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Information flows in relationships between public administration and economic entities towards the concept of new public management

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ABSTRACT

Due to the need for public sector reforms, a number of actions are being undertaken to improve the delivery of public services. New Public Management is one of the concepts that assumes the introduction of management methods and techniques modelled on the private sector into the public sector. In line with this new concept of customer management, service recipients are perceived not as supplicants but as customers. The aim of the article is to present the directions of changes in information flows in relations between public administration and economic entities related to the implementation of new public management. The article presents the basic assumptions of the New Public Management concept. Subsequently, the attention is paid to the types of information and methods of communication in relations of public administration with business entities. Electronic means are becoming one of the most important channels of information flow. The implementation of modern information and communication technologies enables electronic data exchange, creation of electronic documents, e-services and electronic access to information.

Introduction

The need to change the approach to existing public administration's relationships with its stakeholders appeared together with the adoption of measures to introduce modern management concepts in the public sector. The main directions of change include the transparency of public entities' activities, the treatment of existing supplicants as clients and the introduction of participatory actions. Modern information and communication technologies (ICTs) play an important role regarding achieving these objec-

tives. The purpose of this article is to present the assumptions of the concept of new public management as well as to identify changes in information flows in public administration's relations with economic entities resulting from its introduction. New Public Management initiated significant transformations of public administration aimed at increasing the efficiency and effectiveness of its functioning also in the context of communication with business entities. The introduction of this concept led to further changes toward the direction of Good Governance, where public participation plays an important role and civil society becomes the creator of policy.

1. New approach to public administration management

Numerous critical remarks about traditional public governance relating inter alia to its overly complex structure involving many public funds, too many responsibilities that the administration cannot handle, the ineffectiveness of operations and the poor quality of public services, necessitated the development of a new concept of organizing and directing the public sector. New Public Management falls within the reforms aimed at streamlining the public administration's activity consisting in introducing actions and instruments previously characteristic only for the private sector [Mazur 2005].

The most important features of the New Public Management concept are [Izdebski 2005, Zawicki 2011]:
- – tendency to set goals and monitor effects of public authorities' activities,
- – conviction of the ability to measure objectives and effects of public authorities' activities,
- – economization of public activity, definition of standards and their costs, management by objectives and contracting of activities,
- – transparency of public activity,
- – application of managerial governance model characteristic for the private sector,
- – meeting consumers' needs, perceiving supplicantss as clients and introducing participatory actions,
- – strengthening the cooperation between public, private and non-government sectors,
- – introduction of information technologies aimed at optimizing processes within the administration as well as in relations with other participants.

Managerial governance in public institutions is a more difficult task than in the case of the private sector. In addition, the resources available to the offices are public property. The relationship between public administration and citizens and businesses is of other nature than between a company offering its products or services and its customers. Introduction of the practice applied in the private sector to the management is possible only to a limited extent. It is important to reduce costs of public services while increasing their quality [Kozuch and Kozuch 2011].

The stakeholder theory is one of the concepts related to managerial decisions.

This theory is characteristic primarily for the private sector. Despite the above it is theoretically applicable in the public sector, particularly in the context of management decisions concerning the main initiatives related to electronic administration. This can be justified by the fact that public management responsibilities may occasionally resemble private sector management tasks [Scholl 2001]. However, public sector executives perform their tasks especially for public interest purposes. Based on the literature analysis the following local administration stakeholders can be distinguished [Asgarkhani 2005, Bovaird 2005]:

- citizens – private individuals, i.e. public service users, taxpayers, voters, who affect local administration through participation in elections, but also through their daily interaction with the administration and indirectly through interactions with politicians. The increasing use of the Internet in society contributes to greater pressure to provide public administration services online,
- business: as the basis of an enterprise's economic well-being it significantly affects the administration and remains in constant interaction with it. In the context of e-governance, companies play a special role, as private sector organizations are technologically more advanced than the public sector and demonstrate existing technological capabilities. Furthermore, private companies sell products and services to public sector organizations,
- other entities of public administration located at different levels,
- politicians and executive bodies – influence the activities of administration by making decisions and prioritizing public task. Moreover, politicians often nominate officials and there is a strong asymmetry of information in favor of the administration in its relations with executive bodies,
- the legislature and judiciary – define the principles and framework for administrative actions and interactions with third parties. On the other hand, the administration's role is to respect these principles as well as knowledge of documentation, know-how and experience,
- non-governmental and international organizations, political parties and other interest groups – through lobbying they influence the political and administrative system and its decisions. What is more, they participate in drafting laws and regulations and thus define the framework for administrative action,
- the media – on the one hand, the administrative staff uses the media as a source of information, however, from another point of view, the media have a preponderant influence on public opinion through the choice of news and themes and the way they are presented,
- foreign countries – the closer the integration processes with other countries are, the more institutions, especially the administration, must comply with the rules and regulations of foreign countries,
- employees – the efficiency of administration largely depends on its employees and on relationships between them; employees' unions are also important.

The literature of the subject mentions management concepts more modern than NPM introduced in the public administration. It should be noted, however, that many of the principles adopted in NPM, e.g. such as efficiency, quality management and contracting, are still valid [Izdebski 2007].

Public Governance is one of the modern concepts of public management. It is particularly applicable to a civil society and covers market economy entities, citizens and public institutions that are part of collective public life and liberal democracy [Izdebski 2007]. Public Governance attaches special importance to engaging stakeholders, transparency, equal treatment, ethics, responsibility and control. Unlike New Public Management, where public authorities create policies, the policy of Good Governance is the primary role of public authorities. Good Governance is also a component of open government, which is responsible for, among other things, providing public information.

The characteristics of traditional and modern public management methods are presented in Table 1.

Table 1. Characteristic features of traditional and modern public management methods

Features	Bureaucratic model	New Public Management	Good Governance
Mode of governance	hierarchy	market	network
Normative basis	administrative law	contracts	conventions
Management style	bureaucratic	managerial	partner
Organization of a state	monocentric systems	autonomous systems	civil society
Purpose of action	consolidation of order	inducing changes	building a social agreement
Principles of operation	compliance with rules and procedures	efficiency and results	openness, transparency, participation
The nature of the relationship	dominance and subordination	competition and cooperation	equality and interdependence
Criteria of success	workload	score	process
Liability of the administration towards	politicians	customers	stakeholders

Source: [Czaputowicz 2008; Unlocking the Human… 2005, p. 7].

One of the important areas of management in both the private and public sector is information management.

2. The importance of information and communication towards challenges of modern public management

Due to changes in the management of public administration, it is essential to develop an effective process of internal communication as well as communication between it

and its surroundings. Information flow between the public administration and businesses and citizens as beneficiaries of the services provided should be particularly important. The following types of information flows can be distinguished in the G2B area:

– public information,
– information relating to the fulfillment of regulatory, control and enforcement functions,
– information related to the provision of public services,
– advisory information,
– information on the public procurement system,
– public relations,
– other information.

Public information covers all information about public matters obtained in any form. Reliability, clarity and comprehensibility are qualities of public information. The Act on Access to Public Information defines the scope of the subject matter of public information as [*Ustawa z dnia 6 wrzesnia…* 2001]:

– information on internal and external policies,
– information on the rules of operation of entities obliged to provide public information,
– public data (official documents, public positions taken by public authorities, information on state, local government and their organizational units),
– information on public property.

The communication channels of public administration with business entities can be divided into two categories – traditional and modern. Traditional communication channels include: personal contact, telephone, fax, newspaper, magazine, notice board and postage. Whereas e-mail (electronic mailboxes), web pages, services, portals, forums, mailing lists, social media and instant messengers can be considered as modern channels. Their advantage is the speed of information transfer and their availability. According to the law, every public entity is obliged to open an electronic channel of inside-out and outside-in communication, irrespective of who is on the other side of communication. This obligation applies to every public entity since carrying out any exchange of information is the only condition for the introduction of such a channel [Adamski 2009].

Maintaining proper relations between local administration and business entities existing in its area makes it easier to understand the development processes that occur in the environment. It is possible to anticipate some difficulties and therefore there is a greater chance of preventing a crisis or mitigating its effects. The results can be achieved only through action taken in agreement and cooperation with various economic and political actors. Cooperation between governments, companies and entrepreneurs can result in, for example, reduction in the unemployment rate and education of young people in the labor market's desired direction [Sakowicz 2007].

From the point of view of various forms of public participation of business entities, the following types of information flows can be distinguished:
- flows related to expert information (scientific, technical, etc.),
- consultations undertaken by the administration with business entities,
- involvement in the decision-making process.

Despite the existence of appropriate communication channels, the poor quality of information may result in the lack of the intended effect of its transmission. To ensure the quality of information that is communicated between the public administration and the economic entities attention should be paid to its features [Goban-Klas 1999]:
- usefulness for decision-making,
- availability, including cost,
- currency,
- understandability for users,
- trustworthiness and reliability,
- systemicity,
- verifiability.

Communication in the public administration is expected to be symmetrical, i.e. the role of a sender and a receiver should not be rigidly assigned to one of the parties to the communication act. The symmetry is disturbed in the simplified model of communication processes in public administration. This means that communication goes from authorities to citizens and business entities, and feedback is visible only to a limited extent [Serafin 2013]. For example, the organizational and technical conditions governing the service of electronic documents, including the form of the official confirmation of receipt of such documents by addressees, where delivery in legal procedures is reserved for communication from the authority hearing the case to a party to the proceedings. While documents directed to the opposite side are not delivered, but only submitted [Adamski 2009].

Barriers to effective communication can be seen in public administration's relations with companies. These are as follows:
- no feedback,
- misunderstanding of the message by a recipient resulting, for example, from different levels of knowledge in a given area and perception of the same message in a different way,
- transmitting information in a language that is incomprehensible to a recipient, using specialized terms unknown to recipients,
- information noise,
- transmission of incomplete information,
- inadequate form of transmitted information.

The quality of public administration customer service depends on the information flow management model, information channels used and technical solutions applied Improving the quality of administrative services requires changes in techniques for col-

lecting, storing, converting and transmitting information. The way of its collecting and storing is one of the barriers to the efficient flow of information. Most data archives still function in paper form and they are difficult to access. Obtaining data from such archives is time consuming and costly. ICT has become the solution to streamline information management, which provides the opportunity to digitalize the exchange of data and information and introduce electronic documents.

ICT technologies have a positive impact on the coordination, control and communication processes, and thus improve the efficiency of the administration.

Implementation of IT systems in public administration in Poland is expected to bring many benefits [*Panstwo 2.0…* 2012]:
– a logical and effective circulation of information between public administration units and citizens and enterprises as well as the efficient flow of internal information within offices,
– streamlining the public administration processes and improving the quality of public administrative services provided,
– cost-effectiveness,
– easy access for citizens and businesses to information and e-services of public entities through the principle of technology neutrality allowing the use of various media such as a computer, smartphone or tablet and different operating systems.

Implementing IT systems in public administration means much more than implementing technology. The effective implementation of IT systems requires an appropriate state strategy, development of specific structures as well as adequate regulations and legislation.

Consequently, the use of information and communication technologies in administration is a matter of regulating security, privacy and confidentiality issues. Important regulatory issues include electronic signatures, electronic documentation, electronic communication between offices and citizens, the creation of public administration networks and their common databases, data protection and data security, as well as access to public information.

Introducing ICT into public administration requires high investment expenditure, however, on the other hand, due to these expenditures, functioning of the administration can be improved, which translates into lowering costs of its operation [Zimmermann and Finger 2005]. The use of new technologies redefines the current working mode of officials and the use of public services and information. There are new opportunities such as the ability to use information or public administration services 24 hours a day, 7 days a week, in a convenient location without the need to visit a traditional office.

Private entities that offer ICT solutions have a considerable impact on public administration, since the designed systems significantly influence administration management processes as one of the tools used in these processes.

Furthermore, with the development of outsourcing, public administration becomes more dependent on private consultants and telecom operators. This situation requires security and confidentiality of data and administrative information. ICT systems providers see the administration as a large and profitable customer. This can lead to the purchase and deployment of systems that exceed their real needs.

3. Selected tools to improve communication and public service delivery in the G2B area

The introduction of modern ICT (information and communication) technologies triggers changes in the functioning of the administration as well as the quality of relations with its environment. Actions taken to improve access to public information and better communication play an important role in ensuring transparency in the functioning of the public administration and in building confidence in state institutions.

One Single Contact Point, the functions of which are characterized by the EU initiative – Directive 2006/123/EC [*Dyrektywa 2006/123/WE…* 2006], is one of the solutions to ensure access to public information and to provide entrepreneurs with public administration services using electronic tools.

The requirements for contact points were laid down in the Act of 2 July 2004 on Freedom of Economic Activity [*Ustawa z dnia 2 lipca…* 2004]. Pursuant to this legislative act, the primary purpose of contact points is to facilitate the handling of procedures related to the establishment, operation and closure of business activities, and to provide the necessary information to entrepreneurs. A contact point is to operate with the use of modern ICT. The transmission of data between the contact point and appropriate bodies for a given procedure is to take place via an electronic platform of public administration services. The Single Point Contact Platform cooperates with the Electronic Platform for Public Administration Services (ePUAP) and the Central Registration and Information on Economic Activity information system (CEIDG).

Individual Points of Single Contact are portals which, on the one hand, allow public administrations to put information and complete administrative procedures and, on the other hand, make the use of such services simplified to their recipients, i.e. entrepreneurs.

The following functions are assigned to the Points of Single Contact (PSCs):
  – informative – providing access to contents, descriptions of procedures, legal interpretations, model forms, answers to questions, offices' address data,
  – interactive – creating opportunities for cooperation with the office, exchanging information online, using interactive guides and sending forms and applications,
  – transactional – enabling the implementation of procedures electronically, including full implementation of the on-line service.

Fields of information provided through PSCs include:
  – requirements for undertaking, executing or terminating an economic activity,

- general rules for the provision of services in the Member States of the European Union and in the EFTA Member States,
- contact details of offices and the scope of their competence,
- access to public registers and public databases relating to business activity and entrepreneurs,
- legal remedies available in the event of a dispute between a competent authority and an entrepreneur or a consumer, between an entrepreneur and a consumer and between entrepreneurs,
- clarifications on the rules governing the taking up, pursuit and termination of economic activity,
- address data of associations and organizations that provide practical assistance to entrepreneurs or consumers,
- rights and obligations of employees and employers.

Single Contact Points should not be considered as individual business advisers. The service of information and services www.biznes.gov.pl is such a point of contact in Poland.

The Public Procurement Bulletin provides a good solution for ensuring the speed and breadth of access to public procurement information and builds confidence in the procedures used. Through the support of the public procurement system, ICT solutions such as electronic bidding, electronic auction and the application of dynamic purchasing systems are available.

Communication with the Public Procurement Office is also provided through the Electronic Inbox. It enables submitting documents such as:

- letters concerning an appeal procedure,
- application for a login and password enabling the submission of advertisements in the Public Procurement Bulletin in the electronic form,
- submissions of complaints and applications to the Office,
- making public information available on request.

Advantages of using electronic auctions include the possibility of obtaining tenderers' bids that are more favorable to a contracting authority, forcing the ordering party to provide very precise specification and transparency of the auction process. Other advantages offer the ability to keep track of offers, speed up the delivery of orders, and reduce organization costs [Butkiewicz 2006].

The results of research carried out by the Central Statistical Office (GUS) can be used to broaden the use of modern information and communication technologies in the relations between public administration and business entities. According to the Central Statistical Office, 93.6% of enterprises used the electronic form of contact with the public administration in 2015. Considering the purposes of using e-government, 77.9% of companies downloaded information, almost 84.9% downloaded electronic forms and 93.5% sent forms. Only 18.5% of companies submitted offers in the electronic public procurement system [*Spoleczenstwo informacyjne…* 2016].

Conclusions

The implementation of public sector reforms has had a significant impact on the relations between the administration with business entities. The benefits of the changes concern greater transparency in the administrative procedures and activities of public entities, the extension of the range of communication channels used, as well as improved quality of information. Businesses commonly use electronic forms of contact with public administrations, particularly in obtaining information and downloading and returning forms. This is partly due to the knowledge and appreciation of this communication channel. However, to a large extent this phenomenon is related, for example, to the reporting obligations of enterprises, which are to submit electronic forms. Unfortunately, enterprises still have little access to electronic bidding system for procurement.

Despite numerous advantages, the electronic channel of public administration's contacts with enterprises also has weaknesses such as the possibility of full implementation of a service by electronic means only in the case of a limited number of services and the lack of possibility of obtaining information on the stage of a service being provided.

Conflict of interests

The author declared no conflict of interests.

Author contributions

Author contributed to the interpretation of results and writing of the paper. Author read and approved the final manuscript.

Ethical statement

The research complies with all national and international ethical requirements.

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