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VALUE-BASED MANAGEMENT IN THE PUBLIC SECTOR: MORE VALUE FOR THE TAXPAYERS MONEY? A DANISH CASE AND THE BACKGROUND

1. VALUE-BASED MANAGEMENT

What is value-based management? Value-based management can be defined and has been defined in many different ways. In the case of Aalborg Municipal – my case – value-based management is management based on a certain charter of management. The charter is shown in Fig. 1. On the left side of the charter one finds eight values. These values are the core – foundational – values for management in Aalborg Municipal in the administration of the Mayor. On the right side of the charter one finds the most important guidelines for the managers when using the eight values in practice.

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1. A good manager supports personal and professional development	This is done by: – giving the staff personal and professional challenges at the work – giving positive feed-back – showing personal interest of the well being of the staff
2. A good manager exercise visible management	This is done by: – creating relevant criteria of success – giving appropriate information – involving the staff in relevant decision-making – promoting the team in and out side the administration of the Mayor – promoting the administration of the Mayor in positive ways – creating networks in and out side the administration of the Mayor
3. A good manager creates dialogue	This is done by: – involving the staff in setting goals and in achieving these – trusting the staff – solving problems and personal conflicts when these emerge
4. A good manager is well skilled and competent	This is done by: – showing outlook and insight – ensuring relevant competencies in the staff
5. A good manager is stakeholder oriented	This is done by: – involving the stakeholders in the production of services – developing new ways of problem solving and production
6. A good manager involves all the important partners	This is done by: – developing projects in co-ordination with relevant partners in the organisation
7. A good manager is goal oriented	This is done by: – setting goals for the team – communicating milestones and their accomplishments
8. A good manager is conscious of the limitation of the resources	This is done by: – utilizing the resources in best possible ways involving the staff in the utilization of the resources

Fig. 1: The Management Charter in Aalborg Municipal in the Mayor's administration

2. MORE VALUE FOR THE TAXPAYERS' MONEY. THE SQUEEZE FOR THE PUBLIC ORGANISATION AND INSTITUTIONS

In the case of Aalborg Municipal – in my case – the politicians decide year after year that the organisations and institutions[1] within Aalborg Municipal shall produce still more and still better public services and products to the citizens as users for more or less the same amount of money paid to the municipal by the citizens as taxpayers. The situation in Aalborg Municipal is not special. The situation in Aalborg Municipal is typical for the public organisations and institutions in Denmark. The reason for this is the still more requiring citizens combined with the design of the Danish welfare state.

2.1. More requiring citizens

1. The citizens in modern democracies and welfare societies become in general more requiring with regard of the welfare states – the public organisations and the public institutions. This is also the case in Denmark. This implies that the citizens want to be regarded by public organisations and institutions as customers at the consumer markets rather than being considered as mere users of public services[2]. Moreover, the citizens as customers want to have more influence on public institutions producing services[3]. Furthermore, the citizens want public services to be produced and delivered in ways that makes it possible to maintain a normal life as long as possible[4]. Finally, citizens wish that the public organisations and institutions takes a leading example in matters of social responsibility, environmental protection or issues of rights of citizens to privacy and informed consent in elaboration of their files by different public and private authorities.

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[1] Organisations are here defined as staff organizations, normally called the central administration, interacting between the political systems and the institutions. Institutions are here defined as organisations that produce the public services and products. That is schools, kindergarten, hospitals, elder care, *etc*.

[2] Citizens want, for example, to choose who come into their houses to do the cleaning, help cooking, to dress and undress elderly people, *etc*.

[3] Citizens want, for example, to be able to influence the pedagogical concepts of teaching the pupils in the schools and care-taking in the kindergartens.

[4] Citizens want, for example, to have public services in their own houses if they have become very old or disabled instead of being placed in institutions for old people and disabled persons.

2. The level of taxation is high in Denmark. It is one of the highest levels of taxation in the OECD-countries. This, of course, reflects the attempts of the public sector to meet the citizens' expectations. The citizens in Denmark by and large will not accept a higher level of taxation. On the contrary. The citizens would like to see a decrease in the level of the taxation. The present (center-right) government in Denmark has declared a stop of a higher level of taxation and has from year 2004 even lowered the level of taxation at the (very) margin for the first time in decades.

3. The combination of the more requiring citizens as users and the citizens' lack of willingness as taxpayers to pay more in taxes results in a gab between the citizens expectations to the public services and products and the available economic resources in the public organisations and the public institutions to produce the services and the products which can meet the expectations.

2.2. The design of the Danish welfare state

The gap mentioned between the citizens' expectations to public services and products as users and (more or less) the same citizens' lack of willingness to pay taxes that makes it possible for the public organisations and the public institutions to meet the citizens' expectations is reinforced by the design of the welfare state. The Danish welfare state like most modern welfare states splits the citizens into users and taxpayers. That are the citizens as taxpayers pay taxes at cash one (income taxes) and cash two (WAT), *etc*. The citizens as users receive the services and products more or less free of charge at cash five (education), cash six (pension), cash seven (health care), *etc*.

The historical background for this split in the Danish welfare state system is quite simple and unique. The split allows money to be transferred from the "rich" people to the "poor" people. Because of the split and the ways it has been and still is being administered in the Danish welfare state, Denmark has one of the highest levels of equality among the citizens in the world. Furthermore, the split allows the creation of equality among the citizens without generating negative impacts on the private companies – the market economic system. On the contrary. The public organisations and the public institutions – the welfare state – support the private companies – the market economic system – in many ways by direct and hidden subsidy (P e d e r s e n 2003). Seen in a historical perspective the split mentioned can be said to have created a unique success. It has made it possible to combine "socialism" and "capitalism" – equality in the society with inequality in the market economic system in a functional way (P e d e r s e n 2003).

However, the split and hence the welfare state system now shows some long term negative effects. Over time the split and the welfare state have turn almost all citizens into "rich" as well as "poor" people. That is that almost all citizens and private companies have become users and taxpayers. Due to the split of the citizens and the companies in users and taxpayers no one knows what he or she pays in taxes and what he or she gets in return of public services and products. This lack of transparency with regard of paying taxes and having public services and products more or less free of charge creates a system where rational behaviour at the level of the single citizen and the single company at the level of society reinforces the gab mentioned between the citizens' expectations to public services and products and the same citizens' willingness to pay taxes that makes it possible for the public organisations and the public institutions to meet the expectations of the citizens – and the companies.

The rational behaviour of the single citizen and the single company is to pay as little as possible in taxes and to have as many public services and products as possible. This rational behaviour will, of course, at the level of society reinforces the gab mentioned. The behaviour of the citizens and the companies squeezes the welfare state and hence the public organisations and the public institutions between expectations and economic resources available.

Furthermore, the rational behaviour at the level of the single citizen turns the welfare state from a system originally based on solidarity among the citizens, which later on became based on a kind of stated owned public insurance company with a positive social profile seen from the point of view of the "poor" citizens into a kind of private investment company with endless numbers of stakeholders promoting their own interests. That is to have the best possible return – as many public services and product as possible – of the invested money – the taxes paid. The more the citizens think of the welfare state as a private investment company, the more the welfare state and then again the public organisations and public institutions is squeezed between the citizens' expectations and their lack of willingness to pay taxes which makes it possible for the public organisations and the public institutions to meet the expectations. This is shown in figure 2.

Figure 2 shows the citizens' multiple roles in the welfare state namely as users, taxpayers and voters. As users the citizens want more and better services from the welfare state – the public organisations and the public institutions. As taxpayers, however, they do not want to pay more but less in taxes to the welfare state. Moreover, as voters, citizen wants more services

and products from the welfare state, no over all growth of the welfare state
and a fixed level of taxation. Furthermore, citizens as voters refuse substan-
tial cuts in any of the public services. The result is that citizens want more
and better services for less economic resources. That is more value for the
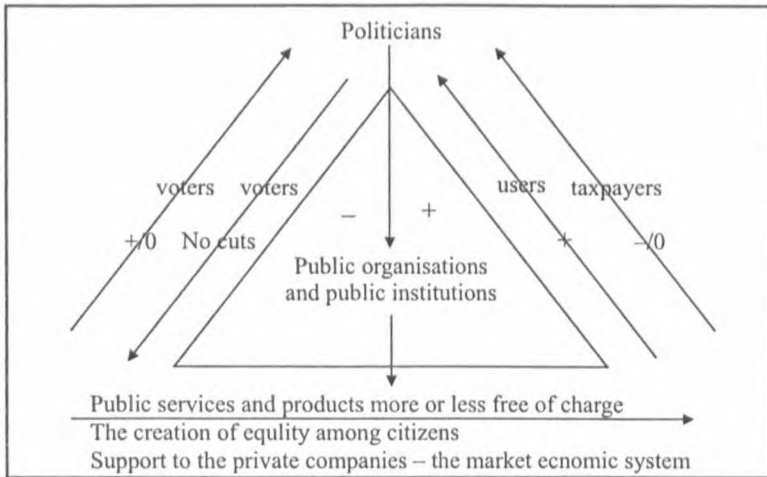same taxes.

Fig. 2: The gap between the citizens' expectations and willingness to pay taxes

The politicians' ultimate criteria of success are (re)election as well
known. Therefore, the politicians take decisions that (to some degree)
reflect the citizens' opinion as voters. In this case the result is, that
the politicians have a strong tendency to make decisions that pass the
gab between expectations and available economic resources on to the
public organisations and the public institutions. That is the public or-
ganisations and the public institutions themselves have to figure out how
to produce still more and still better services and products for the same
or even less amount of money.

In other words: The organisations and the institutions shall themselves
find ways to bridge the gap and ease the squeeze. This task is represented
in figure two by the plus (+) and the minus (–) in the centre of the triangle
representing the welfare states and hence all public organisations and
institutions.

The question is now: How can value-based management based on
the charter of management showed in section I in figure one contribute
in a significant way to bridge the gap and ease the squeeze mentioned?
Value-based management can help to bridge the gap and ease the squeeze
by shaping the decision-making processes about which services and pro-

ducts the public organisations and institutions shall produce and how in ways which:

  • generate focus on the relevant issues in the decision-making processes,
  • makes the gap and the squeeze understandable and even sometimes makes the gab and squeeze even acceptable.

Before going into how value-based management can contribute to bridge the gap and ease the squeeze by shaping the decision-making processes I shall first introduce Aalborg Municipal – my case[5].

3. THE CASE – AALBORG MUNICIPAL IN DENMARK

Where do we find Aalborg Municipal? What type of organisation is Aalborg Municipal? How was the value-based management implemented? Why was value-based management introduced in the first place? These four questions will be answered in this section.

3.1. Aalborg Municipal?

Aalborg Municipal (in Danish Aalborg Kommune) is a public, local political body with many organisations and institutions. Aalborg Municipal in Northern Denmark is the forth municipal in the country with 160,000 inhabitants, three percent of the Danish population. The town of Aalborg is the administrative centre of Northern Denmark with university, hospitals, museums, theatres etc. Aalborg Municipal is a body with approx 15,000 employees and the annual (net) budget is approx one billion USD/EUR. Most of the staff is employed in public institutions like schools, pre-schools, kindergartens and local institutions for care and social work. The size of the organisation reflects the relatively large public sector of the Danish welfare state where 2/3 of public services and products are produced at local level. The activities of the municipalities are partly financed by local taxes at approximately 20% of the citizen's salaries. A reform of the public sector in the years to come will emphasize the local element described.

Aalborg Municipal is a political body, governed by the town council and a board of mayors – the offices of the magistrate – appointed by the town council. The board of mayors is responsible for the municipal

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[5] The case of Aalborg Municipal – the administration of the Mayor – is used as a case where the experiences can be generalized. This within B. F l y v b j e r g's (1998) theoretical framework for the case-study.

administration separated into six organisations: Technical affairs, cultural and educational affairs, administration for disabilities and elderly, administration for social affairs, administration for utilities and finally the administration of the Mayor (the Chief Magistrate). As the central administration of the municipal this organisation is in charge of the overall administration of the city[6]. The administration of the Mayor has approximately 450 employees. Each of the six organisations is responsible for a number of public institutions producing public services. My case of value-based management concerns the administration of the Mayor.

3.2. The implementation of value-based management in Aalborg Municipal

It took almost three years to design and to implement value-based management in the administration of the Mayor.

In spring 1999 the top managers requested the staff to formulate and to define values that could ensure that the organisation could become a well functioning, modern organisation seen from the perspective of the staff. The aim of this request was to get all in the staff involved in defining the core – foundational – values of the organisation. The office of "Organisation and HRM" became the central coordinator of this first phase. After a long process of many discussions, workshops, internal and external team-building activities, etc. forty-four core – foundational – values were found and defined. These forty-four values were reduced to six values and a number of sub-values by the office of "Organisation and HRM'.

The six central values were the following:

1. We are committed and we take responsibility for what we do.

2. We are opened minded and we are honest.

3. We treat other persons with respect and we trust other persons.

4. We are well skilled and we want to have the necessary competencies to do a good job.

5. We are willing to co-operate with all relevant partners.

6. We are proud of being in the administration of the Mayor.

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[6] The administration of the Mayor takes care of the taxation, the over-all budget of the municipal and the general principles of the HRM. Furthermore, it provides the city council and the single politician with services. Finally, it is involved in the development of the concepts of producing services and products in the institutions in Aalborg Municipal. And the Mayor – the Chief Magistrate – is the only single person who can engage the city in contracts, buying and selling buildings, etc.

At the yearly seminar for the staff of the administration of the Mayor in 1999 the values were discussed one more time and finally confirmed as the ultimate values for the organisation. On this basis, a "Group for organisational core values" was created. The CEO of the office of the Mayor became chairman of the group. This group became responsible for the maintenance and the development of values in the organisation and for the designing and the implementation of value-based management. The activities of the group can be summarized in 9 steps lasting for more than two years.

• Step number one: After the six core values were found and defined many activities were performed to make sure that the staff took the ownership of the values. Efforts were done to explain the values in a non-technical manner. Furthermore, different kinds of materials, calendars, cups, small coloured brochures, etc. reflecting the six values and their sub values were made and distributed in the administration.

• Step number two: A special program was made to generate a dialogue between the middle managers and the staff. Within a short period of time in the spring 2000 the middle managers and the staff should try on basis of a number of practical examples to "make sense" on basis of the values. That is to have a debate on the impact of the values on the daily work and life in **our** team, **our** office, **our** department, **our** institution, *etc.*

• Step number three: Middle managers were asked by the top managers to find and define a charter of management paying respect to the values found and defined by the staff. Furthermore, the charter of management should pay respects to the demands and expectations of the many stakeholders of Aalborg Municipal.

• Step number four: Middle managers found and defined a charter of management as asked for. That is the charter of management shown in figure one in Section 1. The charter was agreed at on a special seminar for the top managers and the middle managers. Afterwards the charter of management was presented and discussed with the staff at a seminar.

• Step number five: It was accepted both by the middle managers and the staff that the charter of management could be used as a basis of an evaluation of the performance of value-based management by all manager and of an evaluation of the effects of the value-based management on the production of the services and products.

• Step number six: A group was made to prepare an evaluation of the performance of value-based management. The group was assisted with help from an external consult group.

• Step number seven: The managers were place in a number of groups to have a forum to discuss how to perform value-based management, how to prepare for the evaluation, etc.

• Step number eight: A special program was made to ensure that the charter of management and questionnaires made for evaluation was discussed and understood in the teams, the offices, the departments, the institutions, *etc.*

• Step number nine: Evaluation, result of the evaluation, the following up activities and a decision to make a new evaluation.

To support the nine steps described, a special homepage was made for core – foundational – values and value-based management.

The purpose of the rather long process of the implementation of values and value-based management in the administration of the Mayor was to secure that the staff and the middle managers could be trained in how to integrate values in their daily work. This included training in behaviour, decision-making, communication etc. on basis of the values.

3.3. Why value-based management in Aalborg Municipal?

The single most important reason to design and to implement value-based management in the case of Aalborg Municipal was the still more complex political, administrative and operational decision-making proces-ses and final decisions to take about what services and products to produce and how. In Section 7 the background of the still more comp-lex decisions-making processes will be elaborated further. The official reason for the introduction of values and value-based management was that values and value-based management should help to overcome a ma-jor crisis in the organization. This is often the official reason to begin on the introduction of value-based management according to D.-M. D r i s c o l l and M. H o f f m a n (2000) and a number of cases/experien-ces in Denmark.

4. THE DECISION-MAKING PROCESSES IN PUBLIC ORGANISATIONS AND INSTITUTIONS

In this section the decision-making processes and the final decisions about what to produce and how in public organisations and institutions will be discussed to better understand the background for the need for values and value-based management in public organisations and in-stitutions.

The formal decision-making processes for public organisations and public institutions are shown in Fig. 3.
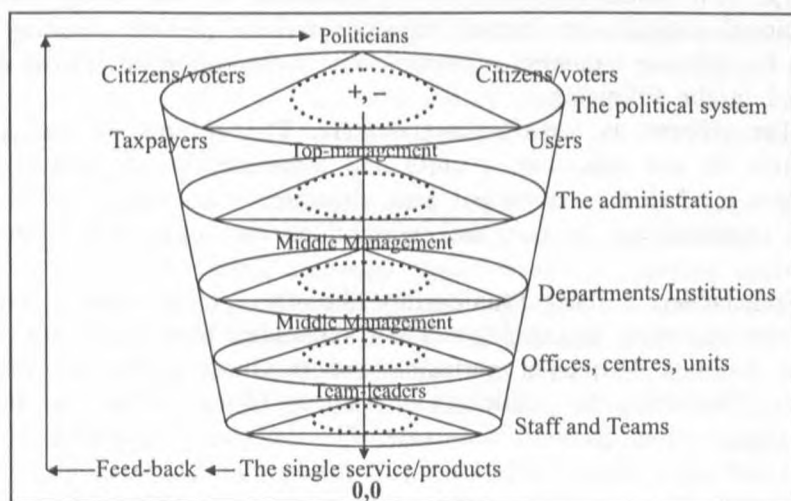
Fig. 3: The formal decision-making processes in public organisations and institutions

The politicians decide in the political system the services and products that shall be produced and delivered to the citizens. As discussed in Section 2 and as shown in figure two the politicians have a strong tendency to pass the gap between the citizens' expectations to public services and products and almost the same citizens' lack of willingness to pay taxes at a level that makes it possible for public organisations and public institutions to meet the expectations. In figure three – like in figure two – this is shown by the plus (+) and the minus (–).

In conventional decision-making process thinking the politicians will command the organisations and the institutions to produce the services and products the politicians decide that shall be produced. Furthermore, it will be expected that especially the top managers and the middle managers will do their outmost to secure that the organisations and institutions will produce the services and products in ways that will solve the gab mentioned and then ease the squeeze also mentioned for the organisations and institutions. That is the organisations and institutions will produce the "correct" services and products to the citizens in ways that generate a zero-zero (0,0) situation as shown at the bottom of figure three. If and when the organisations and institutions – the top managers and the middle managers – do so, the politicians hope for at positive feed-back in terms of (re)elections. This type of decisions-making processes and ways to produce public services could be termed as a combination of Weber's ideal type of bureaucratic rational and Ford's and Taylor's principles of organisational efficiency. In two words: Top-down programming.

In the real world decisions-making processes are far away from the conventional straight on formal decisions-making process thinking. The reasons for this are a number of factors. The most important factors will be discussed in the following.

1. The citizens as users/taxpayers/voters. The citizens as users/taxpayers/voters do not constitute a unity and therefore they do not confront politicians in Aalborg Municipal and elsewhere with simple and clearly defined expectations. In fact the expectations are many and often contradictory.

2. Stakeholder. Aalborg Municipality like other public organisations and institutions has many stakeholders. The stakeholders have legitimate interest in how Aalborg Municipal performs and produces public services and products. Therefore, the politicians in Aalborg Municipal like in all other public organisations have to cooperate with the many stakeholders in the decision-making processes about what to produce and how. A little sample of the stakeholders linked to Aalborg Municipal is shown in Fig. 4.
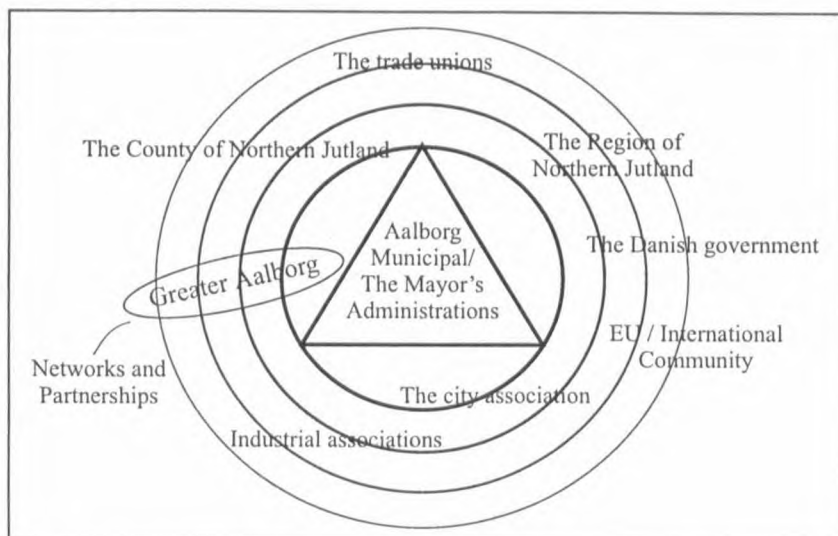

Fig. 4: Aalborg Municipal and Stakeholders

3. Politicians and political decisions. Seen from the politicians' point of view the political environment is complex because the citizens as users/taxpayers/voters and the stakeholders do not constitute a unity and therefore do not confront the politicians in Aalborg Municipal with simple and clearly defined expectations. The (still more) complex political environment generates a (still stronger) structural pressure on the politicians' decisions about what

to produce and how. The result is that the politicians often do not make clear decisions. On the contrary. The politicians often make decisions which can be and by purpose are designed to be interpreted in different ways by the voters/users/taxpayers, the stakeholders and even by the politicians themselves. One could say that this is a part of the game for the politicians if the want to be (re)elected.

Seen from the public organisations' and public institutions' point of view the consequence of the political decision-making processes and the politicians' so-called final decisions about what to produce and how is that the politicians do not command the organisations and institutions to produce this and that service or product in this and that way. In fact the typical situation is that the organisations and institutions have to interpret decisions made by the politicians. Furthermore, the different stakeholders and the citizens as users/taxpayers/voters do not help the organisations and institutions in understanding how their expectations can be met. The overall result is that the organisations and the institutions are left alone to figure out what services and products are the "correct" ones to be produced and how. And how to produce the services and products in ways that can turns the plus (+) and the minus (–) situation into a zero-zero (0,0) situation.

In the organisations' and institutions' strives to figure out what to produce and how to turn a plus (+) and minus (–) situation into a zero-zero (0,0) situations the organisations and institutions must handle two major tasks in appropriate ways.

Task one.

Organisations and institutions need to have the capacity to make correct interpretations of the politicians' decisions, the stakeholders' legitimate interests in the production of public services and products and the citizens' expectations as users/taxpayers/voters. That is the organisations and in-stitutions as an example must have the capacity to interpret the citizens' request for better care taking as users/taxpayers/voters, the stakeholders' expectations that a better care taking fits into their interests and the politicians decisions about better and cheaper care taking paying respect for the interests of the general public in ways which results in a specific better care taking generating more satisfaction among the citizens, the stakeholder and the politicians. In practice this could be done by more nurses used in a more flexible way, better beds, more electronic equipment so old people can stay longer in their homes which again can reduce the price of care taking. Some of the stakeholders could be invited to more cooperation with Aalborg Municipal regarding the concept for care taking and others stakehol-der could be involved in more private sub production linked to the care public taking.

Figure 5 is an attempt to illustrate the organisations and institutions need for the capacity to make correct interpretations.
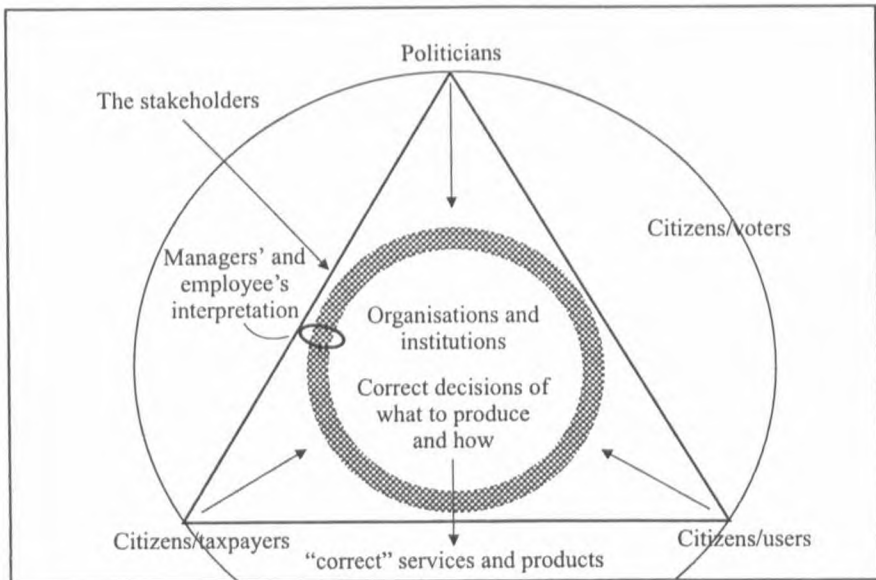

Fig. 5: Interpretations organisations and institutions

The top managers, the middle managers and the staff in general must make interpretations of the citizens' and the stakeholder' expectations and the politicians' decisions in order to ensure that the correct services and products are produced.

Task two.

Public organisations and public institutions have to be aware of the cutting edges of important external trends in order to make sure that the services and products are produced with good qualities and in efficient ways. That is as a way to turn the plus (+) and the minus (–) situation into a zero-zero (0, 0) situation.

A small sample of important external trends affecting Aalborg Municipal is shown in Fig. 6.

Aalborg Municipal has, of course, to be aware of the new trends shown in Fig. 6 and other important trends in order to produce the "correct" services and products. Furthermore, the only way Aalborg Municipal and the public organisations and institutions in general can hope for being able to turn the plus (+) and the minus (–) situation into a zero-zero (0, 0) situation is to utilize the most important trends at their outmost. One small

example are, as well known, new technologies that can be used to produce more customer-tailored services at low prices and new on-line services that can involve the citizens in many problem-solving activities at very low costs.
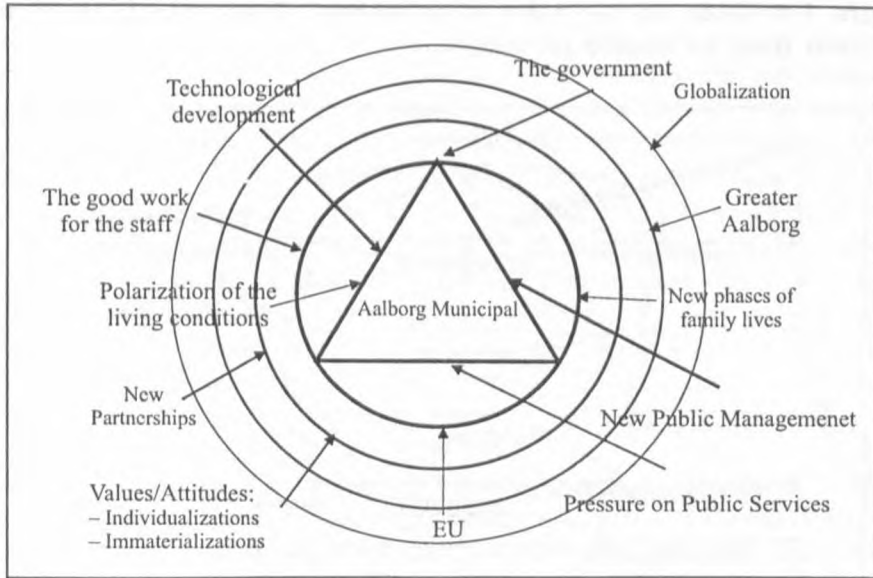

Fig. 6: Trends affecting Aalborg Municipal

However, it is not enough that organisations and institutions have the capacity to make correct interpretations of the citizens' and the stakeholders' expectations, the politicians' decisions and the trends affecting the possibilities of producing public services and products once for all. The organisations and institutions must generate and maintain a dialogue on a continuously basis with the citizens and the stakeholders at all levels of the organisations and institutions to make sure that the interpretations over time are made correctly. Furthermore, the organisations and institutions must, of course, have a dialogue on a continuously basis with the politicians' to makes sure that the interpretations mentioned and the interpretations of the politicians decisions and wishes are acceptable.

The result is that the decision-making processes and the final decisions about what to produce and how must to be based on dialogues horizontally between the organisations and the institutions and their stakeholders and the citizens. This again generate the need for a vertically dialogue in the organisations and institutions to make sense involving all levels and the politicians. That is that a long and complex chain of interpretations,

dialogues and decision-making processes horizontally and vertically evolves in the public organisations and institutions when they strive to decide what are the "correct" services and products to be produced and how.

Figure 7 is an attempt to illustrate the chain of interpretations, dialogues and decision-making processes in the public organisations and institutions. Figure 7 is made on the basis of an elaborated version of Fig. 3 and 5 viewed from an outside perspective.
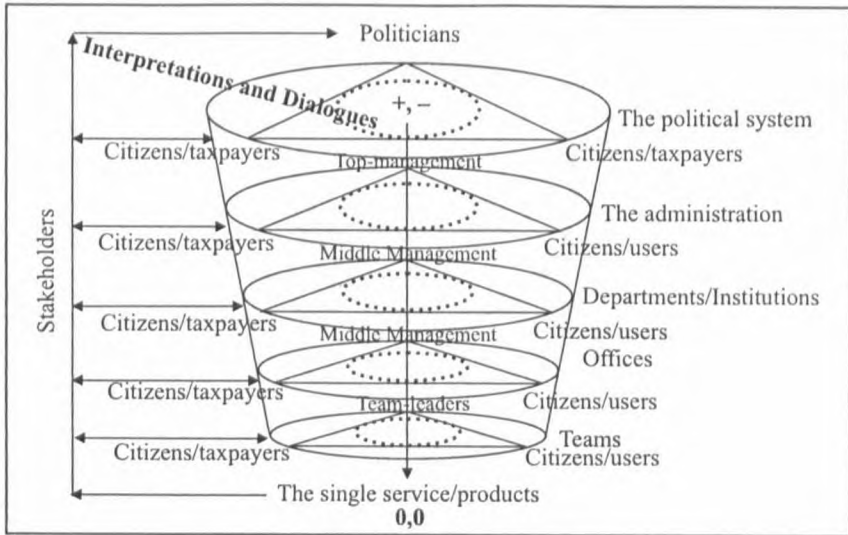

Fig. 7: A complex chain of interpretations, dialogues and decision-making processes

The most important question is now: How to make sure that the type of complex chain shown in figure seven generates the right flow of information and is tapped for the right information to take the correct final decisions of what to produce and how? It is in this context values and value-based management can become an efficient instrument as the case of Aalborg Municipal shows.

5. HOW DO VALUES HELP TO SHAPE MANAGEMENT DECISION-MAKING?

In this section the following question will be answered: How can values and value-based management help to ensure that the complex chain discussed in the previous section generates the right flow of information and is tapped for the right information to make the "correct" final decisions of what to produce and how?

In order to understand demands and expectations of the citizens and the stakeholders it is, as said, necessary to go into dialogues with the citizens and the stakeholders and interpret their views on the public services and products. On basis of these dialogues citizens and the stakeholders are included in the decision-making processes about the services and products to be produced and how. Moreover, the external trends mentioned in the previous section, affecting the possibilities of producing services and products have to be integrated into the production of the services and the products to support the fulfilling of the citizens' and the stakeholders' expectations. Formulated in another way: The processes of decision-making must be open as stated by (Driscoll, Hoffman 2000) to make sure that the "correct' decisions are made about what to produce and how. The different stakeholders' and the citizens' expectations are important determinations when producing public services and products. Furthermore, the processes of decision-making have to be open because the case is, that no particular person or group in the organisations and the institutions no longer has absolute power to make decisions. Decisions in the real world are based on long, complex and rather open chains of dialogues, interpretations and decision-making processes.

Keeping in mind that Aalborg Municipal has approximately 15,000 employees and 160,000 inhabitants representing many different types of stakeholders and citizens it is a kind of "miracle" that open decision-making processes can work successfully. That is compared to the number of services and the number of products produced in Aalborg Municipal each year the number of complains are very few.

One of the reasons why an open decision-making process can work successfully in Aalborg Municipal is, that top managers interpret the decisions of the politicians before these make sense in terms of concrete decisions about what to produce and how. Moreover, middle managers have to interpret decisions of the top managers, etc. until the level of staff (often organised in teams) directly involved in the production of the single service and the single product is reached. This process of interpretation based on dialogues is simultaneously combined at each level in the organisation with dialogues between the organisation and the citizens and the stakeholders with the purpose to tune the interpretations of what the citizens, the stakeholders and the politicians really want in more details. One could say, that the dialogues and interpretations at the top of the organisations and the institutions are "filtered" down to the final decisions of which services and products have to be produced.

In the process of "filtering" down the interpretations and the dialogues to the final decisions often taken by the staff (in the teams) of which single service or single product that shall be produced and how value-based

management can be very helpful. In fact values and value-based management can become a crucial instrument in the important and often delicate processes to "filter" down the many expectations to the public services and products compared to the economic resources available. The reason for this is to be found in three important features of values and value-based management. Values and value-based management can:

1) generate focus on the most important issues in the dialogues and the interpretations of the citizens', the stakeholders" and the politicians' expectations;

2) be used to make sense at different levels and at the span of different levels in the organisations and the institutions and at the same time for the citizens and the stakeholders;

3) be used to communicate vertically and horizontally what makes sense at different levels and over span of different levels of the organisations and the institutions and for the citizens and the stakeholders.

By using value-based management to combine 1, 2 and 3 in appropriate ways it is possible to facilitate the flow of information and to tap the flow of information in the long and complex chain of decision-making processes mentioned to make final decisions resulting in the production and the delivery of the right public services and products seen from the point of view of the citizens, the stakeholders and the politicians. One small example can illustrate this.

In the administration of the Mayor one of the values is "A good manager is conscious of the limitation of the resources". Therefore the manager shall "Utilizing the resources in best possible ways involving the staff in the utilization of the resources".

From the perspective of the Mayor it makes sense if the organisation a) has the same amount of resources as similar municipalities have and b) can produce the same (of preferably more) services and products for this amount of resources. It is one basis of this "sense" that the Mayor stays in dialogues with the citizens, the stakeholders and his staff and it is on this basis he makes his interpretations.

From the perspective of the top managers it makes sense if all key figures[7] are a little better than the key figures of other municipalities. The central key figures are the most important topics for the top managers to be discussed with the politicians, the citizens, the stakeholders and the staff and the basis of discussions of what is possible and not possible to produce and how.

From the perspective of the middle managers it makes sense if there are sufficient resources to produce the needed services and products. It is on basis of this perspective that the single middle managers communicate up and down in the organisation, with his or her staff and with the citizens as users/taxpayers/voters and the stakeholders.

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[7] The budgets, the size of the staff, services produced, IT-systems in use, etc.

From the perspective of the staff it make sense if the daily workload is acceptable seen from the perspective of some standards for the workload in the municipalities. And it is on this basis the staff discuss with the citizens, the stakeholder, the middle managers, the top managers and the politicians.

From the perspective of the stakeholders it makes sense if the public services are good compared to what other municipalities offer and at the same time pay respect to the stakeholders legitimate interests.

From the perspective of the citizens it makes sense if Aalborg Municipal performs better – produces better and cheaper services and products – compared with other similar municipalities.

From the perspective of the politicians it makes sense if the can say to their voters, that the reason why Aalborg Municipal performs so well is because of the important and crucial influences they politicians have had on all major political decisions. That is the politicians have taken many server and important decisions which have made it possible to turn the plus (+) and the minus (–) situation into a zero-zero (0, 0) situation. As least for their voters!

Accordingly, values and value-based management can be used to make sense at different levels in the organisation and between the organisation and the citizens and the stakeholders in for the politicians" acceptable ways. By communicating the result of this sense making described above it is possible to produce public services and products that meet the demands and expectations of the citizens, the stakeholder as well as of the staff and the politicians. Figure 8 is on attempt to illustrate this.
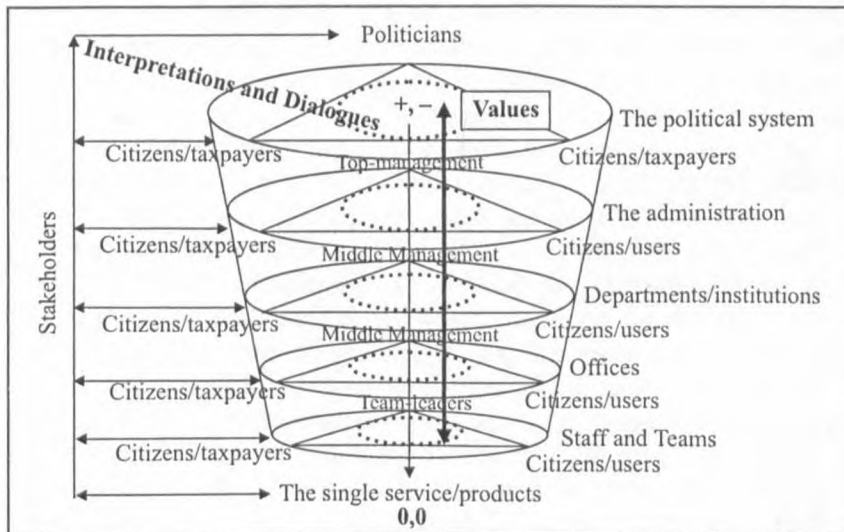

Fig. 8: Values and Decisions-making processes in organisations and institutions

It is, of course, the responsibility of top managers to facilitate the decision-making process in the organisations and the institutions as described in the above example based on all values. Furthermore, top managers are also responsible for choosing a very limited number of values. Too many values make it impossible to stay focused in the decision-making processes and the in the final decision about what to produce and how.

In the administration of the Mayor, eight values were chosen in dialogue between the staff, the middle manager and the top managers, as discussed in Section 2. These values were shaped according to the expectations of the citizens and the stakeholders, as also discussed in Section 2. Furthermore, it was agreed to relate twenty-five rules for good performance in value-based management to these eight values. The eight values and the twenty-five rules were, as stated and shown in section I made into a charter of value-based management in the Mayor's administration in Aalborg Municipal.

On the basis of the eight values and the twenty-five rules in the charter of management the decision-making processes and the final decisions about what to produce and how have been shaped along the lines described above in several ways.

• Values and rules have generated a kind of framework for the dialogues and the interpretations of what to be produced and how. That is, that a kind of common agenda in and outside the administration of the Mayor has been created on basis of the values and the rules.

• Values and rules have become important tools in the decision-making processes based on dialogues and interpretation with the staff, the citizens, the stakeholders and the politicians by setting up some a priori standards of what is relevant and not relevant in the final decision-making processes. That is, values and rules define in broad terms what is relevant and not relevant when making final decisions of what to produce and how.

• Values and rules make it easier to communicate, explain and "defend" the reasons for the final decisions made. That is it is legitimate to refer to the values and the rules as the basis for the decisions made.

• The values and the rules help both to make decisions and to make sense in the organisation and between the organisation and the stakeholders and the citizens in an open process. That is that there is no split between decision-making processes and the legitimacy of the decisions made.

• The dialogues and the sense making on basis of values and value-based management often generate at least and understanding of the gab between expectations and economic resources available to meet these. The again often generate an understanding of the squeeze for the organisation.

• And even sometimes the dialogues and the sense making generate an acceptance of the gab and the squeeze and the opinion that something has to be done about the gab and the squeeze.

Now we are left with the opening question: Does value-based management generate more value for the taxpayers' money?

6. VALUE-BASED MANAGEMENT. MORE VALUE FOR THE TAXPAYERS' MONEY!

It is often stated in the literature that value-based management might be considered as an oxymoron (D r i s c o l l, H o f f m a n 2000). Many people think that the slogan "values pay" might work in theory but is not empirically based on substantial facts. In other words: Does value-based management contribute in significant ways to generate more value for the taxpayers' money? And can empirically evidence be found that can prove that value-based management generates more value for money? These to questions will be answered in this section.

In accordance with the theory of value-based management (D r i s c o l l, H o f f m a n 2000), one may argue that continuous reporting is necessary. In the administration of the Mayor in Aalborg Municipal reports about value-based management were made and the result of the process was a close connection between organisational excellence and economic efficiency. The managers were evaluated in the performance of value-based management, as shown in Section 2, and hence the use of the values as described in charter of Management shown in Section 1 and figure one.

In short the evaluation of all the managers performance in value-based management in the administration of the Mayor was made in this way:

• The eight values and the twenty-five rules for good performance of value-based management – the charter of management – were listed in a questionnaire.

• The staff received the questionnaire.

• The staff filled in the questionnaire thinking of his/her daily leader. Each rule could be given two scores from one to four. That is the daily leaders (with a staff of five or more persons) were given a score reflecting the performance of value-based management. And each rule was given a score based on how important the rule was for he/she who filled in the questionnaire.

• The questionnaires were sent without names to an external consult group.

• The managers fill in the same questionnaire as the staff thinking of his/her own daily leader and the leader(s) referring to him/her. The manager's questionnaires were also given with out names to an external consult group.

• Before evaluation top managers informed about consequences of the evaluation. As an example information was given to the middle manager

that noone would be fired on basis of a bad evaluation but offered coaching, training, education etc.

The result coming back from the consult group was an evaluation of each single manager, managers in each particular office, managers in each department and managers in the administration of the Mayor. The results were put into a report on the performance of value-based management from each managers of a team to the top managers of the administration of the Mayor. The evaluation(s) was made public.

After the presentation of the evaluation(s) the evaluation(s) was discussed in the single team, in the single office, etc. Furthermore, the evaluation(s) was discussed in the group of managers in a span of three levels. By doing so the score – the performance of value-based management – was discussed at all levels and among all levels. In this context focus was put on the performance of value-based management in the whole organisation.

The discussions of the evaluation(s) in the single team, in the single office etc. generate a kind of point zero. On this basis in single units as well as in the organisation as a whole a kind of consensus of what was an acceptable performance emerged. Furthermore, ambitions of how good the performance could be were generated. And the top managers supported these ambitions. The overall ambition in the administration of the Mayor became that all teams, office, etc. should improve the bottom three scores. All managers were, as said above, offered training, coaching, etc. to improve their performance in value-based management. Moreover, manager's scores in value-based management have become an integrated element in the yearly career consultation with the daily leader of each single manager about personal and professional development. Finally, dialogues about the performance of all managers in value-based management have become normal in the administration of the Mayor.

The administration of the Mayor decided after the evaluation of value-based performance that a new evaluation should take place.

There are, of course, a huge numbers of factors in play when the administration of the Mayor produces services. And the interplay among the huge numbers of factors is difficult to figure out in clear terms of causes and effects. Therefore, it is difficult to come up with clear empirically evidence that value-based management contribute in significant ways to produce better and cheaper services in the administration of the Mayor. That is contribute to more value for the taxpayers' money. However, it is obviously that the value-based management in the administration of the Mayor on basis of the core – foundational – values contributes in significant ways to generate decision-making processes focusing on the most important issues, data and legitimate interests in the processes of filtering down dialogues and interpretations with the citizens, the stakeholders and the

politicians to final decisions of what to produce and how. That is the value-based management improves the flow of information in the decision-making processes and the tapping of the flow of information in the decision-making processes leading to better final decisions of what to produce and how. Seen in this perspective there is empirical evidence that values and value-based management can generate more value for the money. Again it is, however, difficult to find an empirical based method to proof this in a traditional positivistic way because of the many numbers of factors that interplay in a big modern organisation in the processes to generate – still more – value for the taxpayers' money!

7. WHY ARE MIDDLE MANAGERS KEY PERSONNEL IN VALUE-BASED MANAGEMENT?

In this Section I would like to draw the attention to one important element in value-based management: the middle managers are key personnel in value-based management.

During the implementation of value-based management in the administration of the Mayor it was soon evident that middle managers were the most important personnel.

Middle managers in Aalborg Municipal are like in other public organisations and institutions the daily leaders of the teams, the units, the offices, etc. Because of their position they represent daily the "movement of truth" of value-based management. In order to ensure the success of values, middle managers have to demonstrate that values can be an essential part of daily decision-making process and use in the final decision of which services and product that shall be produced and hov. If this is not the case the staff will perceive that managers neither accept nor respect the values. Soon the staff will be demoralized and think that values cannot be anything but nice words for managers.

Moreover, the group of middle managers has de facto responsibility of the daily production of the public services and products. Middle managers are, therefore, essential personnel when generating and tapping the flow of information in the long and complex chains of dialogues and interpretations for right information to be used in the final decisions to take in dialogues with the staff. The reason why the group of middle managers has this essential position in the public organisations and institutions is that the top managers have no longer the possibility of having a Gods-eye view on the organisations and the institutions supervising all functions. The middle managers not the top managers have the true insight in how the daily

production of services and products is organized and has to be organized to meet all the criteria of success.

In addition, the position of the middle managers as described imply that middle managers have the best qualifications and knowledge when it comes to train the staff in how to use the values in daily work and decision-making processes.

Finally, middle managers are also responsible for combining daily production of public services and products with HRM and TQM, keeping budgets of the units and many other elements needed to run an efficient production in a modern public organisation and institution. Middle managers and not top managers are responsible for the true programming of daily production of services and products based on dialogue with the staff.

Due to this important role of middle managers in general they became a corner stone in the process of designing and the implementation of value-based management in the Mayor's administration in Aalborg Municipal. And therefore, the middle managers were asked about important problems and questions of implementing values and value-based management. It is obvious, that the role and position of the middle manager were changed very much with the introduction of value-based management in the "new" administration of the Mayor like in other organisations and institutions introducing value-based management.

Compared with the old bureaucratic organisations having manuals giving all the answers to the middle managers regarding production and problem solving, the "new" organisation have no or only very few written manuals for the middle managers. Instead of being directed by compliance with strict legal rules the middle managers have the values as guidelines for the decision-making processes (P a i n e 1997). However, the middle managers in value-based management are confronted with some new challenging aspects of management. These aspects can be described with reference to Badaracco and Ellsworth (B a d a r a c c o, E l l s w o r t h 1989). Badaracco and Ellsworth argue that an organisation in principle can choose between different styles of leadership. Top managers can act with political leadership and try to gain power over forces of self-interest. Another strategy could be directive leadership where top managers seek to guide middle managers with clear and direct intervention. In opposition to political and directive leadership value-based management make good performance of the employees dependent on basic values. It can be said that value-based management is superior to both political and directive leadership because it aims at making middle managers committed to higher causes rather than to personal interest or gain.

Looking at the process in the administration of the Mayor in Aalborg in relation to new aspects of management when moving from political and directive leadership towards value-based management the experiences were:

1) while political and directive management is focusing on clear and precise solutions to every small problem, value-based management gives the manager more flexibility in facing particular problems. This makes decision-making more personal, but it also increases responsibility;

2) Indeed, value-based management opposes to directive leadership because it favors bottom-up decision-making processes. Top managers only give general directions while middle managers have more responsibility for making the final dictions about what to produce and how;

3) Values also help management to overcome the tension between substance and process, because values are general, but still so substantial, that they simultaneously can direct and form concrete action in work processes.

Indeed these aspects of management demands for individual reflective judgments that may be too strong for the middle managers. However, only very few of the middle managers in Aalborg Municipal considered stepping out of their job for this reason.

8. THE REINFORCEMENT OF THE NEED FOR VALUE-BASED MANAGEMENT

For a number of reasons the need for value-based management is reinforced in public organisations and public institutions. Three reasons will be briefly presented in this section.

8.1. Still more, still more frequently changed and still more contradictory criteria of success

The citizens and the stakeholder and hence the politicians in modern welfare societies generate still more criteria of success. Furthermore, the criteria of success are changed still more frequently and become still more contradictory. One small example could be health care in Denmark. The citizens want still more, better, cheaper and still more individual tailored services in the health care sector.

The still more, the still more frequently changed and the still more contradictory criteria of success reinforce the need for dialogues and interpretations between the organisations and the institutions and the citizens, the stakeholder and the politicians described earlier. This again reinforces the need for shaping the decision-making processes by values and value-based management as described in Section 4 and the evaluation of the performance of value-based management as described in Section 5.

8.2. From top-down programming towards self-programming

The still more, the still more frequently changed and the still more contradictory criteria of success reinforce the situation for the top managers in the public organisations and the public institutions no longer having the possibility of having a Gods-eye view on the organisation supervising all functions and activities as just described in the previous section. The top managers no longer have true insight in how the daily production of services and products is organized in contrast to the middle managers. Due to this fact the top managers have to delegate still more of the decision-making processes and especially the final decisions of what to produce and how to the middle managers. The middle managers then again for the same principle reasons as the top managers have, have to delegate still more of the final decision-making processes of what single service and single product to produce and how to the staff. When coming to the production of the single service and product the staffs which typically is organized in self-managing teams has much more insight than the middle managers. In short: One could say that the decision-making processes and especially the final decisions of what to produce and how are moving from a top-down programming system towards a more self-programming system. That is the middle managers and the staffs take still more responsibility for the production of public services and public products. The result is the chain of decision-making processes described in section 5 become still longer and still more complex and the "filtering" down the dialogues and interpretations to the final decisions of what to produce and how become even more delicate. This again reinforces the need for value-based management and generates a still bigger need for the involvement of the staff in the production of services and products.

8.3. Mixed models and still more hybrid models
in public organisations and institutions

During the last century a model for the production of public services and products evolved in the Danish welfare state (and the welfare states in the other Scandinavian Countries). This model can be called the Budget and monopoly model. That is the politicians decide the services and the products that shall be produced. At the same time the politicians decide which services and products certain public organisations or institutions shall produce on basis of a budget and a monopoly in a "political-administrative geography" given by the politicians. That is in a municipal or a certain part

of a municipal, in a county or a part of a county or in various parts of the state – Denmark.

This model of production of public services and public product in the Danish welfare state was accused (like in many other welfare state societies) for being a kind of planned economic system just like the system found in the now former USSR and the Central and Eastern Europe. Therefore, the model – this type of democratic political controlled planned economic system – was accused for having and generating the same problems as the planned economic system did. That is being economically inefficient, not sensible enough regarding the needs and wishes of the citizens and the stakeholders etc. Especially, just before and just after the break down of the Berlin Wall the model was criticized very much. Furthermore, the public organisations and institutions in the Danish welfare states (and in the other Scandinavian countries) in general have been very reluctant to introduce different versions of US inspired New Public Management (NPM)[8]. The reason for this is that NPM is seen as a direct threat to most public organisations and institution and especially to organisations and to institutions producing public services directly to the citizens. In the Danish welfare state the situation is and has been for decades that the public organisations and institutions:

– cover approximately 50% of the national economy.

– consist of approximately 30,000 public organisations, institutions and enterprises.

– employ approximately 3/4 of a million persons (out of a total population of 5.5 million).

– have to a large degree monopoly on producing public services and public products to the citizens.

In attempts to abolish or at least weakening the monopoly of the public organisations and the public institutions three other models of producing public services and public products have been introduced to (out)compete the Budget and monopoly model.

A **Tender-model** has been introduced. That is the production of public services and products shall be based on the invitation to both public institutions and private companies to submit tenders. The Tender-model has been tried out in different models during the last to or three decades. In spite of this still less than five percent of the public services and products are being produced within this model.

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[8] New Public Management is based on two core elements. 1. "Import' of market-mechanisms to the public sector/ expose the public sector to market-mechanisms. 2. "Import' of concepts of management from the private sector to the public sector.

A Partner-model has also been introduced. That is the public organisations and the public institutions produce the services and the products in various forms of co-operations with private companies. The basic idea is that public organisations/institutions and private companies for various reasons have different core competences. If the different core competences are united in co-operation it should be possible to produce the services and the products better and cheaper. The success of this model has been very limited. Only about fifty partnerships exist on a yearly basis within the Partner-model.

A Do-it-yourself-model has been introduces still more over the latest years. In principle Do-it-your-self-model is very simple. On basis of some objective criteria the citizens/the families are given money from the public sector (coming from the taxpayers). Afterwards the citizens/families can buy what they need instead of having it from the public organisations and the public institutions. In the Danish version the Do-it-yourself-model gives the citizens no real money, but still more rights to choose among public organisations and public institutions producing the same services and products and to choose among public organisations and institutions and private companies producing the same services and products. The present (centre-right) government is very much committed to make this model into a success. The result is (after the turn on the century) that the monopoly of the public organisations and the public institutions to produce services and products are weakening (perforated) rather fast. This is, of course, undermining the Budget and monopoly model.

Seen from the perspective of the public organisations and the public institutions the situation is that politicians undermine the traditional Budget and monopoly model and expose the organisations and institutions for a kind of political invented and regulated market economic system. That is the citizens as a type of customer can choose among public and among public and private suppliers, the budgets are regulated according to the level of activities, the prices of services and products have to be calculated in money terms to handle the "competition" between the public and private suppliers, etc. The result is the public organisations and institutions in these years have to handle still more complex combinations of the four models when producing services and products and still more complex hybrid models. In Denmark one can find public organisations where all the four models are in play in different combinations at the same time and where the models are mixed in various hybrid models. Due to this fact it become still more difficult for the top managers to have a God eye-view of the organisations and institutions. Furthermore, still more still more changed and still more contradictory criteria of success are coming into play at the same time. This again reinforces the need for value-based management and the

involvement of the middle managers and the staff in the production of services and products on basis of values if the public organisations and institutions shall meet the citizens', the stakeholders' and the politician expectations and the lack of willingness to pay taxes for doing so.

Figure 9 – the last figure – represents an attempt to illustrate the now present situation for the public organisations and institutions and hence the background for the still bigger need for value-based management.

I. The need for industrial efficiency

III. Stakeholders

IV. The services and products
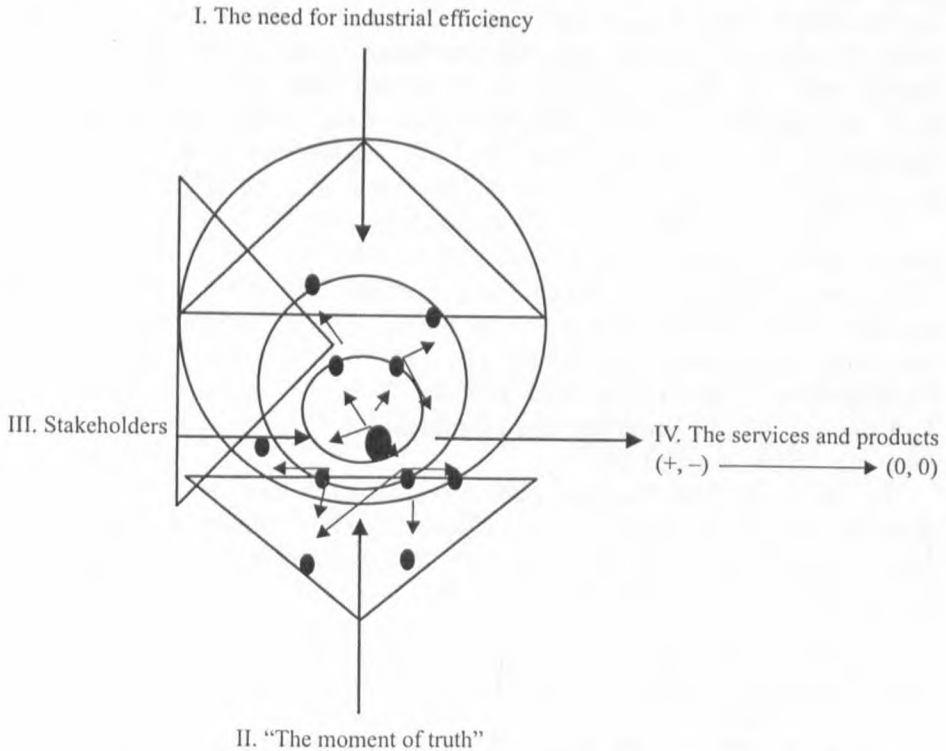(+, –) ———→ (0, 0)

II. "The moment of truth"

Fig. 9: The present situation for the public organisations and the public institutions

A modern public organisation and institution can be seen as a kitchen midden – used as an archaeological term. That is a modern public organisation and institution consist of a (unique) combination of different historical types of organisations. In a modern organisation and institution one finds the industrial type of organisation based on Ford's and Taylor's principles of organisational efficiency for two major reasons. The public organisations and the public institutions have to produce still more economic efficient. Furthermore, the organisations and the institutions become still more exposed for political invented and regulated markets' mechanisms

forcing the organisations and institutions to produce still more efficient on basis of industrial concepts. This is illustrated in figure nine with the standard triangle for the industrial organisation and the arrow marked with I for the top-down programming system.

A modern public organisations and institution shall also be organized still more like a service company. That is the organisation or the institution shall produce and deliver services and products to the citizens that are still more tailored to the needs and wishes of the citizens as customers. The modern public organisation and public institutions has to realize the "Moment of truth" like private services companies in still better and still more radical ways. In figure nine this is illustrated with the so-called up side down triangle for the service company. That is the triangle for the industrial organisation is turn up side down. And the organisation is based on bottom up self-programming illustrated with the arrow marked II[9].

As said before, the stakeholders become still more important for the modern public organisation and institution. Therefore, the public organisations and institutions shall become still more sensible towards the legitimate interests of the stakeholders when producing services and products. That is the public organisations and institutions have to be organized as stakeholder organisations[10]. This is illustrated with the "vertical" triangle in figure nine. And the out side in programming of stakeholder organisations is illustrated with the arrow marked III.

To sum up: The modern public organisation and institution has to combine (at least) three rather different types of organisations in one organsiation in the attempts to meet all the criteria of success in appropriate ways. With R. Grant (2002, p. 519) this can be described like this:

As [...] environments become more complex [...]: a [...] (public organisation and institution – jsp) must be efficient today, while also adapting for tomorrow; it must produce at low cost, while also innovating; it must deploy the massed resources of a large corporation, while showing the entrepreneurial flair of a small startup; it must achieve high levels of reliability and consistency, while also being flexible in adapting to change. Reconciling these conflicts

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[9] The expression "The Moment of Truth" comes from the literature of service management referring to that moment where costumers meet the service organisation. It is in the moment when costumers meet the organisation the costumers find out of the value of the service(s) offered. Seen in this perspective the desk personnel become very important for the service companies. It is the desk personnel that realize "The Moment of True" and hence become core personnel. Therefore, the top-managers, the middle managers, the desk managers, etc. shall support the desk personnel as good as possible on basis of the experiences the desk personnel have got in their the strive for the realization of "The Moment of Truth" as good as possible. Therefore, the turn up side down of the triangle for the industrial organisation and the bottom-up programming (see Bevort, Pedersen, Sundbo 1992).

[10] The term stakeholder organisation is a simple elaboration of the notion of stakeholder approach introduced by R. E. Freemann in the 1990's.

within a single organisation presents huge management challenges. We know how to devise structures and incentive systems that drive cost efficiency, we also know the organisational conditions conducive to innovation. But how on earth do we do both simultaneously?

The result is, as R. Grant correctly states, that it is very difficult to design an organisation that can handle all the criteria of success at the same time. For modern organisations there is a huge risk of fragmentation when they try to meet all the criteria of success. The very difficult task is to combine different types of organisations in one organisation and at the same time making this a well functioning organisation. This is, of course, the crucial task and responsibility of the top managers marked with the small black circle right in the center of the public organisation and institution to do so. To do so they must involve the middle managers still more in the decision-making processes. This is marked with the arrows from the top manager to the next circle representing the middle managers. The middle managers have again, to involved the staff still more in the final decisions-making processes of what to produce and how. That is the staff typically organized in teams take the final decisions of what to produce and how themselves.

The "price" of the still more involvement of the middle managers and the staff for the organisations – the top managers – is a complex bargain. That is the middle managers and the staff are willing to make a barter: They do their best to help the organisation to meet all the criteria of success it is confronted with in the return of the good work and the good workplace. If the top managers are able to generate and maintain this type of barter it is at least my experience, that it is possible to integrate different historical types of organisations in one well functioning organisation. However, to run such an organisation values and value-based management is needed for two reasons. Firstly, the chain of decision-making processes becomes even more complex and longer than described above. Secondly and foremost a complex bargain is based on a complex set of values. That is that the organisation is found on values and has to be managed in accordance with this fact.

9. CONCLUSION

Can value-based management bridge the gab between expectations and economic resources available by generating more value for the taxpayers' money? This was the opening question in this paper. The answer is: Yes. Values and value-based management can reduce the gap between expectations to the public organisations and the public institutions and the economic

resources available for these. Furthermore, values and value-based management can make the gab more understandable and sometimes even acceptable in the cases where the gap cannot be bridged. However, for the top and middle managers it is not easy to design, implement and use values and value-based management in practice. Value-based management has to be combined with and very supportive to complex organisations and institutions. So because public organisations and institutions in modern democratic welfare societies have to be still more complex if they shall have the capacity to meet the still more, the still more changed and the still more contradictory criteria of success they are confronted with as discussed in the last sector of paper.

One major long term negative side-effect of value-based management could be a negative development in the social profile of the – Danish – welfare state. In valued-based management negotiations (in the long chains of dialogues and interpretations) are a very important element. As well known the "poor" citizens and the weak stakeholders have less power in negotiations compared to the "rich" citizens and stakeholders. Therefore, value-based management have a built in tendency to favour the "rich' citizens and stakeholders.

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ZARZĄDZANIE OPARTE NA WARTOŚCI W SEKTORZE PUBLICZNYM: UZYSKANIE WIĘKSZEJ WARTOŚCI ZA PIENIĄDZE PODATNIKÓW? STUDIUM PRZYPADKU DANII

Sposób organizacji współczesnego państwa opiekuńczego stawia przed publicznymi instytucjami i organizacjami problem znacznej rozbieżności między oczekiwaniami obywateli, interesariuszy i polityków co do oferowanych produktów i usług a ich skłonnością do ponoszenia kosztów wytwarzania takich produktów i usług, które oczekiwania te zaspokoiłyby. Problem ten istnieje także w Danii. W ostatnich latach zarządzanie oparte na wartości (*value-based management*) jest postrzegane jako narzędzie umożliwiające sektorowi publicznemu zmniejszenie występujących między oczekiwaniami a dostępnymi zasobami rozbieżności. Podobnie było także w urzędzie miejskim w Aalborgu. Urząd ten zatrudnia około 15 000 osób i dysponuje rocznym budżetem w wysokości ok. 1 miliarda USD/EUR. Przypadek urzędu miasta Aalborg jest przedmiotem rozważań w niniejszym artykule. Rozważania te zmierzają do udzielenia odpowiedzi na następujące pytanie: czy stosowanie zarządzania opartego na wartości jest w stanie zapewnić wygenerowanie większej wartości przy wykorzystaniu pieniędzy podatników, a co za tym idzie – czy jest ono w stanie zniwelować istniejącą rozbieżność między oczekiwaniami a dostępnymi zasobami?