

# THE ASSESSMENT OF EFFECTIVENESS OF CAF METHOD USAGE IN THE PROCESS OF IMPROVEMENT OF MUNICIPAL ADMINISTRATION

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***Abstract:** CAF method is used for the public administration so as to define the level of fulfilment of separate criteria which have an influence on the quality. This publication is to assess the use of CAF method in the EU concerning its accuracy with the assessment of administration functioning. This study proved that the implementation of CAF in government administration has finished mostly with a success. The use of this method helped to get to know precisely the functioning of council. It was a basis for the growth of officials' awareness of provided services and at the same time, of relations with citizens and employees. CAF has become an important tool of quality improvement in Polish and European government administration and an element of constant improvement. Still, respondents draw attention to the fact that it requires some modifications which will allow eliminating the incomprehensibility and inapplicability.*

**Key words:** quality management, municipal administration, CAF method

## 1. Introduction

The issue of quality management in public administration at each and every rank has been in the centre of attention in recent years (Rocha 2011; Alvesson and Sveningsson 201). The public sector plays a very important role in the nowadays society. The quality of provided services has become more and more important in its functioning (Sundin and Tillmar 2008; Koskull and Fougère 2011). That's why, it is necessary to introduce some changes in a traditional public management where the issue of quality management was not of the greatest importance. The current state is changing drastically and changes into more or less formal forms of management systems or self-assessment are being introduced (Bergströma et al 2009). The new public management starts to be popular, but common any more. In new attitudes, it has been pointed out that the municipal councils should serve the citizens as well as help them and therefore, it is important for them to provide services at the proper level of quality (Wolniak, Skotnicka-Zasadzień 2009, Bugdol 2009; Kuznetzova et al 2009). There are common solutions within the scope of quality management

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which can be observed in the councils (TQM, ISO 9001, process management, methods and techniques of quality management) (Łancucki 2006) and which are also characteristic for administration units (IIP, CAF2006) (P. Kovač, N. Tomažević 2009, K. Kern-Pipan 2007).

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## **2. Theory - the Criteria of CAF Method in Public Administration**

The issue of quality management in public administration, which consists of government, local government and civil administration (e.g. prof. J. Bocia), has been in the centre of scientists' interest until recently (Steuera and Konrad 2009). The work of administration sector employees is regulated with appropriate acts in Poland: Act on municipal officials of 21<sup>st</sup> November 2008 and Act on civil service of 21<sup>st</sup> November 2008 and Act on officials of governmental office of 16 September 1982. This fact is mostly caused by the process of implementation of quality management systems ISO 9001 in councils and the growth of councils' responsibility for provided services (Gajdzik 2004; Łancucki 2006).

All features of public services, which condition the capability to meet both defined and potential social needs, are defined as the quality. It is determined by a proper functioning of public organization and fulfilment of their services and tasks, which may require to be subjected to modifications of some changes. (Korzuch 2004; Korzuch Markowski 2005). Some authors point out three levels of quality of public administration (Opolski, Modzelewski 2008):

- Macro – constitutes changes which allow for a proper function of public administration. At this level, it is crucial to state that quality and usefulness of legal acts influence on the efficiency and quality of provided services.
- Mezo – the level of management team in a given public institution which take decisions concerning the improvement of service quality.
- Micro – constitutes employees who have a direct contact with customers.

On the basis of research conducted on the government's order in Great Britain, the last of the above mentioned levels seem to be very significant. There is a strong dependence between a feeling of being an appreciated employee and a client's satisfaction with the quality of public service. The dependence is proportional which means that an undervalued employee influences on the drop of client's satisfaction. A very similar study was

conducted in the EU countries and its result has proved this dependence (Opolski, Modzelewski 2008). Thus, it is important to pay attention to a quality management.

*European Foundation for Quality Management* (EFQM) promotes a self-assessment as a basic method of improvement of any organization. The main idea is to check comprehensively, systematically and regularly the actions taken by an organization and their results, which are gained by this organization. The self-assessment process allows to identify its strong and weak points (areas where improvement is needed). Companies often perceive the self-assessment as a part of process in applying for quality awards but they do not see that above all, they are tools of constant improvement of systems and their elements and it is a way of shaping quality awareness (Bugdol 2004, p. 11-19).

There are many self-assessment models which are sometimes used in industrial enterprises or some of them are used in a service sector. CAF – Common Assessment Framework which will be described in this publication is a self-assessment and improvement method designed for public administration units. The structure of CAF model is presented in Picture no.1. The basic concept of CAF was created by *EFQM*, *Speyer Academy*, Germany and *European Institute of Public Administration – EIPA* in Maastricht in Holland. In May 2000 in Lisbon, during European Conference of Quality Management in Public Administration, CAF was officially recommended to be used by public administration in the EU countries. In CAF model, similar to EFQM model, areas which are subjected to assessment are divided into two groups: five criteria of potential and four criteria of results.

The potential criteria include following issues:

- leadership,
- people,
- strategy and planning,
- partnership and resources,
- processes.

While the criteria concerning results consist of:

- Company's results concerning relations with people (employees),
- company's results concerning relations with citizens / customers,
- social company's results,
- key performance results.

Each criterion consists of sub-criteria. There 28 of them and they define the issues which should be taken into consideration when assessing a company. The CAF method is a complex tool of quality management which is based on basic concepts connected with the idea of perfection, that is: result-orientation, client-orientation, leadership and consistence of targets, management through

processes and facts, commitment and development of employees, constant improvement and implementation of innovations, development of partnership with contracting party and sense of social responsibility (Guide 2006).

The latest version of CAF of 2006 has been extended with two kinds of scoring and scale 0-100 points. "Classic" scoring of CAF is an updated version of assessment scale of CAF of 2002. The 'fine-tuned' scoring is more detailed and requires a bigger involvement and time from a team. PDCA cycle is the basis for both types of scoring.

The CAF model is successfully used in many European public organizations, such as: municipal councils, tax offices, universities (see Arevallo 2003; Governance 2003; Public administration 2004; Ferreira 2004; Borbély 2005; Papaj 2008; CAF Vienna 2008; Douglas 2009; Bovaird 2009). The use of CAF method allows the organization to gain bigger knowledge about its activities and effectiveness in separate areas. CAF is an easy method which allows to introduce the full concept of TQM. It can be a first step toward management through quality.

### **3. Material and Methods - the Characteristics of the Study**

The studies described in this publication were conducted as a part of the implementation of CAF method in councils of government administration. The main aim was to define the effectiveness of the implementation of CAF method in Polish government administration (The Project realized in 2009 by The Consortium of companies: Quality Progress and F5 Konsulting Sp. z o.o. within the action of 5.1. PO KL „The enforcement of government administration potential” realized on The Chancellery of the Prime Minister’s order the action connected with the CAF implementation in seventy government administration councils.). The research project concerned all councils within the program of CAF method implementation which was conducted as a part of the Chancellery of the Prime Minister project. In fact, the study was a pilot study which involved 15 councils. Thanks to this study, the research tool- questionnaire has been improved.

70 government administration councils were involved in this study. The research team had an access to all councils’ addresses, which took part in this study. Generally, the population consisted of all councils in this project thus, it can be claimed that the study was complete and exhaustive. The responsiveness was defined as 98,5% (only one council did not respond to the questionnaire). The study was conducted by means of a questionnaire (by the Internet) in the second half of 2009.

The research presents the following participation: 68% of those polled was the tax offices, 12% was voivodeship councils, and 9% was customs

administration while 15% of the rest involved the rest of government administration units.

The main aim of the study was to assess the usefulness of CAF method in government administration and define the most important problems of CAF method implementation. The assessment of CAF was supposed to be done for these areas, which may bring problems to studied organizations so as to improve the process of CAF implementation.

The following hypothesis were constructed:

- Some areas of CAF, in particular strategy and planning and social results of an organization were perceived difficult.
- Actions connected with employees are for councils the biggest chance which is connected with the implementation of improvement actions.

The scenario of the study, the choice of research method and tools were aiming at verification of research hypothesis.

#### 4. Discussion of Results

The studied councils assessed the usefulness of CAF method for administration quite high (Table no.1) On the basis of most of the questionnaires, the usefulness of this method was at good level (43,47%) while 27,53% perceived it as a very good method. However, it is worth mentioning that some problems turned up while implementing CAF. It is proved by the fact that a certain group assessed the usefulness of CAF very low (5,79% assessed its usefulness low while 1,50% very low ).

*Table 1*  
*The assessment of usefulness of CAF method in public administration*

Grade	Percentage of respondents
Very high	27,53%
High	43,47%
Average	21,73%
Low	5,79
Very low	1,50%

Source: Author's own study.

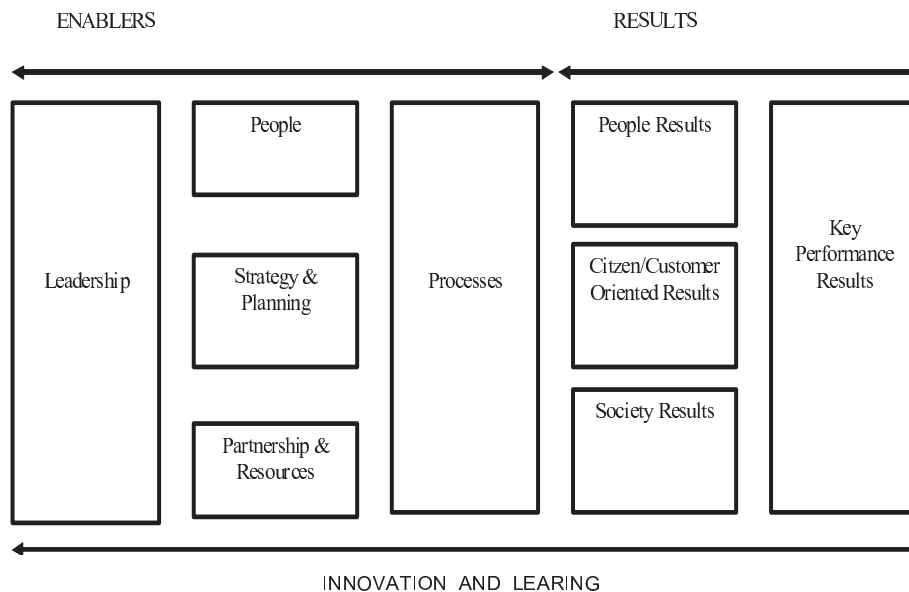
The assessment methods in CAF are perceived as difficult because its use is connected with a thorough and detailed analysis of sometimes new areas for some officials. The organization must analyse precisely all aspects of its activity, what in many cases can be problematic for employees who do not have experience in this field. This method provides good and reliable data about weakness of a public organization on condition that the source data was

gathered carefully and reports were prepared reliably. To a large extent, the accuracy of results depends on the employees' involvement and knowledge.

In order to define what was a cause of problems of implementation method, the most problematic criteria in the process of CAF application were pointed out by respondents and additionally, these areas which are the best-adjusted to a specificity of a council were also checked. Table no2 presents the study results for criteria of potential while Table no 3 presents the criteria of results.

On the basis of the study, it turns out that criteria concerning leadership, strategy and results were the most difficult to assess by officials. While criteria concerning employees and process were the easiest to assess.

The CAF methodology is said to be well prepared, which is proved by the fact that 30% of studied councils claim that any of criteria is not adequate in the process of public administration assessment. The problems arise in case of strategy and planning. It is claimed that this criterion is not adequate for councils' specificity, which is proved by the fact that 31,88% of respondents have a problem with using it in the assessment process. It shows that the issue of strategic management is a novelty for councils and presents problems.



**Picture 1. The CAF Model**

Source : The Common Assessment Framework (CAF). Improving organization through self-assessment, European institute of Public Administration, London 2008.

Table 2

*The assessment of criteria of potential*

	Leadership	Strategy and Planning	People	Partnership and resources	Processes	All	None
Potential criteria the most difficult to assess	25,73%	31,88%	7,73%	13,04%	15,94%	6,24%	1,44%
Potential criteria the least appropriate for council's	8,69%	27,53%	2,89%	23,18%	4,34%	4,39%	28,98%
Potential criteria the easiest to implement in a council	13,04%	5,79%	49,27%	4,34%	17,39%	4,38%	5,79%
Potential criteria whose implementation is the most beneficial influence on a council	11,59%	17,39%	21,73%	26,08%	8,69%	8,73%	5,79%

Source: Author's own study.

Table 3

*The assessment of results criteria*

	The results of activity in relations with citizens	The relations of activity in relations with employees	Social results of activity	Key performance results	All	None
Potential criteria the most beneficial in assessment	20,28%	31,88%	10,18%	27,53%	2,89%	7,24%
Potential criteria the least appropriate for a council	11,59%	4,34%	62,35%	5,79%	1,44%	14,49%
Potential criteria the most difficult in assessment	8,69%	5,79%	63,80%	14,49%	2,89%	4,34%

Source: Author's own study.



In case of government administration, it fulfils statutory requirements, top-down imposed and at the same time it does not constitute an independent strategy of functioning. In a new paradigm of public administration, when its activity has been subjected to a market facilitation, there is a necessity to enlarge the independence of councils not only within operational context but also within the context of strategic activity and creating long-term plans of actions. On the basis of the study, it results that councils are not prepared for this and this aspect should be improved. In the future, the level of employees', in particular high-rank officials' knowledge of this matter should be improved too. It is important, especially in case of unavoidable prompts of implementing the elements of strategic management in government administration.

The problem within the scope of separate criteria assessment is also connected with a low level of their clarity and 'novelty' of attitude to government administration. The employees of commercial companies, which have been using different kinds of quality assessment for a long time, have a bigger experience in the application of self-assessment criteria.

The use of all self-assessment methods require a precise knowledge of all processes which take place in a given organization. In case of councils, there are not clear and properly described examples showing how to assess separate criteria in training materials and available literature. Yet, it is worth mentioning that different public organizations, for instance, the studied example of government public administration is marked with its own specificity and requires certain modifications within the use of assessment processes of perfection of its functioning. This specification has not been mentioned either in the method or available examples which were used during employees' training.

The least problematic for councils among criteria concerning potential was criterion concerning employees (people). This criterion in CAF methodology is very well described because the studied councils assessed it simultaneously as very important in the process of improvement and easy to implement. A high clarity of matters involved in the issue of employees proves this fact. The obtained results are a prove of a big significance of a problem of human management in incorporeal services, which are provided by councils. The fact that councils understand that other non-material apart from material ones factors have an influence on clients' satisfaction is very positive and this shows that there is an existence of pro-quality awareness in the Polish government administration.

The criterion of processes has been also recognized as easy to assess. It is a consequence of the already implemented quality management system being in accordance with ISO 9001, in most of the studied councils. The preparation of process and the application of process-like attitude are obligatory in this

system. That's why, a process-oriented attitude is understandable and relatively easy to be assessed. Employees can use in this matter their experience gained while implementing Quality Management System.

The results of actions concerning relations with citizens and results of actions in relations between employees were perceived as the most beneficial in case of criteria connected with results. The key performance results of councils' activity were also perceived as important. Likewise, in case of criteria connected with potential, 14, 49% respondents claimed that all criteria are appropriate for a council and the CAF methodology was assessed well. What is also positive is the fact that a council thinks that results of relations with citizens and key performance results of its activity are important and beneficial in the assessment. It means that councils understand the importance of meeting citizens' needs and need to put its activity on market basis.

The results of society results of activity are the biggest problem. Councils do not understand the importance of social responsibility of their actions and they are not able to assess its results properly. 63, 76% of surveyed councils think that these criteria are the most important in the assessment and at the same time, a similar percentage of respondents claim that they are the least adequate for a council. According to the interviews with officials and consultants assisting the application of CAF, it is not the wrong functioning of a council but an inadequate and incomprehensible expression of criteria of assessment in CAF method that causes that problem. These criteria have been taken from industry context and hence, they are incomprehensible for employees in councils.

It is also worth examining the results of research conducted within the scope of CAF methodology application in government administration, which are presented in table no.4 The results proves that CAF method is a good tool for self-assessment of councils. According to most of studied government administration councils, its application allows obtaining the following benefits:

- Better cognition of council's functioning which allows to gain knowledge within the issue of processes being realized, problems and taking actions are essential for communication for effectiveness of management (98,55% respondents),
- It improves work being done by means of a better adjustment of employees' abilities for their work positions (73, 91%),
- It improves the relations with clients (85, 50%),
- It improves the relations with employees (89, 85%).

Table 4

*The assessment of use of CAF method*

<b>The assessment criteria</b>	<b>yes</b>	<b>No</b>
Does the use of CAF allow for better knowledge of a council?	98,55%	1,45%
Has the participation in the assessment group brought benefits within the scope of the work done?	73,91%	26,09%
Will the self-assessment allow improving the relationship with citizens/clients?	85,50%	14,50%
Will the self-assessment allow for the improvement of relations with employees?	89,85%	10,15%
Is the description of each criterion logical and clear?	21,71%	78,29%
Do the questions refer to important problems for the councils?	82,60%	17,40%
Is the used scoring scale of self-assessment understandable?	73,91%	26,09%
Are the improvement plans being implemented after having conducted the self-assessment process?	100%	0%
Is the repetition of self-assessment according to CAF being planned in council?	97,10%	2,90%

Source: Author's own study.

What is very positive is the fact that councils are planning to use CAF methodology for self-assessment (91, 10%) in the future and additionally, they are going to use the results of this method for the improvement of their activity. The obtained results portend well for future and at the same time they give a chance for a cyclic use of CAF method, what is an essence of it (it allows verifying the effectiveness of improvement actions according to the concept of Deming's cycle). The management team's involvement allows concentrating on improvement actions and helping to conduct CAF self-assessment which will help to define the adequacy of taken actions. Such a scenario of processing will allow to use this method effectively not only as a one-time tool but as an important element of a process of constant quality improvement in government administration.

Nevertheless, CAF has got some drawbacks which should be eliminated in the process of method modification. The biggest problem is the description of separate criteria. Most of the respondents (75, 27%) think that they are not clear and comprehensible enough. Therefore, detailed description of criteria should be changed and a better guidebook of using CAF method and training materials should be prepared. Otherwise the wider application of this method can meet

many difficulties. Also, some corrections of separate criteria can be done because some of the respondents (17, 40%) claim that they are not adequate enough for councils. Perhaps, the preparation of separate, modified criteria for different types of councils could be a good solution.

The reason of incomprehensibility of some part of criteria can be also connected with relatively poor knowledge of employees about CAF self-assessment (Table no.5) Although the knowledge of people involved in this project is quite good, the knowledge of the rest of employees is rather poor, according to the survey, it is 43,46% -poor or very poor knowledge. Since the study of self-assessment requires a cooperation and involvement of many people in councils, employees' poor knowledge about this method can result in problem with CAF application and which in turn, necessary data can't be obtained.

*Table 5*  
***The assessment of employees' knowledge about CAF method***

<b>grade</b>	<b>Employees directly involved in the process of assessment</b>	<b>The rest of employees</b>
very high	18,85%	0%
high	65,21%	13,07%
average	15,94%	43,47%
low	0%	23,18%
very low	0%	20,28%

Source: Author's own study.

## 5. Conclusion

The conducted research project allowed verifying the formulated research hypothesis. The most difficult in the process of assessment is: strategy and planning within the scope of potential criteria while social result of activity within the scope of criteria of results. The criteria connected with employees turned out to be the easiest.

The incomprehension of criteria and officials' ignorance of issues of strategic management have caused the problems. In order to eliminate these problems, the employees, not only directly involved in the project, should be trained within the application of CAF method. The obtained experience can be also used for the improvement of CAF method. It is also worth preparing examples of application of CAF method usage in different councils. The modifications of this method can be done for different kinds of councils, for example: tax administration, customs administration in order to adjust them to the specificity of each council.

This study proved that the implementation of CAF in government administration has finished mostly with a success. The use of this method helped to get to know precisely the functioning of council. It was a basis for the growth of officials' awareness of provided services and at the same time, of relations with citizens and employees. CAF has become an important tool of quality improvement in Polish and European government administration and an element of constant improvement. Still, respondents draw attention to the fact that it requires some modifications which will allow eliminating the incomprehensibility and inapplicability.

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