

# PLANNING AND INFORMATION AS CONTROLLING INSTRUMENT OF THE PUBLIC ADMINISTRATIONS

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## Abstract

*The operational planning is a short time planning. In general it contains one or two calendar years and is very detailed compared with the strategic planning. The decisions of the strategic planning must be concretized by the operational planning. I.e. the operational aims of the public administrations must be deduced from the strategic plans of the administrations.*

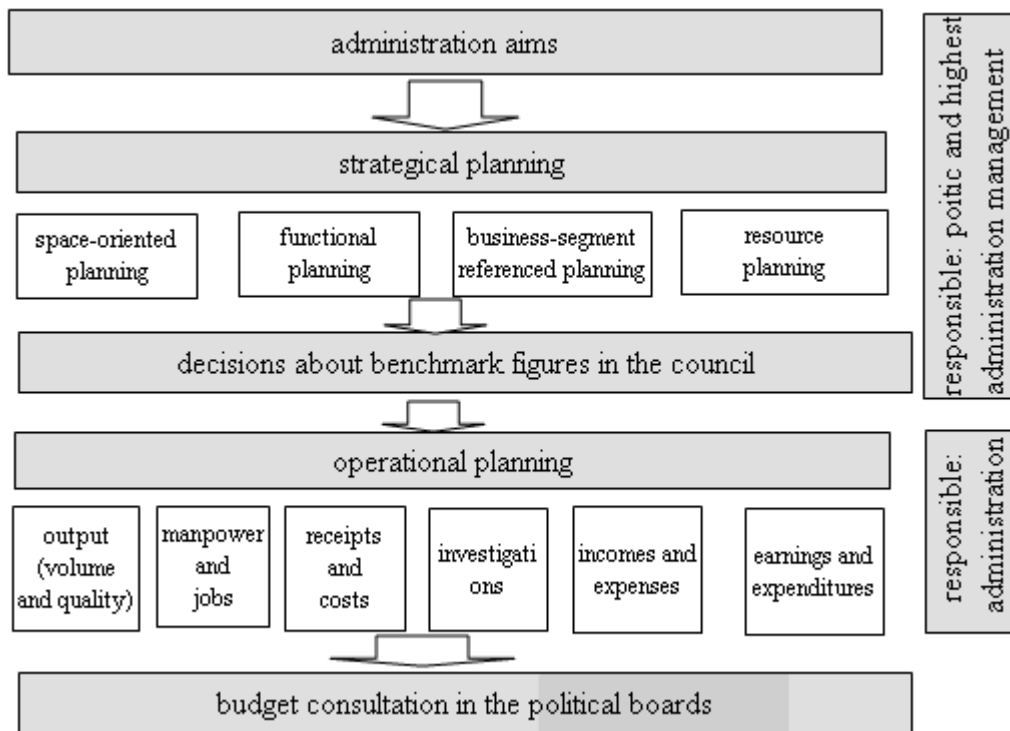
## Key words

*public administrations, planning, controlling*

## Principals of the administrative planning

The strategic and the operational aims of the administrations are connected by purpose-means-relations, i.e. the operational aims are a means to an end for fulfilling the superior strategic aims.

After having decided for the operational administrative aims the next step is to draft plans on how to achieve those given goals. Hereby the operational planning of public administrations includes all activities necessary to achieve a closed system of partial plans for the following business year. Furthermore it is also required to split the partial plans into monthly segments on how to achieve the superior aims on the division level (budgeting). As it is pictured above the main tasks of the operational planning are the forecast of returns and charges, receipts and expenses, output (volume and quality) and all other components belonging to it or necessary for it.



*Illustration: structure of the planning*

### **The budgeting as an operational administrative planning**

The main focus of the operational planning in the public administrations is the explicit description of the budgeting. This budgeting is a planning based on the resources of this very administration. I.e. only the input available in each administrative department is planned. Acting this way one expects that a high resource-input ends up in the high and wished output.

As shown in the above illustration “structure of planning” the decision on the resource use comes from one of the top levels, namely the politic and highest administration level. Consequently the operational level is strictly bound to these decisions of the politics and the highest administrative level and leaves only very little room for acting on this operational level. The reason for this time – consuming planning and budgeting process is the large problem to measure the level on which the outputs of the public administrations meet the set goals. In order to improve and considerably speed up this previously described process, everybody needs to be constantly aware of the set goals. Therefore the implementation of an explicit planning about how to achieve the aims is necessary. If additional informations are required, they can be looked into by a separate reporting system.

So in the future the budget plan consists of the whole budget, the resource budget and the global budget of the clients. The resource budget replaces the individual plan, while the global budget is equivalent with the actual capital level. The money required for the planned products can be found in the budget of the specific levels of the products. The financing of this products Produktabgeltung should not be influenced by proceeds or costs from other outputs, because this way a transparent budget can be created and no subsidize can be hidden. The planning for the individual administration levels (resort manager, client manager, EKE-manager and cost accounting centre manager) should be planned in talks about the set goals,

projects and investigations. Every activity is classified according to its priority and then adjusted to the expected and available financial possibilities. After having decided on the output program the necessary resources are assigned to the organisation units and contracts on the terms of conditions are signed.

## **The information system of the public administrations**

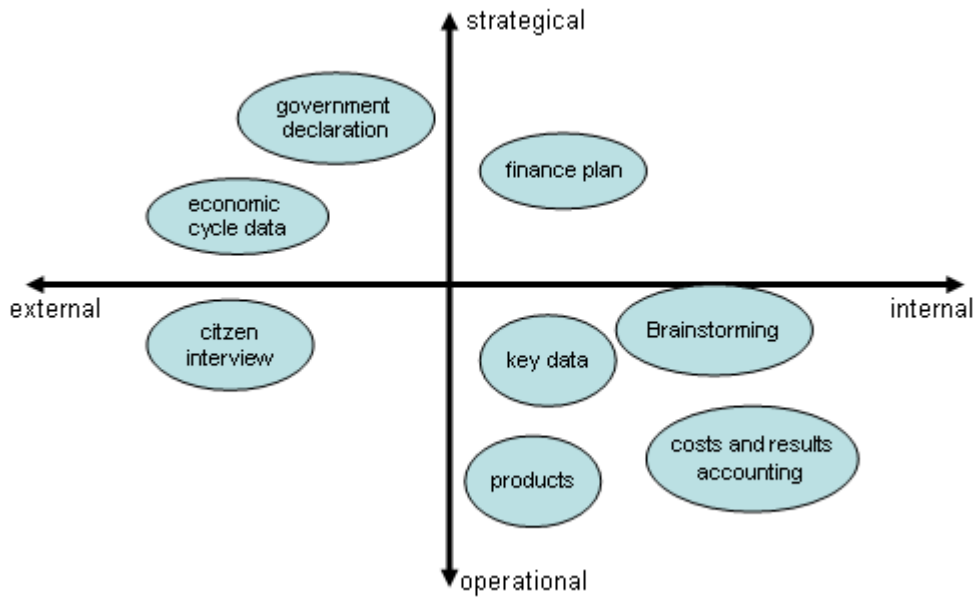
### ***The necessary information***

In the private industry the controlling with a report system as the main instrument for bringing the relevant information has already been installed, whereas it is only in the implementation or testing phase in the public administrations. When obtaining information relevant for the planning and controlling organisation is most important: getting them at the right time and at the right place and also with the necessary quality and quantity.

The public administration's need for information comprises all the information belonging to the project and its aims, and also includes all its tasks and problems. This need for information exists in objective and subjective forms. The objective information need describes all required information that are independent of the information user. By this objective administration method – which is the classic – the opinion overview is achieved by asking the involved departments or collecting written comments of these departments. Naturally this just described objective way is an internal administration process.

On the other hand the subjective information are mainly gained by the leading executives and also depend on their points of view. For their personal preferences strongly influence their perception and the way they look upon projects. They gain their information by talking to trusted people. This way this particular method is strongly influenced by other people's opinion be they friend or colleagues and also by public statements in the media. Therefore it is considered to be a rather political method.

The objective method brings along several advantages: the collected information is rather structured, and as such of higher quality. Furthermore it is also more credible. However, due to its high specialization and the job sharing of the involved departments this method also brings along some disadvantages. For the objective need of information every detail is collected in order to be used for working on a specific aim. Yet the amount of subjectively and objectively gained information varies with every aim and the steps taken to achieve it. Generally speaking one can say: the more structured a task and the further the problem solving has progressed the more weight is put on the objectively achieved pieces of information.

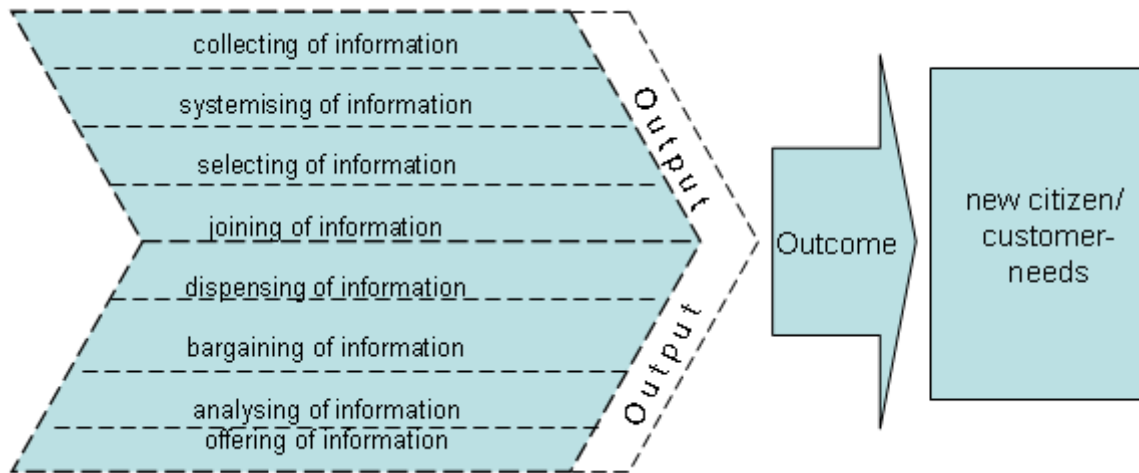


***Illustration: sources for finding information in administrations***

Analysing the existing information should be in mind when collecting new information. I.e. gaining an all encompassing picture of the actual situation by asking questions such as “What does already exist?”, “What pieces of information are of use?”, “What can or should be changed?”, “What should be newly developed?”. After having gained answers to all these questions one can get an actual impression of the situation. The above illustration “sources for finding information in administrations” names the most important sources of information and also shows how the leadership of the administration affects the process. When choosing these sources, however, their reliability and objectivity, their rights and options to gain these information, the data protection and data security as well as their availability and the data and information being up – to –date, need to be put into consideration.

### **The information sharing between politic and administrations**

The main tasks of the public administrations are to come up with an output achieved by processing all collected pieces of information. This information system can be looked upon from two different angles: On the one hand the information system can be looked upon from a functional – conceptional angle; therefore it is referred to as functional concept. On the other hand a technical input can take place; this proceeding is referred to as the data – processing – concept.



**Illustration:** *information chain of the public administrations*

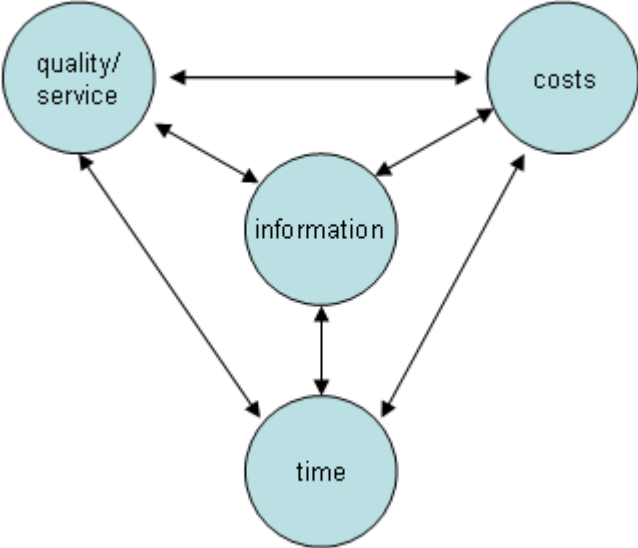
This information system is the centre of the subordinated leading system upon which all other sub systems are based. I.e. all subordinated leading systems are based on the processing and production of information. This information system has a special relevance for the public administrations, since most outputs of this production process turn out to be information processing services.

Starting points for these considerations of the information system are the need for information, the offer of information and the inquiry for information. The inquiry for information describes the proceeding of individual administrators. However, this is a subjective way of collecting information and can differ from the objectively required information, since this is based upon the individual preferences of every leader. The sources of information form the possibilities of the available information out of which the offer of information is taken.

As has been previously mentioned the main guideline is the information. The information gained by the administrations over these different steps can be presented as an autonomous source for the increase of the output/ degree of outcome. The administrations consider these informations as individual products which are exchanged between the administrations and the public. However that information can't be considered as such through which the value chain has a support character for the real products (e.g. the use of particular information when writing a report). These informations are used for the implementation of the products.

This indicates that it is necessary to implement an all goals encompassing focus for all kinds of information. The latter comprise all those aiming for the budgeting management, the statement of costs and output and the tools of aims and effects. It is important to know that the informations on statement of costs and output will be significantly important when introducing the standard – statement of costs and output. Yet all other kinds of information are equally important in order to prevent that decisions are made merely on a monetary basis and as such neglecting all the values for achieving the superior aim and the goals of the administration. Furthermore informations can be used for additional use of the original plan at the same time. These informations are based on the combination to the information chain and the value chain. As shown in the previous illustration the main idea is to combine all informations and as such increase their output/ outcome. And the latter shall meet the new wishes of the clients.

The following illustration “success factors in the public administrations” shows the interrelation between the important factors quality/ service, costs and time used in the information proceeding process. The better the informations’ quality the earlier are the public administrations able to identify those factors for success and are also able to implement the main control function. The administrations working in this process effectively and efficiently do have a competitive advantage and compared with other administrations do have a higher customer/ citizen orientation.



**Illustration:** *success factors in the public administrations*

The administrations go through these information proceeding processes, but the strategic decisions for the regulation take place on a political level. The specifics of the public administrations cause difficulties when it comes to the distribution of information between administration and politics. On the one hand the political system that the administrations are a part of is a very complex system. Consequently it takes a lot of time and effort to generate an all encompassing piece of information and as such also concerning the regulation of information. On the other hand it is difficult to know in advance which particular information will be required in future times.

The administrations are supposed to share their advantages on the information level with the political leaders which they gained in the improved information proceeding process. This way one hopes to avoid an interest conflict at every change of political leadership. To put it in a nutshell the regulations of the administrations requires a fast, but also detailed supply of information through the government.