.

Check- comparison of the actual results obtained when testing the hypothesis that the expected results.

Act- if you have not achieved the expected results, restart the cycle. Verify the plan, goals and method of operation. Make the necessary corrections to it. Test the hypothesis and compare the results. If it turns out that the assumptions have

been met, it is necessary to act towards maintaining the developed solution. Develop standards for practices resulting from the cycle.

After effective implementation of all stages, the company will know which processes occur in individual departments and which of them are key (by defining processes and combining them). An important benefit is also the implementation of substantive management based on data, and not on the opinion of others. This new management style allows you to achieve realistic goals and verify their achievability on the basis of hard data.

DESIGNING A PROCESS ORGANIZATION - INCREASING MANAGEMENT EFFICIENCY

The use of the algorithm sequence of the classical formula of conduct in the process of designing a process organization is a good starting point for seeking answers to the above questions. When designing a process organization from scratch, the following stages of activities can be distinguished:

Stage 1. Defining the purpose of the organization's operation.

At this stage, the types of production and / or service activities that the company intends to implement should be identified. In fact, the main implementation competencies of the future organization are determined as well as the products and markets (potential customers) on which it will operate. For the purposes of designing an organization, a complete set of activities and assumed implementation possibilities are established.

Stage 2. Identification of processes in the area of megaprocesses distinguished according to the customer (recipient) criterion.

The area of the organization's operation is divided into two key mega-processes. This division takes place using the customer (recipient) criterion of the effects of the process. The first is a basic mega-process aimed at creating value for an external customer. The second mega-process is created in order to implement activities aimed at satisfying the needs of internal customers. The decomposition of these mega-processes marks the boundaries of the component processes. Identification of processes in the area of mega-processes takes place on the basis of the implementation competencies we want to have in the company, formulated in the previous stage. Organizational system designers specify the processes included in the distinguished mega-processes.

General rule- what should be followed at this stage is the identification of processes with a wide range so that a structure can be built around them. In principle, each process should be carried out by one organizational area (team), although conditions may arise justifying another solution, e.g. locating one process in several organizational links or several processes in one implementation team.

It all depends on the conditions in which the organization will operate and the level of flexibility and variability of the internal configuration of the structure assumed by its creators.

The result of the design work carried out at this stage is the definition of the implementation areas, i.e. teams and their organizational assignment.

At this stage of designing, the shape of the structure is determined in order to record the course of the processes according to the adopted convention of

building the process structure. This procedure is different from that proposed in other procedures, where it is assumed at the design stage of processes to overlay descriptions of their course on functional systems, which significantly limits the possibility of changing the shape of the structure from functional to process.

Stage 3. Designing the course of reference processes - creating process maps.

Design activities at this stage consist in determining the operations included in each of the identified processes. Designing a complete set of activities that must be implemented in a given process is the basis for obtaining a complete picture of its course.

As a rule, each designed process is a point of reference for its future implementers and should include the possibility of quick change, if these are the expectations of customers and the possibilities of the organization. Sometimes the boundaries of such changes are defined, i.e. the boundary conditions of the change.

The parameters of a well-designed process should include values such as:

- ➔ duration of individual operations,
- ➔ the cost of their implementation,
- ➔ implementation cycle,
- ➔ quality,
- ➔ executor (position or positions, team),
- ➔ necessary equipment.

The development of process flow projects allows for the estimation of their labor consumption and thus the determination of the number of necessary organizational positions in individual teams, as well as the possible correction of process boundaries. The result of the design work at this stage is the development of process maps.

The shape of the structure is changeable at the time of its design and may arise in parallel with creating the course of processes. Such action, although difficult and requires a great deal of intuition, is nevertheless consistent with the nature of the construction and subsequent operation of the process organization.

Designing such an organization is in fact a permanent process, which results from the dynamics of the processes themselves.

Stage 4. Development of process measures and rules for internal market relations.

Process measures are used to evaluate the effectiveness of their operation, and thus to verify the course, methods and behaviors of implementers. Measurement of process effectiveness is a very important element of monitoring the effectiveness of a process organization. Process measures are developed in

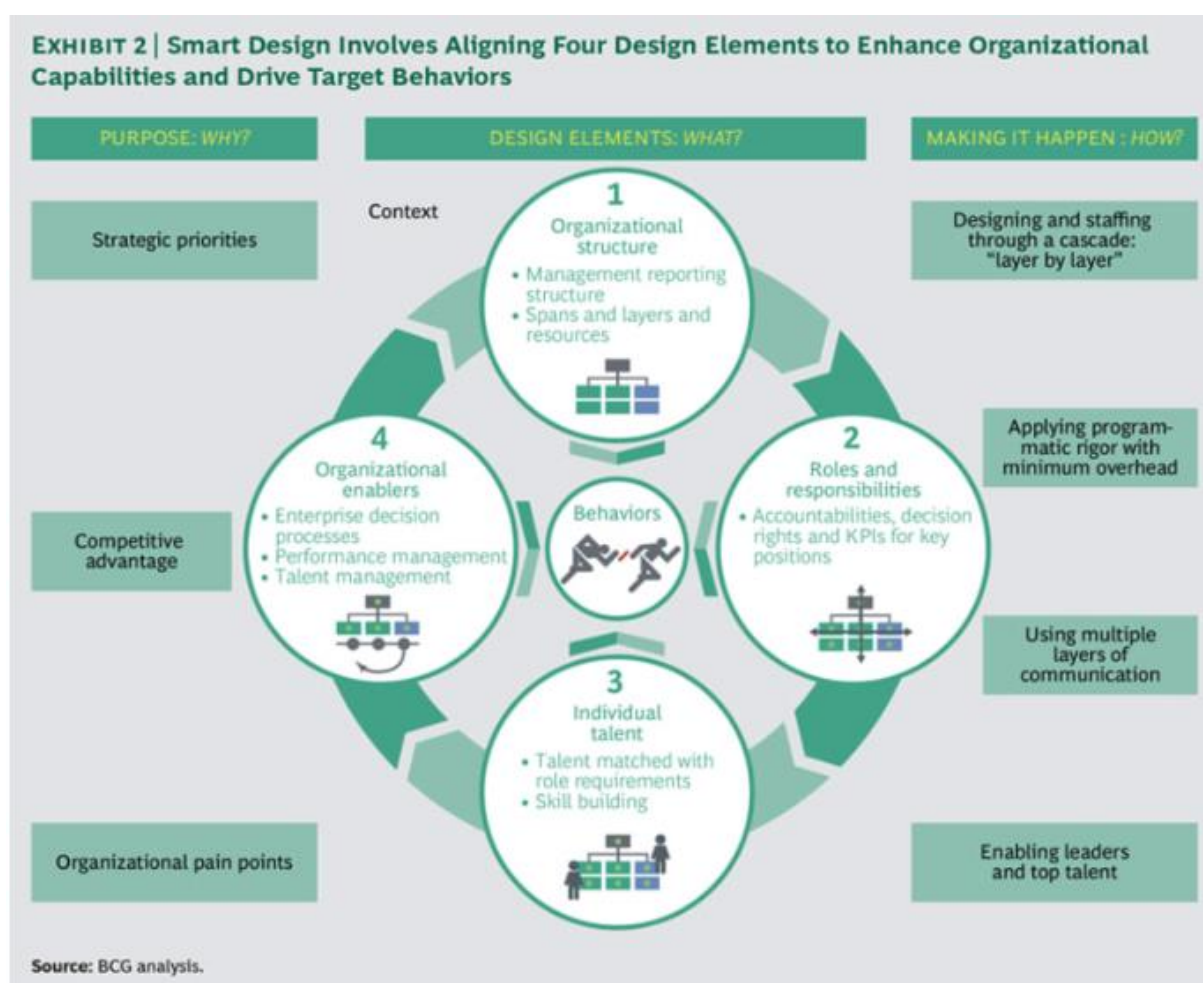
accordance with the principle of measuring the effects expected by customers of a given process. In order to maintain the internal consistency of the measures, measures are first developed for the entire enterprise, then for megaprocesses, and then according to the sequence of dependencies of the customer-supplier relationship for individual processes.

Internal market relations refer to establishing rules for conducting transactions between processes. It consists in establishing the rules for negotiating the provision of internal services. This applies to parameters such as: the quality of the expected services, the frequency of their provision, the price of implementation, the implementation procedures used and others resulting from the specificity of the product. Depending on the maturity of the organization, i.e. the degree of preparation for internal marketization, all or selected parameters defining its scope can be used. Internal marketization supports restructuring processes in the process organization on the basis of actual, market verification of all (or selected) organizational links. It is assumed that these areas of its activity are separated beyond the boundaries of the organizational system, which are negatively verified in the internal market game. The scope of internal marketization should increase with the duration of such a system, up to the level deemed optimal for a given organization.

Stage 5. Development of an IT support system for the organization's operation.

Such a system should provide all members of the organization with access to the vast majority of data and information (subject to the possibility of obtaining company secret data). The starting point for designing such a system is process design. Each operation in the process is assigned the corresponding functions of the IT system. The IT system supports the flow of information during the process and facilitates its management. One of the important features of such a system is its ability to quickly introduce changes to processes, with immediate notification of all parties grouped in the network of institutions. Designing the process organization, due to its nature, must take into account the parameters of its operation slightly different from traditional ones. This applies in particular to the development of processes, their measures and principles of internal relations based on market parameters. Table 8 presents the course of project activities, characteristic for the process organization and the cycle of building a model of teamwork.

Diagram 13: Stages in the organization design cycle



Source: <https://pingboard.com/blog/organizational-design-101-what-to-know-before-attempting-your-own/>

The main difference in designing the process organization and the classic (functional) organization comes down to the application of the criteria for building areas of activity. In the classic construction cycle, the following similarity criteria are used: tasks, execution time, place of execution of tasks or psychophysical characteristics of people. In the process organization, the dominant criterion for building structural elements (mega-process areas) is the type of customer (recipient), and then, within these areas, the type of the identified process.

The criterion for grouping implementers in process teams is a type of executive specialization necessary to perform a given operation (or groups of operations). This means that in one process team, contractors with different specialties are grouped, i.e. those that are necessary to carry out the process. The characteristics of the process may affect a greater or lesser level of this differentiation, but in no case is the specialization similarity a dominant criterion in creating structural areas of the process organization.

Another difference results from the essence of the process organization, i.e. directing all members of the organization to meet the client's expectations. By nature, these expectations are variable, and more importantly - individualized.

In designing an organization, this translates into the need to create solutions with a low degree of formalization, limited to recording the areas of activity (teams), the course of processes and the principles of internal marketization. Since the market success of the 21st century company will be determined by two basic parameters, i.e. the speed and flexibility with which enterprises will adapt to the changes taking place, and the potential for innovation, in designing the organizational structure, its programmed liquidity must also be taken into account.

Traditional structures with an extensive hierarchy, high inertia without teamwork formulas, risk aversion and a high level of conformism to the applicable procedural standards require a high level of limitation of members' freedom of action, implemented by means of a network of instructions in the form of instructions. The effectiveness of such an organization is determined by formal ties between employees. It is completely different in modern structures based on process formulas, where informal ties, the tendency to risk and experiment, and accumulate knowledge in order to stimulate innovation play an important role.

Designing a process organization it is the preparation of people focused on the changing conditions of taking up challenges in the environment to act in it. The model of such an organization should create a quick adaptability, group the competence centers capable of multi-stakeholder and relatively autonomous activities, and the ability to operate in network structures. The business strategy, based on the maximization of value for the client and return on the invested intellectual capital, leads to the construction of structure projects with a flat hierarchy, network connections with the environment, modular system of internal relations and low level of formalization.

PROCESS ORIENTATION AND PROJECT MANAGEMENT

Nowadays, project management is a complete and independent area of management knowledge, providing proven methods and tools that support the work of project team members.⁸³

Project, program and portfolio orientation these are the elements [competence](#) contexts developed by [International Project Management Association \(IPMA\)](#). In addition to the above-mentioned three elements, the contextual competences include, among others: [law](#) [finance](#) [HR management](#), [economic activity](#), health, security, safety and environment, as well as systems, products and technologies, and constants [organization structure](#).

Project orientation means the organization's orientation towards [management](#) through various types of projects [projects](#) and building employees' competences in this area.

Program orientation is based on achieving the goals of the organization through management by [programs](#) and developing [skills](#) and knowledge of employees in this field.

Portfolio orientation consists in centralized management of one or more [wallets](#), in order to achieve [goals](#) strategic organization⁸⁴.

Design approach it is implemented in organizations to make effective and efficient decisions. It makes it possible to run smoothly [monitoring](#) and evaluation of the tasks carried out, and thus increasing the chance of success of each stage of the project. [Change](#) how an organization is managed on a project orientation can be dictated by the growing [competition](#) on the market (changes in the market), the desire to succeed, or to quickly grow and develop. Management by projects is in fact different from the classical one [targeting](#) organization. It is worth noting that the projects are one-off, unique and unique, so each problem requires innovative solutions and an original approach⁸⁵.

Changing the way you manage your organization to a project-based style often requires training [employees](#) and [supply](#) their new ones [competences](#). [Business](#) it will start working on other types of methodologies, techniques and tools. Previous [business processes](#) in the enterprise will also need to be rebuilt. Often it will be necessary to create an additional functional unit supporting the implementation of projects, e.g. [project support office \(PSO\)](#).

⁸³ M. Oliński, Project management, University of Warmia and Mazury in Olsztyn, Olsztyn 2016.

⁸⁴ A Guide to the Project Management Body of Knowledge (PMBOK® Guide) - Fifth Edition, [Project Management Institute](#), Pennsylvania, pp. 9-10.

⁸⁵ R.K. Wysocki, Effective [project management](#). Helion Publishing House, Gliwice 2013, pp. 47-49; Polish IPMA® Competency Guidelines version 3.0, [Project Management Polska Association](#), Warsaw, pp. 134-135.

Management by projects - a set of activities including [planning](#), [decision-making](#), [organization](#), [conduction](#)i.e. [steering](#) people and [controlling](#) project-oriented and used with the intention of achieving [goals](#) organization in an efficient and effective manner. Project management has become a very popular management tool used in organizations today. This enabled the creation of appropriate techniques in the field of organization, controlling, [systems](#) motivational, which, supported by an appropriate organizational culture, resulted in an effective set of instruments, thanks to which it was expanded [range](#) actions from single [projects](#) to a larger number of them, therefore from project management to project management, which has become a customer-oriented management concept visible in all management functions: planning, organizing, people management and control. Applying this concept by [undertaking](#) it adapts it better to changing operating conditions and uncertain environment, especially in times of its dynamic development⁸⁶. Project management is a way to help teams keep track of all tasks to meet project requirements on time.

However, the very concept of 'project management' is a broad term, encompassing many types, methodologies and approaches, including:

- ⇒ **Agile project management.** [Agile methodology](#) is an agile project management approach popular with product, engineering and software teams. Teams working in accordance with the Agile methodology focus on continuous improvement, flexible response to changes, iterative approach and gradual development. Popular Agile methodologies include [Scrum and Kanban](#).
- ⇒ **The cascade model.** In the cascade model, tasks are performed one after another: only after one task is completed, can the next one begin, and so on. [The cascade model](#) includes six steps: Requirements Definition, Analysis, Design, Implementation, Testing and Maintenance. This model is best suited for projects where products and scope are constant because the cascade method is less flexible than other project management methodologies.
- ⇒ **PRINCE2 methodology.** PRINCE2 refers to "projects in controllable environments". IN [PRINCE2 project management methodology](#), project management is accomplished through seven processes: strategic project management, project preparation, project initiation, end-of-stage management, stage control, product delivery management, and project closure.
- ⇒ **Critical path method** (Critical Path Method - CPM) and the Probabilistic Project Planning and Review Technique (PERT). CPM and PERT are project management methods developed in the 1950s [CPM](#) is an algorithm by which it is possible to define a critical path between complex, linked

⁸⁶P. Cabała, Project Portfolio Management in an Organization. Concepts and directions of research. Mfiles.pl, Krakow 2018.

tasks within a specific time frame. Thanks to the CPM method, teams can identify the longest stretch of dependent activities. On the other hand [PERT](#) helps teams identify the critical path when the timeline and timeframe are unknown. In the PERT method, project managers identify all tasks that need to be performed (not just the critical path) to determine the minimum time needed to complete the entire project.

There is no one specific checklist for each item in project management. This is mainly because there are different types of project management, each with its own components, processes and formats.

In general, however, regardless of the methodology or project management tool used, each project must include:

- ⇒ Goals - Each project should have a specific goal or assumption. When setting project goals, take advantage of [SMART methods](#) to accurately measure the success of the project thanks to clear metrics and criteria.
- ⇒ Project plan - [Project plan](#) is a detailed plan of all the key steps that your team needs to complete to successfully achieve your project goals.
- ⇒ Budget - Most projects have a budget that limits and defines possible activities.
- ⇒ Project risk - Project risk is anything that can go wrong in a project. Examples may include exceeding the budget or not meeting the deadline. [Project risk management](#) is the practice of identifying hazards before starting a project in order to prevent them effectively.
- ⇒ Project Scope - At the planning stage, you also need to specify [scope of the project](#), i.e. its size, limitations, budget and goals. Knowing the scope of the project will help prevent the so-called [range creep](#) that occurs when the project's end products and tasks fall outside its scope.
- ⇒ Resource management plan - [Resource management plan](#) is a plan for how you intend to allocate resources for your team - whether it's employee bandwidth, technical tools or budget. Creating a resource management plan for a project can help you better manage and allocate your team's resources to maximize their availability.
- ⇒ Stakeholders - [Project stakeholders](#) are all people involved in your project. These can be members of cross-functional teams or management.

- ⇒ Timeline - Most projects have timeline- the date of commencement and completion of works on the project.
- ⇒ Project end products - Final products are materials, files or products that will be created at the end of the project timeline. Final products they may include advertisements for a brand campaign or new features developed in conjunction with a product launch.
- ⇒ Milestones - Milestones are important checkpoints that mark the completion of a group of tasks or the start of the next phase of the project. Unlike end products that represent a product or result, a milestone is an event over time.
- ⇒ Dependencies - Your project may also have dependencies that occur when one task doesn't start before another is completed. If your project has many dependencies, it may be helpful to display them in view of the Gantt chart formula that allows you to visualize all your work in a timeline.
- ⇒ Progress and Status Updates - Project management also requires sending progress reports as well status update its stakeholders. Effective reporting helps increase transparency and collaboration between cross-functional teams.

Diagram 14: 10 Project Management Knowledge Areas



Source: www.projectmanager.com

The implementation of projects is supported by institutions, processes and the external environment - e.g. companies implementing projects and project ma-

nagers. Together, I call these elements the Governmental Project Implementation System (GPIS). Governments (public sector) try to manage their project delivery systems to increase their effectiveness. These activities, by analogy to Organizational Project Management, I call Governmental Project Management (GPM)⁸⁷.

Public projects are those whose products are used publicly and their main goal is not profit. Private sector public projects are called charitable or philanthropic projects.

Government projects these are public projects implemented pursuant to decisions of public sector institutions. Public-private partnership projects are a good example of government projects.

The narrowest concept is public sector project. A public sector project is a government project for which a government agency is fully responsible for its implementation. The main risk of implementing such projects lies with the government.

Process⁸⁸:

1. The cycle begins with identifying the need for change (intervention) in a specific area. It may be a finding of an inappropriate level of education, too many road accidents, or not achieving sports successes. The need for change is analyzed by teams of practitioners, scientists and experts from a given area. The results of the work of expert teams are analyzed, reports and expert opinions.
2. Strategic policies are formulated on the basis of the reports. Strategic policy is a set of three elements: area of action, intention and intentions of action. The most important component of a policy is intention. For example, German immigration policy may be to accept all immigrants and open borders for this purpose, while Australian policy may be to not allow anyone to enter the country illegally and to build camps for immigrants on remote islands for this purpose. Intentions don't have to be measurable.
3. Strategic policies are turned into strategies. The main difference between politics and strategy is the measurability and uniqueness of the latter concept. Each strategy must have a set of specific, measurable goals related to time.

Strategies are implemented through the elements of a project approach to management: portfolios, programs and projects. A portfolio is a set of projects (which can be combined into programs) jointly managed to achieve strategic

⁸⁷ PMI, A Guide to Project Management Body of Knowledge (PMBOK® Guide) - Fifth Edition, Project Management Institute, Newtown Square 2013 (the main global project management standard; the author of the study is a co-author of this standard); R. Turner, M. Heumann, F. Anbari, C. Bredillet, Perspectives on Projects. Routledge, New York 2010, p. 1; PMI, The Standard for Program Management Third Edition, Project Management Institute, Newtown Square 2013 (the author of the study is a co-author of this standard); Gosling FG, The Manhattan Project. Making the Atomic Bomb, National Security History Series, DOE / MA-0002 Revised, US Department of Energy, Washington 2010; Gasik S., Project management in the public sector, Vistula Academy of Finance and Business, Warsaw 2017.

⁸⁸ P. Gershon, Review of civil procurement in central government, HM Treasury, London 1999; M. Latham, Constructing the Team, HMSO, London 1994.

business goals. Portfolios may or may not be part of the change implementation process. If an element of the strategy implementation are projects whose contractors are private companies, then they belong to the commercial portfolios of these companies (the main strategic goal of their implementation is profit), and not to the portfolios of public institutions. On the other hand, if public projects are fully implemented by public institutions, then they belong to the public portfolios of these organizations (the main business goal is to meet social needs) and are a component of the process of managing change in the public sector.

MODERN MANAGEMENT OF HUMAN RESOURCES IN THE ORGANIZATION - SELECTED ASPECTS

Creating an effective team is not simple and easy. The sum of outstanding individuals does not automatically become an outstanding group. People face many barriers to cooperation with each other, the first and most banal is that teamwork is not what develops in standard education. The ability to communicate with others plays a key role in effective team building. It is extremely important in motivating individual and team activities, as well as in group problem-solving during meetings, meetings, or other forms of group discussion. Group discussion is not a panacea for all problems, it has its advantages and limitations, just like individual team members.⁸⁹.

Diagram 15: Human resource management system in the organization



Source: https://pracezzl.wordpress.com/2012/09/30/system-zarzadzania-zasobami-pracy/#_ftn1

⁸⁹Handbook on human resource management, PARP, Warsaw 2010; RW Griffin, Fundamentals of organization management, PWN, Warsaw 2005.

Personnel strategy is a specific pattern that sets the directions and methods of making personnel decisions in the company. It is created as a long-term concept of employee resources, aimed at their proper shaping and involvement. Its purpose is to support the organization in achieving success.

There are two main principles that should be followed when creating an effective personnel strategy: the first is derived from the general strategy of the organization, the second - it strengthens the interests of both the employer and employees.

Each organization has its own specificity, therefore it is impossible to present one proven personnel strategy. However, using the available models of operation and adjusting them to specific needs, conditions and circumstances can bring very good results⁹⁰.

What kind of strategic activities does the personnel strategy cover? It should be mentioned above all about:

- ⇒ planning - how many and what employees we will need, which employees should be dismissed, which should be transferred to another department,
- ⇒ recruitment and selection - how will employees be recruited, from what sources,
- ⇒ employee development and improvement - what is the career in the organization, what are the promotion opportunities, what is the training strategy,
- ⇒ research on employee resources - what is the level of specific competences among the staff, whether the actions taken have brought the desired effect,
- ⇒ motivating and rewarding employees - what is the remuneration system in the organization, on what activities will the organization's motivation system be based,
- ⇒ evaluation system - how will employees be assessed, by whom, according to what criteria,
- ⇒ the manner of dismissing employees - how to proceed when dismissing personnel.

According to the above principles of the personnel strategy, each of the above activities should be closely related to the general functional strategy of the company.

When creating a personnel strategy, its main goal should be kept in mind - better use of human resources. The connection with the general functional strategy

⁹⁰ H. Król, A. Ludwiczński, Human Resource Management. Creating the human capital of the organization, PWN, Warsaw 2021.

tegy of the company cannot be forgotten either. Awareness and understanding of the latter is extremely important because it allows you to define the key driving forces of a given business. Thanks to this, it is also possible to determine what contribution employees have to the company's success (and this is necessary to build an effective HR strategy).

Personnel strategy therefore it should contain the following elements:

1. **External analysis of the organization** which should concern all areas beyond the direct influence of the organization regarding personnel matters, and having an impact on its functioning. In the case of the personnel strategy, the external analysis may concern, inter alia, the labor market; the functioning of local institutions; the functioning of other enterprises on the market; opportunities for external cooperation with consulting, training or other types of services; legal conditions for the functioning of the enterprise, etc.
2. **Internal analysis of the organization**, which it should cover all the most important elements allowing for the assessment of the company's human resources and the effectiveness of its use. The selection of factors that should be taken into account when performing the above analysis (as in the case of other components of the personnel strategy, depends on the specific needs of a given organization). Elements that may become the subject of internal analysis are: organizational structure; the human potential possessed by the organization (in this case, it is very important to select the appropriate measures necessary to analyze the potential of employees - it is suggested to rely on the measurement of competencies); human resource costs; employee satisfaction level and their needs, etc.
3. **Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis** - it is a part of the strategy that summarizes external and internal analyzes, indicating the most important opportunities and strengths of the organization. It allows you to define the elements of a personnel strategy on which you can build a competitive advantage as well as threats and weaknesses that prevent the achievement of goals facing the organization.
4. **Development of action goals** - this stage of building a strategy requires special cooperation with representatives of functions in the organization other than HR. The human resource management strategy must be correlated with the goals of the organization. The development of operational objectives in terms of ensuring an appropriate number of employees properly prepared for the tasks outside the HR department should include those departments that are able to best determine the needs of the organization's clients. Goals should be formulated in accordance with

the SMART principle, they should not only be precisely formulated, measurable and defined in time, but also realistic and agreed.

5. **Development of measures of the effectiveness of the human resource management function** - determination of measures of the effectiveness of activities is directly related to the process of setting goals. The personnel strategy should define clear and visible benefits for the organization resulting from the implementation of the personnel management strategy (kadarmi), therefore the adopted measures must be precise, clear and "hard" formulated.
6. **Develop a common vision for the development of HRM functions and functional action programs** - this element of the strategy is to define and provide the organization with coherent tools and programs in the field of HRM influencing the achievement of the organisation's goals. It is an element of the personnel strategy in which one should look at the existing functions of HRM, define those that should be modified, and formulate new functions and tools.
7. **Implementation of the strategy** - the key to implementing the strategy is its proper communication. This element of the strategy should define how the organization will provide information on the implementation of individual elements of the personnel strategy and how the implementation of the personnel strategy translates into the achievement of social (quality) goals of the organization.
8. **Control and implementation of strategic changes** - in this part of the strategy, it should be specified how the analysis of the implementation of the HRM strategy will be carried out, when it will be carried out, how the strategy will be modified and what events will affect the changes in the assumptions of the strategy.

When developing and implementing a personnel strategy, you can use the following guidelines formulated by Michael Armstrong - a long-term practitioner and consultant in the field of human resources management⁹¹:

- clearly state what we want to achieve and for what reasons
- make sure that what we want to do is consistent with the organization's strategy, culture and the situation in which the organization is located
- pursue evolution, not revolution and "do your own thing" without looking at what is fashionable
- keep in mind simplicity, because too much complexity is a common cause of failure
- no rush
- with a careful estimate of resources and costs

⁹¹ Cf. A. [Armstrong, S. Taylor](#), Human resource management, Wolter Kluwer, Warsaw 2016.

- involving people in the process
- with clear communication, to employees
- ensuring the development process for employees

It happens that an organization achieves successes in the personnel area with only a partial strategy written down and acting on the basis of intuition and experience of the management staff, which brings together motivated and appropriate people. Investing in building a personnel strategy is profitable.

The process of developing the strategy itself is developing and helps to see the factors conducive to and hindering the achievement of goals. In addition, it greatly facilitates the concentration of employees on key areas and allows you to verify the measures of success⁹².

Planning of work resources is an integral part of planning the organization's development strategy resulting from the adopted mission of action.

Planning of resources in an organization is a necessary component of a complete instrumentation of human resource management.

⁹² A. Armstrong, Human Resource Management, Oficyna Ekonomiczna, Krakow 2000; S. Borkowska, Salaries - problem solving in practice, Oficyna Ekonomiczna, Krakow 2004.

FUNDAMENTAL TECHNIQUES FOR ORGANIZATION MANAGEMENT

Course of integration and disintegration processes in each institution, teamwork depends on its organizational form and management process. If it is a formalized institution (enterprise, company, holding, office), it should be said that the functioning of the integration mechanism depends on the very process of managing (managing) this institution. There are clear connections between the integration and disintegration processes and the management process in large economic organizations and offices.

In these institutions, the dependence of the functioning of the integration mechanism on the management (management) process consists in⁹³:

- ⇒ initiating and regulating integration processes in management;
- ⇒ controlling disintegration processes as part of management.

The organizational forms of management are mainly about the subjective structure of this process, that is, the entire management staff. It is the management staff that externally represents the formal needs and goals of the institution, and inside it - places formal requirements on their subordinate employees. The management staff is also influenced by the integration and disintegration forces. It does not always correctly represent the formal goals and requirements (needs) of the institution. However, in order to clarify the role of management personnel in the integration and disintegration processes, it must be assumed that these personnel adequately represent the formal objectives of the institution and correctly set formal requirements for subordinate employees accordingly to these objectives.

The management process is mainly about performing basic management functions and making managerial decisions within these functions. In the set of basic management functions in the discussed processes, the function of motivating (stimulating) subordinates to action is of particular importance. Decisions made during the implementation of this management function concern the selection, combinational connections and methods of using motivational measures (tools), thanks to which the driver has the possibility of influencing subordinates, stimulating them to take the necessary actions to achieve the assumed goals (tasks). Incentives acting on employees, in connection with the performance of their partial tasks, are the integrating forces of interest to us and forces weakening the bond between employees and the institution. Some

⁹³ Based on: H. Mintzberg, The rise and fall of strategic planning, The Free Press, New York – Toronto 1994; H. Mintzberg, B. Ahlstrand, JB Lampel, Strategy safari: The complete guide through the wilds of strategic management. 2nd edition, Pearson Education Limited, Harlow 2009; AK Koźmiński, Management. Theory and Practice, PWN, Warsaw 2006; J. Stoner, Kierowanie, PWE, Warsaw 2004; A. Wajda, Organization and Management. PWE, Warsaw 2003; MJ Hatch, Theory of organization, PWN, Warsaw 2002; P. Hensel, Transfer of management patterns, Elipsa Publishing House, Warsaw 2007.

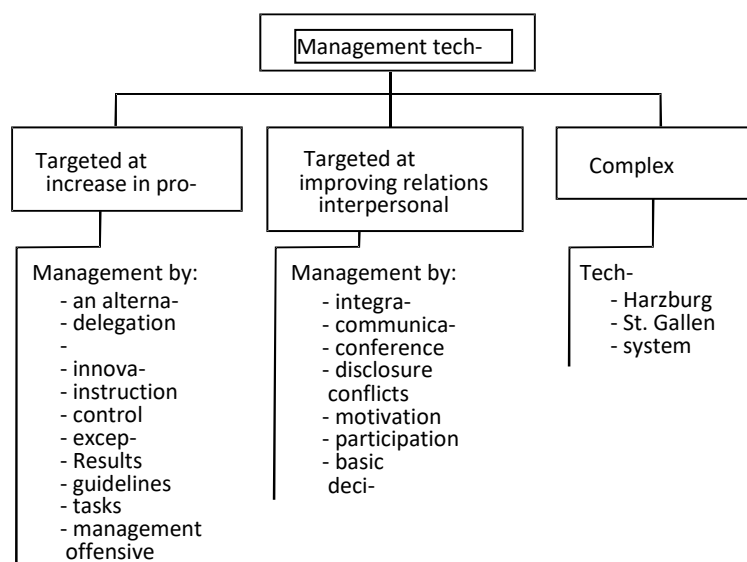
of these stimuli are intentionally used as part of the arousal function in the management process. The source of these stimuli are usually those elements of the professional situation, which can be deliberately shaped (controlled and regulated) by the institution, or more precisely - by the management staff representing it. Other incentives work on employees regardless of the intentions of the institution and management staff. The source of these stimuli, in turn, are elements of the life situation, as tensions at home usually have a negative effect on the emotional and physical states of employees.

Thus, the concept of management techniques consists of at least two elements:

- technical properties of the tools of action (in this case, it is about the properties of motivation factors - stimuli as material objects, financial resources or as conditions, events, situations);
- people's technical skills in using these tools.

Management techniques are, therefore, auxiliary management instruments, consisting of detailed methods of performing various partial works in the management process and methods of pressure (selection, combinational connections and use of incentive measures) on subordinates to make their behavior consistent with the will of the manager, i.e. achieving the set goals (performance of tasks), taking into account the characteristics of these measures and the characteristics of the people subject to them.

Diagram 16: Management techniques - classification



Source: own study

Table 5: Basic purposes of applying selected management techniques

Types of management techniques	The main purposes of applying the techniques
Management by alternative	identifying alternative solutions to the problem and evaluating their usefulness
Management by delegation of powers	relieving the superior and liberating the initiative of subordinates
Management by goals	changing the orientation of the team's work from the way of proceeding to setting a goal
Management through innovation	triggering organizational, technological and economic innovations
Management by manual	replacing official ties with functional ties
Management through integration	developing a sense of belonging to a group
Management by communication	free choice of information needed for coordination and control
Management by conference	increase in the accuracy of management decisions based on group diagnosis
Management by revealing and resolving conflicts	new ideas giving rise to and manifesting themselves during the conflict, used for the development of institutions
Management by control	correction of tasks, self-control
Management by motivation	creating forced situations
Management through participation	employee participation in making important decisions and participation in their implementation
Offensive management	systematic improvement of planning and control instruments and use of all available resources to increase operational efficiency
Management by establishing decision rules	establishing certain rules (principles) for making collective decisions
System management	improving the work of administration
Management by exceptions	relieving staff by delegating non-managerial tasks to lower levels
Management by results	focus on the primary sources of productivity gains
Management by guidelines	rigid division of labor, guided by instructions
Management by task	precise assignment of tasks, allowing for better understanding and execution

Source: own study.

One of the oldest management techniques is management by MbD (Management by Delegation)). However, there is disagreement among the authors

dealing with this issue as to whether this management technique is really a separate technique. Some claim that it results from the very fact of hierarchizing tasks in the organizational structure of an institution. However, in order to present the interrelationship of various techniques as simply as possible, we will treat it as a separate technique. Management by delegation of powers is achieved through the division of labor. Delegation means the simultaneous delegation of tasks, powers and defining responsibilities (it is important to align the size of tasks, competences and responsibilities) at lower levels of management. The maximum scope of delegated powers is determined by the professional qualifications, and thus by the degree of responsibility of the person to whom these powers are delegated.

The basic advantages of delegating powers undoubtedly include the fact that a person staying closer to the place of action can make an operative decision - better than a person farther away from the place of action; in addition, by delegating responsibility downwards, the initiative of lower level managers is stimulated. Of course, there are some limitations to the delegation of powers, as at least three conditions must be met: powers can only be delegated to a position where the information needed to exercise those powers is provided, there must be an appropriate incentive for decision-making (exercise of powers).) and the delegate must be able to make decisions.

The adoption of the delegation technique creates the basis for transforming the specific goals of the institution into sub-goals and sub-tasks for individual organizational links, that is, for the application of the MbO (Management by Objectives) technique. In the traditional, hierarchical model of organization and management of an institution, the process of defining its strategy, mission, goals and tasks runs from top to bottom; lower levels of management are subject to control to ensure that their activities are consistent with the intentions of the higher levels. The control system provides superiors with information on the basis of which they can evaluate subordinates how they work (good or bad). The MbO technique tries to reverse the planning direction of the management process so that it runs from the bottom up the organizational hierarchy.

The basic aim in applying the technique of management by objectives is to bring about an agreement between the superior and the subordinate regarding the continuous goals and specific tasks of the subordinate. The whole technique basically comes down to the following steps:

- managers of lower levels of management agree with their superiors what goals and when to be achieved by them;
- they also agree on methods of assessing the degree of achievement of goals;
- after the agreed deadlines, analyzes of the results achieved by individual managers or their organizational units are carried out jointly, as well as comparisons with previously set goals;

- In the event of unsatisfactory results, plans for improving the methods of operation and training colleagues are jointly developed to help them achieve the set goals in the next period.

The main difficulty is to define appropriate measures for assessing the achieved results. If these results cannot be quantified, other evaluation criteria (qualitative) must be adopted.

Diagram 17: Flow chart of the management by objectives technique

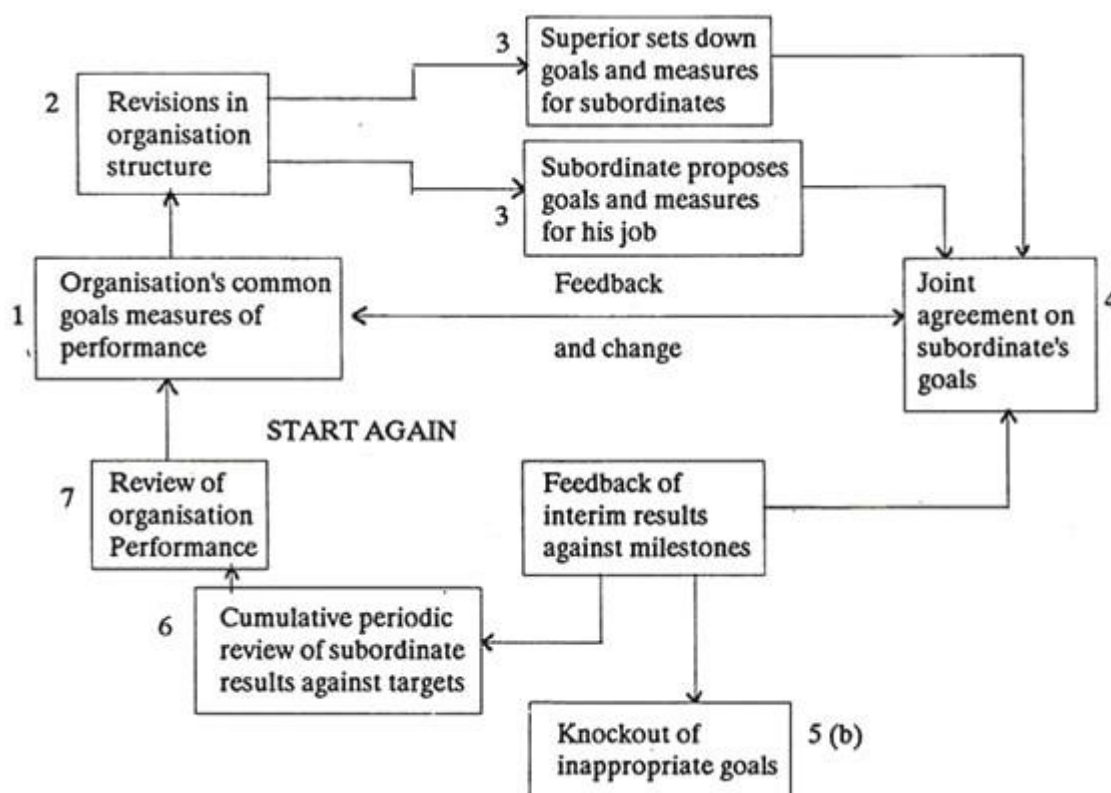


Fig. 34.1. Steps of the cycle of MBO.

Source: <https://www.economicdiscussion.net/management/process-of-management-by-objectives/31484>.

The procedure of the management by objectives technique may also take place in the superior-subordinate system in the following steps:

- ⇒ subordinate's proposals - the first step is usually to offer the subordinate a written statement of his continuous goals and specific tasks for the next period. The proposal should specify how the performance of the tasks will be measured and by what measures (indicators). The subordinate in this step of the procedure has a significant influence on establishing the evaluation criteria;
- ⇒ joint negotiations and arrangements - the subordinate presents his proposals to the supervisor, both discuss them, negotiate, correct and finally reach a written agreement on the specific goals and tasks of the subordinate for the coming period;

- ⇒ analysis and evaluation - the agreement is treated as a working document; You can view individual items at any time and make the necessary analyses.

The technique of management by objectives, despite its attractiveness, is not easy to apply. Its implementation in an institution requires the consent of all interested parties; this technique also requires constant communication and negotiation between different organizational levels of management. Management by setting goals, compared to other management techniques, is comprehensive, i.e. it takes into account the basic management functions:

- ⇒ planning - by setting goals;
- ⇒ organizing - by delegating powers to decide and bearing responsibility, and providing resources to achieve goals;
- ⇒ motivating - by conducting conversations with colleagues, objective evaluation and appropriate remuneration;
- ⇒ control - by analyzing the results and comparing them with the assumed goals.

Transferring and receiving information such as deviations from the plan or exceptional situations that occurred in the institution has led to the development of a technique called management by exceptions (MbE). An important role here is the recognition of emerging difficult problems and the transmission of exceptional information, signaling that the manager's intervention will be necessary, as well as such issues that can be dealt with using the usual procedure by subordinates. The following are characteristic of this technique:

- determining the methods of measurement - without the use of measures or indicators, it is not possible to determine whether a given situation is exceptional;
- determining the ways of achieving the set goals; during a critical analysis of what has been done so far, a new course of action is set out in the future;
- Compare the current course of action with the course of action to determine if there are exceptions of an exceptional nature that require management intervention;
- making the appropriate decisions that:
 - are to bring the course of action to the expected state,
 - due to changes in conditions, they may cause a revision of the set goals,
 - to ensure that new opportunities are taken advantage of.

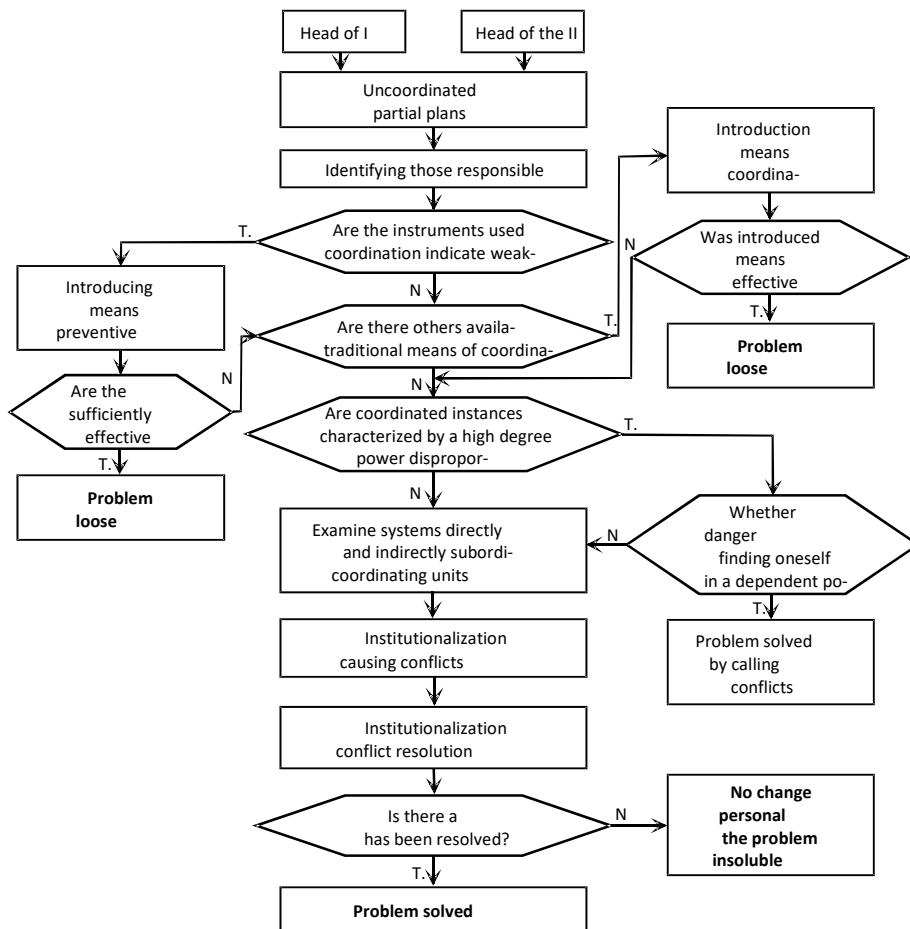
In the already known technique of management by objectives, combined with the technique of management by exceptions, it is possible to lead to a high degree of vertical coordination of tasks. However, institutions working on these principles show weaknesses in horizontal coordination (between equal organizational units implementing other sub-objectives). These weaknesses result mainly from:

- with specialization and thinking in narrow categories of his organizational unit;
- from target setting procedures which are formulated partly under pressure from individual targets;
- to focus on the control of measures rather than the objectives of the related decisions;
- from subjective selection of information during self-control.

As an antidote to the aforementioned weaknesses of management techniques, such an organizational mechanism is used, which enables early identification and overcoming of conflicts resulting from uncoordinated partial goals in the institution's plan.

This mechanism is called **management by revealing (causing) MbC conflicts (Management by Conflicts)**. Conflicts are an essential manifestation of any social system, including institutions. Traditional organizational theory considered conflicts to be definitely negative phenomena and tried to eliminate them, while sociology and modern organization theory (a paradigm in behavioral sciences) are inclined to make use of organizational conflicts for the benefit of the entire institution. The concept of conflict management is therefore the positive use of conflicts as signals about developing or already existing uncoordinated (contradictory or centrifugally acting) forces within an institution. The disadvantages of this technique are too high a tendency to create conflicts.

Diagram 18: Conflict disclosure and resolution procedures



Source: own study

Extending the control function very strongly, conducting continuous direct supervision in the form of on-going comparison of the achievements with the plan assumptions is a characteristic feature of the MbR (Management by Results) technique. When using this technique, top management fosters activity and competition among employees, all its attention is focused on achieving, partially, results. This technique is based on making full use of what is currently available without trying to solve problems that may arise in the future.

Management by Motivation- is a management technique aimed at direct inclusion of employees in the activities of the institution and the best possible use of their knowledge, skills, talents and experience in the implementation of tasks assigned to them. This technique is a very difficult art, requiring the skilful use of a variety of incentives, such as incentives, persuasion and coercion. For the purposes of management, economics and psychology, various rules of the measures used in an institution are formulated and it is believed that if they are followed, it will have the desired effect. Many managers know very little about the motivation, which in fact seems to be relatively simple - you want to work well and achieve achievements, but you also want to see the meaning and

usefulness of your work, derive material and moral benefits from it and treat it as the main source of success in life. Every employee simply wants to feel satisfied with their work and it is on this basis that the management technique by motivating is built. This technique creates an integrated set of measures and rules of conduct, used in order to persuade employees to act in accordance with the objectives (tasks) of the institution. Therefore, it creates a certain framework of organizational behavior of employees, directs their attitudes, shapes their work and defines its style, and thus shapes the favorable conditions for the process of regulating human activities so that they lead to the implementation of the assumed goals (tasks). Every employee simply wants to feel satisfied with their work and it is on this basis that the management technique by motivating is built. This technique creates an integrated set of measures and rules of conduct, used in order to persuade employees to act in accordance with the objectives (tasks) of the institution. Therefore, it creates a certain framework of organizational behavior of employees, directs their attitudes, shapes their work and defines its style, and thus shapes favorable conditions for the process of regulating human activities so that they lead to the implementation of the assumed goals (tasks). Every employee simply wants to feel satisfied with their work and it is on this basis that the management technique by motivating is built. This technique creates an integrated set of measures and rules of conduct, used in order to persuade employees to act in accordance with the objectives (tasks) of the institution. Therefore, it creates a certain framework of organizational behavior of employees, directs their attitudes, shapes their work and defines its style, and thus shapes the favorable conditions for the process of regulating human activities so that they lead to the implementation of the assumed goals (tasks).

Another, undoubtedly the most difficult technique of management, and at the same time more and more used, is the technique of management by agreement - the consent of the MbK (Management by Consent). At the present stage of social development, this technique is more and more often used due to the fact that the employee has become a specialist (specialist). Employees working in various institutions increasingly demand that they be treated properly and seriously. They also want to have the right to information, the right to consultation and the right to choose in the workplace (this is typical especially for developed industrial societies). Due to the social nature of work, production and services, workers are, in a way, co-hosts of their country. It is therefore understandable that they would like to enforce their status as co-hosts in their daily practice.

When discussing management techniques, a certain management technique should also be mentioned (although it is of a different nature than the techniques discussed), which should be taken into account when designing a management system. This is because it creates the possibility of increasing the flexibility of management and its better adaptation to changes in the environment.

It is a project management technique, carried out with the help of task teams. In the project management technique, task teams can perform many analytical and diagnostic, design, organizational, technical, technological, implementation, economic functions, etc. A task team is a technique and organizational form closely related to the implementation of a specific project or task. Specific task (project), set by management, is specified in terms of content, scope and timing. In order to perform this task, an appropriate team is appointed, consisting of employees of individual departments and departments, who are excluded from normal activities in their home cells for the duration of the task. Usually, it is a team of specialists selected in such a way that it ensures optimal performance of the task. The work of the team is managed and is the responsibility of a team leader with appropriate competences. The team has one task to solve and it can only solve it with close cooperation of all team members. Individual team members are given partial tasks to be solved; however, the work of each member depends on the work of the other team members. In order to perform this task, an appropriate team is appointed, consisting of employees of individual departments and departments, who are excluded from normal activities in their home cells for the duration of the task. Usually, it is a team of specialists selected in such a way that it ensures optimal performance of the task. The work of the team is managed and is the responsibility of a team leader with appropriate competences. The team has one task to solve and it can only solve it with close cooperation of all team members. Individual team members are given partial tasks to be solved; however, the work of each member depends on the work of the other team members. In order to perform this task, an appropriate team is appointed, consisting of employees of individual departments and departments, who are excluded from normal activities in their home cells for the duration of the task. Usually, it is a team of specialists selected in such a way that it ensures optimal performance of the task. The work of the team is managed and is the responsibility of a team leader with appropriate competences. The team has one task to solve and it can only solve it with close cooperation of all team members. Individual team members are given partial tasks to be solved; however, the work of each member depends on the work of the other team members who, for the duration of the task, are excluded from the normal activities of their parent cells. Usually, it is a team of specialists selected in such a way that it ensures optimal performance of the task. The work of the team is managed and is the responsibility of a team leader with appropriate competences. The team has one task to solve and it can only solve it with close cooperation of all team members. Individual team members are given partial tasks to be solved; however, the work of each member depends on the work of the other team members who, for the duration of the task, are excluded from the normal activities of their parent cells. Usually, it is a team of specialists selected in such a way that it ensures optimal performance of the task. The work of the team is managed and is the responsibility of a team leader with appropriate competences. The team has

one task to solve and it can only solve it with close cooperation of all team members. Individual team members are given partial tasks to be solved; however, the work of each member depends on the work of the other team members. The team has one task to solve and it can only solve it with close cooperation of all team members. Individual team members are given partial tasks to be solved; however, the work of each member depends on the work of the other team members. The team has one task to solve and it can only solve it with close cooperation of all team members. Individual team members are given partial tasks to be solved; however, the work of each member depends on the work of the other team members⁹⁴.

In the technique of Management by Participation (MbP), the assumption is made that the basis of management is three factors in the form of input: own capital, work and "entrepreneurial thought". Therefore, both representatives of capital owners and employees, as well as executive boards (management) should participate in deciding on the development and functioning of the institution and taking appropriate responsibility. Employee representatives are elected by all employees and have opinion-making and advisory competences, and to a certain extent - and decision-making competences. Their participation in managing may take the form of cooperation or co-decision. It is a collaborative management technique used in the German-speaking area. It is to enable the introduction of a multi-agency style of management created on the basis of delegating powers and cooperation between the manager and his colleagues. This technique delegates not only tasks and powers, but also the right to make decisions and the associated responsibilities.

In the MbPC (Management by Planning and Controlling) technique, only two management functions are exposed - planning and controlling, while the remaining functions are basically not taken into account. The basis of the action is a plan, which at the same time serves to control and establish deviations between the achieved and assumed results.

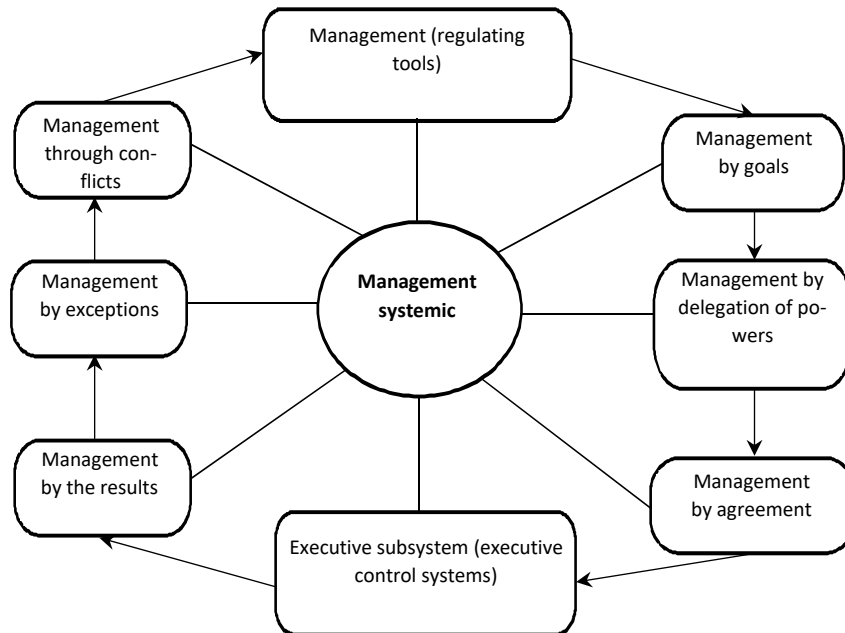
Management technique MbCD (Management by Control and Direction) is based on an authoritarian style of management, there is no delegation of powers, only the division of tasks and the supervisor's supervision over the execution of orders. It resigns from the innovativeness of employees, which does not encourage them to creativity and their own initiative at work.

The MbB (Management by Breakthrough) technique are used to achieve a breakthrough in the operation of an institution by continuous monitoring to avoid adverse changes. In this technique, a diagnosis department is created in order to discover opportunities for improvement and design a more perfect,

⁹⁴MJ Hatch, Theory of organization, PWN, Warsaw 2002; P. Hensel, Transfer of management patterns, Elipsa Publishing House, Warsaw 2007; AK Koźmiński, D. Latusek-Jurczak, Development of the theory of organization, Wolters Kluwer, Warsaw 2011; G. Morgan, Images of an organization, PWN, Warsaw 2006.

radical solution to a management problem, as well as a steering department, which is responsible for taking unconventional actions. The personal attitude and initiative of the superior are decisive for a breakthrough in action⁹⁵.

Scheme 19: Attempting to integrate selected techniques in system management



Source: own study

System management MbS (Management by System) is considered a technique of implementing a complex management process, ensuring the combination of essential elements (separate techniques) into a logically uniform system, allowing the most rational way to achieve the assumed goal. It consists in managing the entire system (institution), including the delegation of powers and highly developed self-regulation of subsystems, using the communication and control (regulation) system. A significant limitation of this management technique are high costs, high sensitivity to disruptions and dehumanization of management.

⁹⁵Cf. Drucker PF, Drucker's guiding ideas, Wyd. MT Biznes, Warsaw 2002; Stoner JAF, Wankel Ch., Directing, PWE, Warsaw 1992; M. Armstrong, Human Resource Management, ABC, Krakow 2003; RW Griffin, Fundamentals of organization management, PWN, Warsaw 2007; AK Koźmiński, Management. Theory and Practice, PWN, Warsaw 2006; J. Stoner, Kierowanie, PWE, Warsaw 2004; A. Wajda, Organization and Management. PWE, Warsaw 2003; Management, organization and organization - review of theoretical perspectives, ed. K. Klincewicz, University of Warsaw, Warsaw 2016; JR Schermerhorn, Management, PWE, Warsaw 2008; JAF Stoner, ER Freeman, DR Gilbert, Kierowanie, PWE, Warsaw 2011; Company management. Strategies, structures, decisions, identity. Collective work STRATEGOR, PWE, Warsaw 2007.

TASK BUDGET AS AN NPM TOOL

Performance budget is a budget expenditure plan, drawn up in the structure of functions, tasks and subtasks, along with an indication of the objectives at the level of tasks and subtasks that are planned to be achieved as a result of the implementation of the task / subtask and measures determining the degree of achievement of the objectives. Performance-based budgeting is a tool for efficient management of public tasks, ensuring the achievement of specific goals.

The presentation of goals and measures related to these goals allow for a more precise observation and control of the results and effects of public administration.

The task system functions in parallel with the traditional system of expenses. This is, in fact, a different way of classifying budget expenditures. The task-oriented system is understood as a list of state budget expenditures or costs of public finance sector units, respectively, drawn up according to the functions of the state, denoting individual areas of state activities. Public finance sector units are required to keep records of budgetary expenditure in a traditional system (according to budget classification) and to record the same expenditure in a task-based system. A performance budget prepared in accordance with specific principles and methods of process implementation can be used as a tool to improve the efficiency and effectiveness of unit management.

Objectives of the implementation of performance budgeting:

- ⇒ Achieving greater transparency of public finances and providing citizens with more legible information on the activities undertaken and their costs;
- ⇒ Achieving greater efficiency in the implementation of public tasks;
- ⇒ Increasing the efficiency of spending public funds.

The performance budget answers the following questions:

- ⇒ What tasks are performed (are scheduled to be performed)?
- ⇒ What expenses are allocated to particular tasks in a given budgetary year? What goals are planned to be achieved by implementing particular tasks and how to measure them?
- ⇒ What are the effects (results) of achieving the assumed goals? (what target values should the assumed measures achieve)?
- ⇒ To what extent have the goals been achieved?

Performance budget - management of expenditure in the public sector based on the principles of:

- ⇒ effectiveness - defining goals and measures,
- ⇒ efficiency- the best outlay effects,
- ⇒ transparency- the budget supports the transparency of public spending,
- ⇒ multi-annual programming - multi-year performance budget projection.

Financial plans of public finance sector units are often associated with the temporary nature of the solutions adopted for determining the amount of: income, expenses, revenues and outlays. Within the budget which is an annual financial plan, priorities and tasks important only in a given period, but having negative effects in the following years, are adopted for implementation. The introduction of a commonly applicable, performance-based budget may contribute to conducting a more rational fiscal activity.

The advantages of the performance-based budget can be indicated:

- ⇒ break with the principle of material unity of the budget,
- ⇒ the debt incurred is intended for financing investment (property) expenditure or repayment of an existing debt,
- ⇒ the increase in debt is not made to finance current expenses,
- ⇒ sale of public property and privatization funds are not used to finance current expenses, but are allocated to property expenses or debt repayment,
- ⇒ greater transparency of public finances.

Defects:

- ⇒ the need to plan and implement a positive result for part of the current budget,
- ⇒ greater formalism of budget planning and execution,
- ⇒ greater difficulty in implementing the budget.

A temporary disadvantage of the performance budget there will also be ignorance of its rules, and therefore the need to familiarize yourself with the new procedures, which will cause chaos at the stage of its planning, adoption and execution. The performance-based budget limits the use of funds obtained from the sale of property, privatization and the revenues obtained as a result of contracts for loans, issuance of securities, etc. This limitation, however, contributes to reducing the waste of public funds on incurring current expenses.

Planning and implementation of the performance budget they require more discipline than a traditional budget where all revenues go to finance all expenses. The performance-based budget should contribute to the stabilization of public assets by reinvesting funds obtained from sale and privatization. Moreover, the introduction of the performance-based budget will eliminate indebtedness of public finance sector units for financing current expenses.

The introduction of legal regulations related to the performance budget restricts the freedom to dispose of public funds, in particular as regards the need to allocate income from certain titles to specific expenses. In terms of public finance law and its significant part of local government finance, this would be quite a radical change that can still be implemented without waiting until the possibility of obtaining income for the investment part is negligible due to the disposal of almost all public property. When the income for the investment part ceases to exist, the performance budget will be unnecessary⁹⁶.

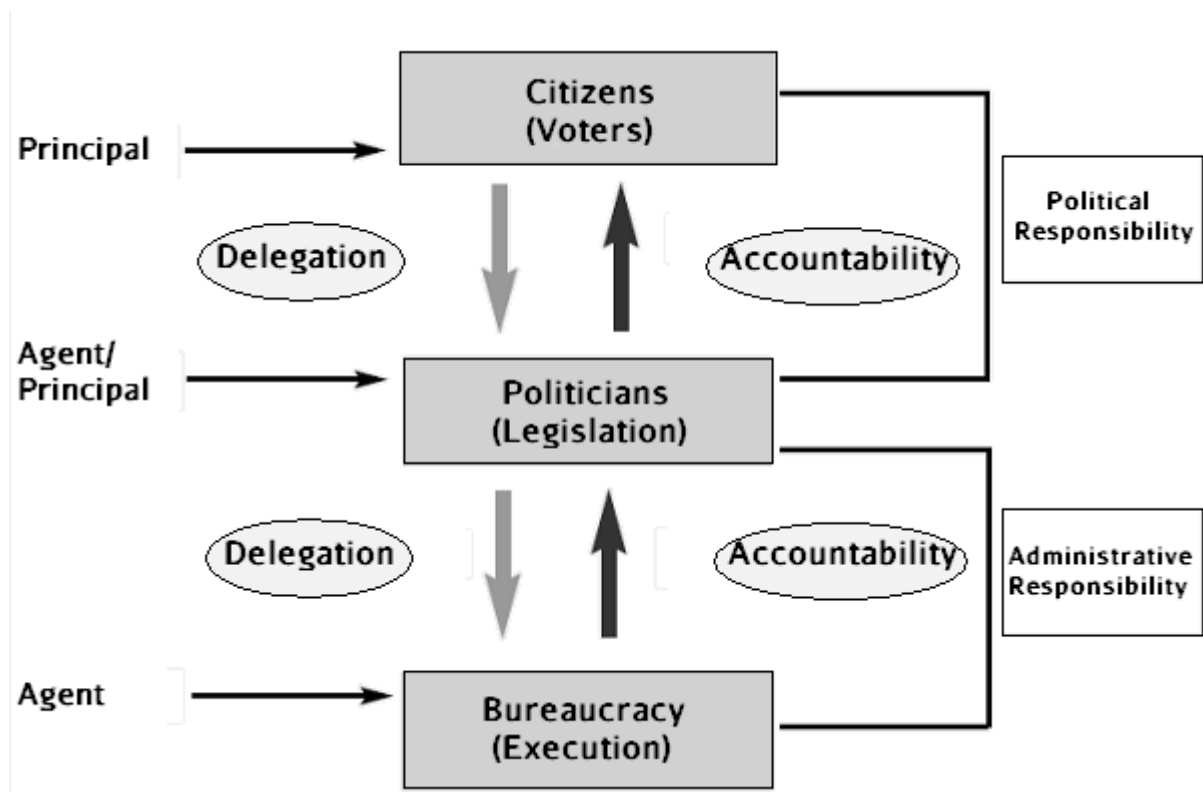
Performance budget has been introduced or its elements have been implemented in many European countries, especially during the recent economic crisis, which clearly demonstrated the need for optimal use of public funds and achieving specific goals in connection with financial investments. The performance-based budget is used in countries such as France, Spain, Italy, Great Britain, Finland, Estonia, Slovakia, Slovenia, Czech Republic, Lithuania, Latvia, the Netherlands. In some countries, the performance budget also includes the parliament (Czech Republic, Lithuania, Slovenia, Slovakia and the Netherlands).

⁹⁶ <https://www.prawo.pl/prawnicy-sady/budzet-zadaniowy-ma-zalety-i-wady,30252.html>

AUDIT AND INTERNAL CONTROL IN THE PUBLIC SECTOR

Public sector represents the principal - representative (agent) relationship. There are officials - acting as public representatives - have to periodically account for the use and management of resources to principals, which includes the achieved public goals. Effective audit reduces the risks associated with the principal - representative relationship. The principal relies on the auditor to ensure that he will provide an independent, objective assessment of the accuracy of the agent's billing and will provide information on whether the agent is using resources as requested by the principal.

Diagram 20: Principal - representative (agent) relations



Source: The role of audit in public sector management, Institute of Internal Auditors IIA Poland, Warsaw 2012.

The need to involve a third party to confirm the reliability of financial reporting, performance, compliance, and other metrics is due to several factors related to the principal-agent relationship:

1. Conflict of Interest - Representatives may use resources and powers for their own interests rather than outsourced tasks.
2. Remote Operation - Operations may be physically removed from the principal's direct supervision.

3. Complexity - The principal may not have the technical expertise to oversee the business.

4. Effects of error - errors can be costly when agents are stewards of large amounts of resources and are responsible for programs that affect citizens' lives and health

While public sector auditing has broadened its focus from single transactions to control systems and program operations, a public sector audit should maintain certain parameters that underpin its credibility - the values delivered to the management process - including:

- Independence from the audited party and objective attitude to the subject of the audit.
- Using a systematic process to collect and analyze significant and appropriate evidence.
- Compare with criteria to form conclusions. Examples of criteria include objectives / targets, indicators and regulations.
- Use of generally accepted professional auditing standards.

The credibility of auditing strengthens governance in the public sector by ensuring accountability and protection of fundamental values of the public sector, which takes place by assessing that managers and officials conduct public activities in a transparent, fair, honest manner and in accordance with procedures and regulations.⁹⁷.

Internal audit is a tool for researching and evaluating the activities of public organizations - its purpose is to support the organization in achieving the set goals, influencing the improvement of the effectiveness of management processes. It should indicate the possibilities of generating a greater effect or achieving the same effect with lower inputs / costs. It is to bring added value, in particular in its advisory layer, through a systematic and orderly assessment of the operational activity of a public organization, as well as by indicating ways to improve the quality and efficiency of work and transparency (transparency) of activities. The type of efficiency audit is to strengthen the economic efficiency of the organization's activities, both in the operational and strategic dimensions⁹⁸.

"Internal" control means that it concerns systems and control activities within a centralized or decentralized administration as opposed to the external control activities of state controllers / auditors. In view of the Polish public administration, following the popularization of the concept of New Public Management or good governance, postulates are being formulated to depart from the culture of applying regulations in favor of the culture of achieving results. It also means a departure from the traditional approach to the implementation of legal provisions, i.e. taking care of legality in the first place, towards taking into

⁹⁷ Source: The role of audit in public sector management, Institute of Internal Auditors IIA Poland, Warsaw 2012.

⁹⁸ T. Kiziukiewicz, K. Sawicki, Audit of the management control system [in:] ed. T. Kiziukiewicz, Principles of internal audit in the public finance sector, Difin SA, Warsaw, 2012, p. 293.

account other criteria, such as economy, efficiency and effectiveness (efficiency). However, as experience with understanding and applying financial control regulations has shown, It is extremely difficult to disseminate certain concepts in a uniform manner without formulating them in legal regulations, still for the vast majority of heads of units (and, what is equally important - control bodies), which are the basic determinant of the duties performed. Most people dealing with financial (management) control or internal audit remember that the elements of financial control, specified in the standards of financial control, were almost identical to the principles set out in the currently applicable standards of management control.

The use of the word "control" meant all activities of the administration and authorities related to the supervision of financial management, aimed at "keeping under control" their own finances. The use of the word "financial" referred to emphasizing both the financial and administrative, managerial and budgetary aspects of the administration's activities; additionally, business planning, monitoring the quality of the entity's management and preparing management control statements and reports on this basis. The increase in the scope and complexity of state tasks in recent centuries, the expansion of public administration, the extension of the decision-making process and the complication of procedures concurrently with the development of democracy in many countries have led to the creation of a system of control over the implementation of state tasks and accounting for their effects.

In Anglo-Saxon countries, the principle of accountability became the foundation for controlling the actions of those in power. This principle establishes the responsibility of politicians and officials for the implementation of assigned tasks. It is understood primarily as an obligation to present a report on its activities and to account for the assigned tasks. It cannot be limited to the requirement of financial settlement or the presentation of financial statements. A broader understanding of the concept of "accountability" should be borne in mind, including answers to questions about effectiveness, economy, legality, timeliness and adequacy of actions taken and their effects in relation to the goals and needs.

Therefore, in every properly functioning public organization, the management should know whether: and efficiently, providing products and services at the appropriate level, whether legal standards and management's orders, orders and guidelines are complied with, and whether resources are protected (against cases of waste, mismanagement, errors, abuse, etc.).

In a unit of the public finance sector, the functioning of the management control system in the area of accounting, financial information flow and IT systems supporting its operation basically boils down to the management of a public organization performing supervisory activities and performing daily control and management activities by employees (at the operational level) in this area. . Both the accounting system, the system of generating and flowing financial

information, and the management control system must include a set of activities performed by management and employees in the form of control procedures that take into account specific legal provisions and internal regulations. All accounting control procedures, including financial and accounting control procedures, the security of financial documentation flow and documentation related to the IT environment are closely related and are included in the elements (standards) of management control. The announcement No. 23 of the Minister of Finance of December 16, 2009 on management control standards for the public finance sector directly indicates the need to develop, implement, evaluate and improve control procedures in the IT environment, which should function as part of the management control system in a public finance sector unit. The functioning of management control in the area of IT systems security in local government units should be properly documented. The primary documents are The announcement No. 23 of the Minister of Finance of December 16, 2009 on management control standards for the public finance sector directly indicates the need to develop, implement, evaluate and improve control procedures in the IT environment, which should function as part of the management control system in a public finance sector unit. The functioning of management control in the area of IT systems security in local government units should be properly documented. The primary documents are The announcement No. 23 of the Minister of Finance of December 16, 2009 on management control standards for the public finance sector directly indicates the need to develop, implement, evaluate and improve control procedures in the IT environment, which should function as part of the management control system in a public finance sector unit. The functioning of management control in the area of IT systems security in local government units should be properly documented. The primary documents are which should operate within the management control system in the public finance sector unit. The functioning of management control in the area of IT systems security in local government units should be properly documented. The primary documents are which should operate within the management control system in the public finance sector unit. The functioning of management control in the area of IT systems security in local government units should be properly documented.

The primary documents are⁹⁹:

- policies and procedures for ensuring the security of accounting IT resources, including personal and financial data;
- emergency plan;
- IT business continuity plan as part of management control;
- registration documentation of the accounting IT system in accordance with art. 10 of the Accounting Act;
- general control procedures in the IT environment.

⁹⁹ Act of September 29, 1994 on accounting (Journal of Laws of 1994, No. 121, item 591).

In line with the management control standards for the public finance sector, the management control model is based on commonly accepted control models, i.e. the COSO model¹⁰⁰ and the INTOSAI GOV 9100 standard (changed to **INTOSAI GOV 9100**). As a consequence, the concept of management control included in the provisions of the Public Finance Act and resulting from management control standards for the public finance sector is a concept consistent with the systemic control known to management theory and defined by the above-mentioned control models. It is therefore understood as a holistic process, implemented both by the management and other employees of the organization in order to provide reasonable assurance that the overall goals of the organization set out in Art. 68 sec. 2 of the Public Finance Act. Internal control understood in this way consists of interrelated elements (components) defined by management control standards: the control environment (internal environment), goal setting and risk management, control mechanisms (activities within the control system), information and communication, and monitoring and evaluation of the control system. The systemic understanding of control implies its close integration with the activities of the entity.

The basic level of management control functioning in the entire public finance sector is a unit of the public finance sector (the so-called 1st level of management control). The manager of the unit is responsible for the functioning of management control in a unit. Moreover, within the government and local government administration, there should be management control at the level of the government administration department and local government units, respectively (the so-called second level of management control). The minister in charge of a given department of government administration and the commune head (mayor, city president), staroste or voivodship marshal in the case of a local government unit are respectively responsible for the functioning of management control at this level. The Minister is responsible for ensuring adequate, an effective and efficient management control system in the ministry (as the head of the unit) and in the government administration department (as the minister managing the department). The commune head (mayor, city president), staroste and voivodship marshal is responsible for ensuring an adequate, effective and efficient management control system in the commune office (city office), poviast starosty or marshal's office, as well as in the local government unit¹⁰¹.

Internal (management) control it is not limited to activities traditionally understood as institutional or functional control, but is a set of activities, events, mechanisms, processes in which the management and employees of all levels are involved, related to the way in which the activities of the entity are performed. The provision of art. 68 of the PPF sets out the key objectives of management control understood as the states and features of the activities of public finance

¹⁰⁰ COSO I Internal Control - Integrated Framework, Internal Control - Integrated Framework, PIKW, Warsaw 2008 and COSO I Internal Control - Integrated Framework, AICPA, 1992.

¹⁰¹ Annex to the Communication No. 23 of the Minister of Finance of December 16, 2009 (item 84) Management Control Standards for the Public Finance Sector.

sector units, the achievement of which should be ensured by the control. Pursuant to Art. 68 sec. 2 of the Public Finance Act, the general objectives of management control include¹⁰²:

1. compliance with the law and internal procedures;
2. effectiveness and efficiency of operations - ensuring the achievement of goals and the implementation of tasks while maintaining the best possible relationship between the expenses incurred and the effects achieved;
3. reliability of reports;
4. resource protection;
5. adherence to and promotion of the principles of ethical conduct;
6. efficiency and effectiveness of information flow;
7. risk management.

The above goals are in line with the goals of the COSO and INTOSAI models. It is worth noting that the definition of internal control contained in the INTOSAI standards indicates that internal control as a process relates to the management of the entire activity of an organization, having in the background the need to perform a mission by the entity and respond to all types of risks. INTOSAI made this even more emphatic in a short document issued in 2001: the Introduction to Internal Control intended for the public management of organizations in public administration¹⁰³.

Management control allows you to look at the functioning of the organization from the perspective of creating an updated hierarchy of goals and introducing modified methods of operation in relation to the tasks performed. By definition, the management control system is flexible - it adapts to the diverse needs of the units covered by it, does not impose unified solutions, thus leaving areas for independent "management", giving the unit managers the opportunity to make decisions both on a specific action and tools by means of which the desired state will be achieved. Therefore, management control assumes the self-improvement of the organization, the continuity of diagnosis, monitoring and improvement of the processes carried out by the organization. It is therefore impossible to conclude that there is a unified, common to all units path for the implementation of the PM and that it will ever be possible to reach the "implementation" stage of the PM. Unit management is not a project that can ever be considered completed.

¹⁰²Commentary on Art. 69 Public Finance Act. Act on liability for violation of public finance discipline. Commentary, edited by W. Misiąg, Warsaw 2019; Commentary on Art. 69 UFP, Public Finance Law, edited by A. Mikos-Sitek, Warsaw 2019, pp. 68-73.

¹⁰³INTOSAI GOV 9100, Guidelines on Internal Control Standards in the Public Sector, Ministry of Finance, Warsaw 2009, p. 5; INTOSAI, Guidelines for Internal Control Standards for the Public Sector (INTOSAI GOV 9100), Vienna 2004; INTOSAI Guidelines for Good Governance, <http://www.issai.org/composite-194.htm> and INTOSAI, Audit Standards issued by the Audit Standards Committee of the International Organization of Supreme Audit Institutions, NIK, Warsaw 2009.

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