

BENCHMARKING, OPPORTUNITIES AND DISPUTES REGARDING APPLICATION IN LOCAL PUBLIC ADMINISTRATION

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ABSTRACT: *The evaluation and increase of the performance in the economic field and the activity of the organizations in the field of local public administration represent a necessity, determined by the competition in the market economy and by the increasing demand of the citizens regarding the activity of the local public administration. To increase the performance of an economic entity or organization, benchmarking is increasingly used as a modern tool based on specific methods of identifying good practices or methods applied to performing entities and organizations to take over, adapt and apply in their own processes in order to increase performance. For the specific benchmarking methods to be correctly applied, it is necessary that the performance analysis to be made for companies, entities, similar organizations in the same field of activity. The application of specific benchmarking processes in the management activity is very useful in order to permanently adapt to the changes that take place in the field of activity and implicitly to prevent managerial failure.*

KEY WORDS: *benchmarking, public administration, performance, economics, management.*

JEL CLASSIFICATIONS: *A100, H00, M00.*

1. THE CONCEPT OF BENCHMARKING

Increasing performance, both in the economic field and in the activity of organizations and authorities in the field of local public administration is a permanent objective, determined both by the competition characteristic of the market economy and by the permanent increase of citizens' demand in evaluating the activity of local public administration.

The dynamics of the economy and society oblige economic entities and organizations to permanently modernize their activity, to create marketing and

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management processes that allow an objective evaluation of the results of the activity and to take from the experience of successful entities, good practices, methods or processes and to apply them in their own activity, in order to increase performance.

Benchmarking is used as a tool to evaluate and increase the performance of an economic entity or organization, based on specific methods of identification, takeover, adaptation, improvement and application of good practices and methods from performing entities and organizations for application in own processes.

Benchmarking is a modern and widely used method for evaluating and increasing the performance of local government organizations.

In 1979, David T. Kearns, CEO of Xerox, defined benchmarking as "the continuous process of measuring products, services, and practices relative to the toughest competitors and those companies recognized as industry leaders." The well-structured definition outlines the concept of benchmarking as a continuous process and a permanent evaluation of performance, compared to the most successful competing economic entities.

Benchmarking was initially used as a tool for assessing economic performance in conditions of market economy competition.

Subsequently, this concept was taken over in terms of performance evaluation in the field of services, in the activity of local public administration organizations and other public authorities.

The application of specific benchmarking processes in the management activity is very useful in order to permanently adapt to the changes that take place in the field of activity and implicitly to prevent managerial failure.

In order for the specific benchmarking methods to be correctly applied, it is necessary that the performance analysis be made for companies, entities, similar organizations in the same field of activity.

Benchmarking involves continuous improvement, search / identification of good practices, correction of deficiencies in order to increase the performance of the organization subject to the benchmarking process.

Benchmarking involves more than a simple comparison of indicators, it involves the study of processes, methods and practices used in the analyzed entity that can be taken over, adapted and applied effectively in its own management to increase performance and exceed the performance indicators of the entity.

The purpose of benchmarking is to be aware of how other organizations achieve their performance and by what means. I consider fully appropriate the conclusion of a study on benchmarking, according to which "benchmarking is aimed at identifying shortcomings and developing new objectives based on the implementation of proposed solutions, to identify opportunities to improve the situation" (Marinaş, 2004).

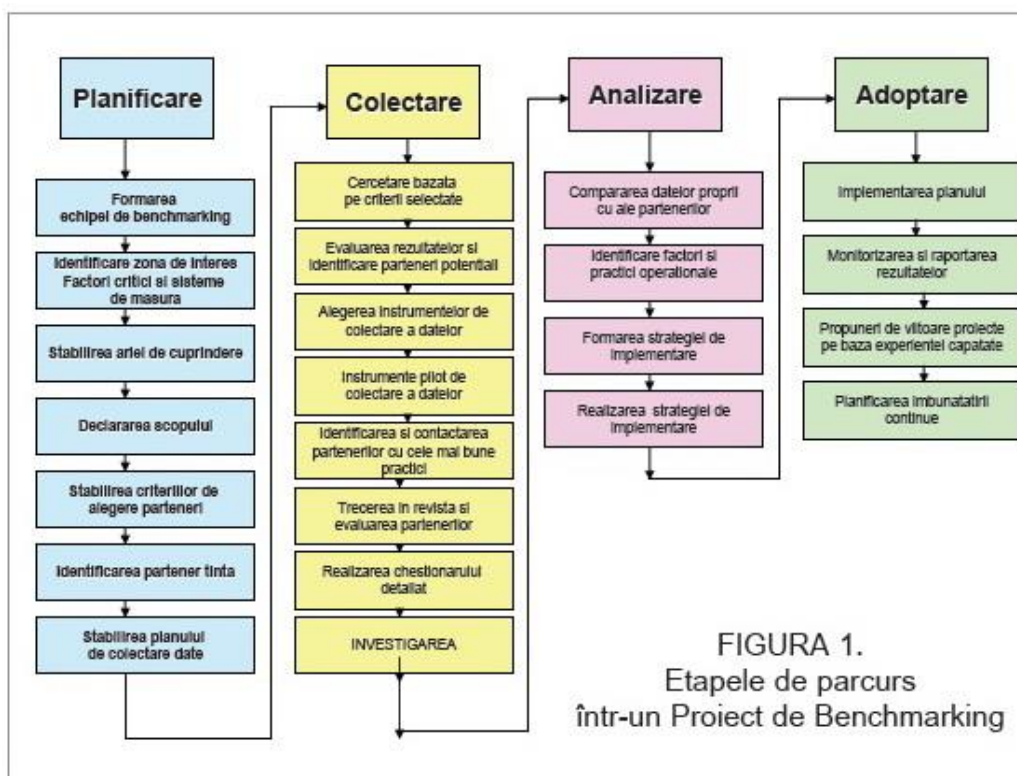
2. THE BENCHMARKING PROJECT

Based on his extensive experience in quality management, Walter Shewhart discovered the concept of the PDCA cycle and introduced it to W. Edwards Deming, who in 1950 promoted it and became known as the Deming cycle, the Shewhart cycle

or the Deming wheel. The method is named after the English initials of the cycle stages: Plan (P), Do (D), Check (C), Act (A), in translation: planning - performance - verification - action. In the standard SR EN ISO 9001: 2001, clause 0.2, it is mentioned that the PDCA methodology can be applied to all management processes.

The PDCA (Plan-Do-Check-Act) cycle has four steps to follow in order to resolve the issue. Repeating these steps will lead to a cycle of continuous improvement.

For the elaboration of a benchmarking project, a cycle was outlined based on the stages of the Deming cycle, namely: the PCAA CYCLE (Planning - Collection - Analysis - Adoption). Figure 1 shows the steps to be taken in carrying out a benchmarking project, following that the activities passed in general to be customized for each case. (Diana Badea, Florin Teodor Tanasescu a.o. 2011).



Source: Badea, D.; Tanasescu, F.T.; Stefanescu, G.; Stânciu, V. Ce este Benchmarking-ul și cum poate deveni el un instrument în managementul unei firme? Revista T&T Management și Calitate, 26.06.2011

Figure 1. Steps to go in a Benchmarking Project

Such a project must guarantee that by analyzing its own processes and comparing them with other similar entities, it creates the premises for an increase in performance. A benchmarking project must be implemented as soon as possible in

order to maintain similar conditions and to adequately motivate the human resources involved.

When developing a benchmarking project we must establish the following aspects:

- What indicator do we measure;
- Which is the partner entity we choose for the benchmarking process;
- What is the performance of the processes or services of the entity / organization that aims to carry out the project;
- What is the performance of the organization whose experience we want to be taken over and applied.

Starting from these general aspects of the benchmarking processes, we analyze the opportunity and the application of these processes, in order to increase the performance in the activity of LPA organizations. Taking over established good practices, generating success from some organizations and adapted / applied to similar organizations is the essence of a benchmarking process in local public administration.

3. BENCHMARKING IN THE LOCAL PUBLIC ADMINISTRATION

Benchmarking is a modern method of analysis that can be used in the management of a local government organization, in order to increase its performance, based on benchmarks of the activity of a similar organization, mainly by comparing, taking over, adapting, practices and successful methods, in specific administrative, economic and social conditions.

3.1. Particularities regarding the application of benchmarking in LPA

In order to apply specific benchmarking methods to improve performance in public administration, it is necessary to define as clearly as possible the area / field of activity, objectives and resources of the organization.

The local public administration has as main area of manifestation the territorial administrative unit and the main goal of the local public administration activity is to achieve the specific objectives and assumed by local public authorities in order to meet the needs of citizens and the good of the local community.

The administrative code, approved by Emergency Ordinance of the Government of Romania no. 57 of July 3, 2019, published in the Official Journal no. 555 of July 5, 2019 regulates the activity of the local public administration in Romania, defines the local community as being formed by "all individuals domiciled in the respective administrative-territorial unit" as well as the administrative-territorial units. Thus, I consider it necessary to make a presentation of these notions, defined by law, for the correct understanding of them.

„Art. 95

(1) The territory of Romania is organized, from an administrative point of view, in administrative-territorial units which are communes, cities and counties.

(2) Municipalities and cities are basic administrative-territorial units.

(3) Some cities are declared municipalities under the law.

Art. 96

(1) The administrative-territorial units are legal persons of public law, with full legal capacity and own patrimony. "

The same normative act defines the administrative-territorial units in Romania as follows:

„Art. 98 (1) The commune is the basic administrative-territorial unit that includes the rural population united by community of interests and traditions, made up of one or more villages, depending on the economic, socio-cultural, geographical and demographic conditions. The organization of the commune ensures the economic, social-cultural and household development of the rural localities.

Art. 99 (1) The city is the basic administrative-territorial unit declared as such by law, based on the fulfillment of the criteria provided by the legislation regarding the arrangement of the national territory. The city consists of residential areas, industrial and business areas, with multiple municipal facilities with administrative, industrial, commercial, political, social and cultural functions designed to serve a population in a geographical area larger than its administrative boundaries, usually located around.

Art. 100 (1) The municipality is the administrative-territorial unit declared as such by law, based on the fulfillment of the criteria provided by law. The municipality is made up of residential areas, industrial and business areas, with multiple municipal facilities with administrative, industrial, economic, political, social, cultural and scientific functions designed to serve a population in a geographical area larger than its administrative boundaries, usually located in a larger area than the city.

Art. 101 The county is the administrative-territorial unit made up of communes, cities and, as the case may be, municipalities depending on the geographical, economic, social, ethnic conditions and the cultural and traditional ties of the population, declared as such by law.”

A classification according to the type of administrative-territorial units and their number for each category, as presented in the table below, helps us to outline an image of their diversity.

Table 1. Number and classification of administrative territorial units and sectors in Romania

Municipalities (Including the municipality of Bucharest)	103
Cities	216
Common	2862
Counties	41
Sectors of the municipality of Bucharest	6
Total	3228

It is easy to see that the territorial administrative units in Romania are very diverse in terms of their type and making an objective analysis of the quality of life in local communities, it is easy to see that there are large differences in living standards of citizens in administrative units. and following an empirical research we notice a different level and rhythm of their development. The major differences in terms of the level of development between urban and rural areas, between development regions at national level and between some municipalities / cities / communes located in the same region or in different regions are obvious.

Normally, each administrative-territorial unit (commune, city or municipality) has a specific issue and its own potential to manage them, being applicable in this sense the specific principles of local public administration in Romania, respectively: the principle of decentralization; the principle of local autonomy; the principle of consulting citizens in solving problems of special local interest; the principle of cooperation; the principle of responsibility; the principle of budgetary constraint.

The democratically elected local public administration authorities are able to solve public affairs in an administrative-territorial unit, the priorities being established and adapted to the needs of the community, for each stage of development.

Thus, the administrative-geographical positioning of the territorial administrative units on the national territory has a major influence in terms of the economic and social development potential of the communities, at least in terms of the following determining aspects:

- access to national / regional transport and communications infrastructure;
- access to energy resources (electricity, natural gas);
- access to drinking water and sewerage networks;
- the economic context of the area, the distance from the main / secondary poles of development;
- the natural environment;
- regional tourism potential.

In addition to the aspects that influence the economic and social development potential determined by the administrative-geographical position of a territorial administrative unit on the national territory, community development is majorly influenced by the following elements related to the internal potential of the local community and organization:

- ✓ human resources of the area;
- ✓ the level of financial and material resources of the local public administration;
- ✓ quality public services;
- ✓ strongly developed private environment with investment potential;
- ✓ quality health services;
- ✓ high-performance education;
- ✓ providing social assistance services;
- ✓ urban planning services;
- ✓ cultural, historical and architectural dowry;
- ✓ cultural activity;
- ✓ local tourist potential;
- ✓ administrative capacity.

A comparative analysis of the performances of the local public administration from different territorial administrative units is difficult to achieve in the situation where there are no similar economic and social conditions, similar objectives and organizations do not have the same resources.

Given the different levels of development between the territorial administrative units, largely determined by the objective conditions related to the economic and social potential, we naturally ask ourselves some questions regarding the administrative act at the local level, such as:

"To what extent does the quality of the administrative act carried out by local public authorities influence the level and pace of increasing the quality of life in a community, compared to the objective economic and social conditions of the territorial administrative unit?"

"Could a local public administration authority, performing in an administrative-territorial unit, be equally efficient in another territorial administrative unit characterized by different economic and social conditions?"

As we presented at the beginning of the chapter, there are many objective factors that influence the standard of living in a territorial administrative unit and that cannot be majorly influenced in a relatively short time by local public administration authorities.

Even if the particularities related to the economic potential of an area greatly influence the pace and level of development of a territorial administrative unit, I appreciate that a competent public administration with a responsible and well-trained human resource can ensure a favorable administrative framework for capitalizing on the potential of the area and maximizing the chances of local community development.

In order to optimize the mechanisms for evaluating and increasing performance in local public administration, the use of benchmarking processes is more than appropriate, it is even necessary.

3.2. Increasing performance in local public administration through the application of benchmarking processes

In order to achieve the organization's goal and increase performance in public administration, it is imperative that local public administration authorities adapt to economic and social conditions in the area where they operate and create synergistic actions to increase potential by involving decision-makers at county, regional and central levels.

Regarding the evaluation of the activity and the increase of the own potential of the organization for the increase of the performances and the achievement of the proposed objectives, it is opportune to use the benchmarking methods and processes.

The use of benchmarking methods in local public administration involves a structured process for comparing the procedures / work practices of the organization with similar practices identified in other organizations and implementing the best ideas in their own processes (Nancy R. Tague, 2010).

The main purpose of public administration benchmarking is to improve the activities of an organization in order to effectively achieve the proposed objectives.

3.3. Particularities regarding the application of benchmarking processes in the local public administration

In order to apply a benchmarking process in the local public administration, studying the specialized literature, we come to the conclusion that the following steps must be completed:

- Planning, one of the most important steps that requires a large amount of time and human resources. At this stage:
- Choose a process / service with a high level of performance, usually from a similar organization for the benchmarking study. The selection of the process / service subject to benchmarking can be made based on successful elements: quality, delivery time, costs, efficiency etc.
- A benchmarking team is formed, with competent members who analyze the activity of the partner organization and the type of service on which the benchmarking study is carried out. The team must include the representative of the organization's management, persons performing the service and an external evaluator of the quality of the service analyzed;
- The procedure or the way of providing the own service that will be subjected to benchmarking is studied, regarding the way of development and measurement of the results.
- Benchmarking partner organizations are selected that could apply best practices, methods.
- Collection stage. Information is collected from partner organizations. The information refers to the level of performance of the organization, the service provider and an analysis of the design to reach that level of performance. Information and data are collected by conducting specialized studies, technical and economic analyzes, questionnaires, and / or on-site visit to evaluate the service provided.
- Analysis stage. The objectives of the analysis stage are to identify the lack of performance of its own process / service compared to that of the partner organization.

The analysis involves the following steps:

- compare own data with those of the partner organization;
 - analyze the differences between its own results and those of the partner organization;
 - practices / methods that generate different results are identified.
- Adaptation stage. The framework for adapting practices / procedures to the conditions of the organization is created. Action plans are being developed to set goals. The changes are implemented and the action plans are monitored. The benchmarking process is evaluated in the light of the results obtained from the implementation.
 - Maturity stage: the best practices from the partner organizations are integrated in the processes / procedures of the organization.

Also, after studying the approach in the specialized literature of the various benchmarking processes with applicability in the local public administration, I consider that the most relevant types are:

- internal benchmarking - involves making comparisons between services, offices of the organization, after finding that some of them perform better. An advantage of internal benchmarking is that it is easy to define comparable objectives, data and information are easily accessible and often on a common standard;
- performance benchmarking - compares the measures of own performance against those of similar organizations, which have the same kind of objectives and similar conditions;
- process benchmarking consists in comparing the methods and practices of performing processes in one's own organization with better performing organizations, in order to know the best practices, in order to improve one's own working methods;
- strategic benchmarking consists in comparing the strategic options and objectives, adopted by similar organizations, in order to improve the activity and strategy of one's own organization.

The application of benchmarking methods is increasingly used in local public administration and is often materialized in studies or conferences aimed at presenting good practices in certain areas of local public administration. The applicability of some methods and procedures resulting from a benchmarking process at the level of some local public administration organizations is quite easy considering the fact that the legislation in the field is unitary and there is usually a lot of receptivity on the part of the authorities to apply good practices there, where possible, to streamline the activity and increase the performance of the organization.

4. CONCLUSIONS

We can conclude that evaluating and increasing the performance of a local government organization is possible and fully achievable through the use of benchmarking methods. A correct evaluation by benchmarking methods offers the possibility to the management team of the organization, respectively to the local public administration authorities to objectively analyze the activity and performance within the territorial administrative unit, compared to the activity in other similar territorial administrative units, of course taking into account each organization and administrative territorial unit.

The application of benchmarking processes at the level of local public administration organizations leads to increasing the quality of services provided to the population, optimizing administrative and strategic processes in order to achieve the proposed objectives.

In order to apply the benchmarking processes, it is necessary for the local public authorities to show an open, cooperative managerial attitude, little resistant to change, based on the availability of introducing new, modern elements in the current activity to increase the performance of local public administration.

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