Slovenian case of strategic change management in the public sector: Towards the Lisbon Strategy*

Sandra Penger¹, Metka Tekavčič²

Abstract

The paper focuses on the Slovenian case of strategic change management process with emphasis on the movement towards the implementation of Lisbon Strategy goals. The EU will be “the most competitive and dynamic knowledge-based economy in the world”, capable of sustainable economic growth with more and better jobs and greater social cohesion. These are crucial priorities of the Lisbon strategy. These changes in public sector organizations have enormous significance for regional development in Slovenia. The aim of the paper is to consider and discuss the development of Slovenian public administration priorities in the process directed towards the implementation of Lisbon Strategy goals. Paper also highlights recent achievements of Slovenian e-administration strategy. In the paper the explanatory case study research method was used (Yin, 2002), with focus on longitudinal and pre-post methodological techniques. The research findings outline, that strategic management methods applied in the case support the implementation of Lisbon Strategy goals in Slovenia.

Key words: strategic change management process, public sector, Lisbon Strategy, case study method, Slovenia.

JEL classification: H, H83

* Received: 25-07-2008: accepted: 15-12-2008

¹ Assistant, PhD, University of Ljubljana, Faculty of Economics, Department of management and organization, Kardeljeva ploščad 17, 1000 Ljubljana, Slovenia. Scientific affiliation: management, organization, leadership, public sector administration. Phone: ++386 1 589 25 69, ++386 1 589 24 00. Fax: ++386 1 589 26 98. Mobile phone: ++386 31 342 883. E-mail: sandra.penger@ef.uni-lj.si. Personal website: http://www.ef.uni-lj.si/pedagogi/pedagog.asp?id=301

² Associate Professor, University of Ljubljana, Faculty of Economics, Department of management and organization, Kardeljeva ploščad 17, 1000 Ljubljana, Slovenia. Scientific affiliation: management, organization, accounting, cost management, public sector administration. Phone: ++386 1 589 25 56, ++386 1 589 24 00. Fax: +386 1 589 26 98. Mobile phone: ++386 41 686 334. E-mail: metka.tekavcic@ef.uni-lj.si. Personal website: http://www.ef.uni-lj.si/pedagogi/pedagog.asp?id=67
1. Introduction

Europe is expected to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion. These are crucial priorities of the Lisbon Strategy (Renewed Lisbon Strategy: Implementing the Renewed Lisbon Strategy for Growth and Jobs, 2007). According to the EU public sector development initiatives in the period 2008-2009, European Council (European Council, March 2005; MTM Program, 2007) reiterated that simplifying EU legislation and improving the efficiency and transparency of public administrations will significantly strengthen economic competitiveness through encouraging business confidence and improving standards of public service. The challenges of new, knowledge-based public sectors in Europe are forcing developed countries to seek and expand comparative advantages mainly through the intellectual capital of the management of public service institutions so as to be able to continuously incorporate strategic change management issues. Different internal and external drivers from the dynamic public sector environment are impacting on the development of the strategic management policies of public sector institutions and consequently requiring new, knowledge-based managerial tools for innovative change management processes.

The paper presents the Slovenian case of strategic change management process towards the implementation of Lisbon’s Strategy goals. In recent years Slovenian public sector management is increasingly seen to be more than just modernising state institutions and reducing civil service costs. It is also about fostering dynamic partnerships with the civil society and the private sector, improving the quality of service delivery, enhancing social responsibilities and ensuring the broad participation of citizens in decision-making and providing feedback on public service performance (Public Administration Reform – UNDP, 2004). New public management context seeks to roll back the role of the state by applying private sector management principles to government organisations (Brown, Waterhouse, Flynn, 2003; Bovarid, Loeffler, 2003; Sznelwar, Silva, Mascia, 2008). The enthusiastic dissemination of on 20th February 2008 at Brdo pri Kranju in Slovenia, during the Slovenian Presidency of EU (2008), the strategic meeting was organized on topic “Closer to the Lisbon Strategy Goals also through Administrative Reforms”. This was the first step in implementing “the Working Programme 2008–2009” towards the Lisbon Strategy goals in Slovenia. During the Slovenian Presidency of the EU (2008), this was the fundamental strategic focus of the Slovenian public sector reform. Additionally, Slovenian public sector is beginning to implement a mid-term Working Programme 2008–2009 with the major focus on the Lisbon Strategy within public sector reform: As the Lisbon strategy is one of the priorities of the Slovenian Presidency, this working meeting of the Innovative Public Services Group is today (on 20.02.2008) launching the project. Evaluation of the added value which the public administrations contribute towards the Lisbon strategy goals in Slovenia “said minister Dr Žurga. Consequently, the authors decided to integrate data and prepare the paper on this extremely important topic for Slovenian public sector practice. This is on of the first paper in Slovenia focusing on the Lisbon strategy goals implementation and integrating the theoretical base and practical initiatives of this topic (formally stared during Slovenian Presidency of EU).
this model to developing countries was seen by some as a new attempt to colonize development administration with a standardised, western approach to public administration reform.

The objective of the paper is to present the Slovenian public sector development initiatives towards the implementation of Lisbon Strategy goals. Consequently, the Slovenian case of public sector development initiatives during the period 2008-2009 underlines the importance of innovative, competitive and performance-oriented public sectors as it contributes to the Lisbon goals as well as to the provision of quality public services. The contribution of the public sector to the delivery of the Lisbon Strategy is based on the assumption that a good quality public sector is a critical catalyst, facilitator and partner for well-functioning society, innovative environment, high quality service provision and solid public finances (Määttä, 2007).

According to Määttä (2007), it is highly relevant to address the question on the roles and the competencies the public sector should apply in enabling and even fostering sustainable growth in EU societies. The European Council stated in March 2005 that the revised Lisbon strategy is based on three core pillars (Renewed Lisbon Strategy: Implementing the Renewed Lisbon Strategy for Growth and Jobs, 2007): (1) making knowledge and innovation the real engines to drive lasting growth, (2) making Europe more attractive for investment and employment, and (3) creating better and more jobs and placing growth and employment at the service of social cohesion.

The provision of high quality e-public services is also one of the keystones of the i2010 programme “A European Information Society for growth and employment” (European Commission Report on Public Sector, i2010 - Capgemini, 2007). The e-Government policy (Kim et al., 2007) environment has evolved from “bringing public services online” to a concept of effective and user-centered service delivery in an inclusive and competitive European society. In April 2006, the Slovenian government adopted a new ‘e-Administration Strategy’ which presents a strategic vision for the development of e-Administration in Slovenia and outlines the main actions to be taken in this area in the period 2006-2010. Consequently, the aim of the paper is also to present the Slovenian e-government achievement in the recent years.

The structure of this paper is divided into six sections. Section one presents the introduction to the paper. Section two outlines the theoretical foundation of the strategic change management in the public sector. Section three provides the background to the research method used. Section four offers the case description including the presentation of the Slovenian public administration strategy. In section five we describe the case of Slovenian’s public administration movement towards the Lisbon strategy goals implementation. We also present the case of Slovenian e-government platform and the new flat partnership model of public services. The findings are presented in section six, in which the main conclusions are outlined.
2. Theoretical foundation: Strategic change management in public sector: Overview of concepts and approaches

When talking about the strategic change implementation processes in public sector, different concepts and approaches have to be outlined (Anheier, 2003; Szelwar et al., 2008). In the turbulent world, public sector organizations are likely to survive if they react quickly to changes, learn from the mistakes, and immediately reverse any policy that does not appear to be working (Doherty, Horne, 2002). A flexible strategic model of change management process involves deciding in advance to be prepared to alter organizational structures, procedures for decision-making, services offered, client groups served, suppliers used and new knowledge-based organizational context implemented.

According to Doherty and Horne (2002), managing strategic change involves three elements that interact continuously with each other (Doherty, Horne, 2002). These three elements are context, content and process. The context refers to the environment; the content answers the questions what actions will be required; whereas the process applies to the questions how these actions will be implemented (figure 1). Strategic change management process is an evolutionary process rather than revolutionary. According to Mintzberg, strategic change is crafted rather than planned (Palmer, Cynthia, 2000). Organizational success is not about predicting and following trends; it is about anticipating imminent deviations from trends and taking pre-emptive actions.

The concept of the strategic change management process in public organisations encompasses a number of indicators (Senge, 1990; Osborne, Gaebler, 1993; Ott, 2001; Lewis, 2001; Doherty, Horne, 2002; Kubr, 2002; Brown et al., 2003; Arnaboldi et al., 2004; Tsoukas, Papoulias, 2005; Szelwar et al., 2008): (1) new horizontal organisational design; (2) wider control span; (3) empowered roles of employees; (4) flattened organisational hierarchy; (5) flexible relations between public administration agencies; (6) boundless - virtual organisational relations and e-government models; (7) decentralised decision-making process and decentralised governmental policies; (8) decentralised decision-making power from high to lower hierarchical levels; (9) dissemination of information among the entire public administration; (10) horizontal integration of information and strategic management issues between individuals and public organisations; (11) co-operative strategy formulation of government; (12) adaptable organisational relations and new dimensions of multicultural relations within the public sector in the EU; (13) outsourcing of consulting activities and other issues of public sector services; (14) networking and connectivity of public administration entities; (15) involvement of public organisations in the modern borderless knowledge-based EU economy; (16) establishment of an information technology platform for effective e-government programmes; (17) empowering of workers and teamwork development; (18) connections between international governments within the EU in a virtual system; (19) focusing the public sector management process on private-public partnership development; and (20) designing the basis for continuously developing concept of knowledge management experiences within public sector organisations and the public administration.
Figure 1: Managing strategic change in public sector

![Managing Strategic Change in Public Sector Diagram]

Source: Adapted from Doherty, Horne, 2002, p. 73.

Modern strategic change management tools depend upon the evolution of structures, processes and shared mental models involving innovative public sector agents (Ott, 2001; Brown et al., 2003). Intelligent public sector agencies concentrate on the creation of new knowledge that embodies the basis for the modern change management process (Kubr, 2002). It is the government’s role to formulate the appropriate public sector strategy that will reflect the requirements of the modern internal and external drivers of public sector organisations’ environments. In the promotion of new knowledge-based managerial tools within EU public sector entities the key role is played by the interaction of EU directives and developing Slovenian public sector strategy (EUPAN Handbook, 2007).

According to Doherty and Horne (2002) ten assumptions about the context in which public service managers will need to exercise their thinking and conversational skills have been made. Public services depend on functional competence of managers in managing resistance to change, managing operations and activities, managing finance and resources, managing information and communication, managing learning and personal development, managing human resources, managing strategic planning, managing organizational development in context of learning organizational model (Dimovski, Penger, 2003; Daft, Marcic, 2003), managing leadership in context of new public management\(^4\) approached and finally, managing knowledge management...

---

\(^4\) Hood (1991) and Ott (2001) describe new public management as comprising seven main principles: (1) hands-on professional management; (2) explicit standards and measures of performance in public organizations; (3) a greater emphasis on output controls, and supervision; (4) a shift to decentralization and outsourcing of programs in the public sector; (5) a shift to greater competition in the public sector, and the active movement towards the flat partnership system; (6) a stress on private sector styles of management practices; and (7) a stress on greater discipline and flexibility in resource usage.
(Sanchez, Henne, 1997; Sanchez, 2003) and active knowledge transfer within organizational learning processes of public organizations.

3. Research method

This paper is based on explanatory case study research method, where longitudinal and pre-post techniques of case study research process were implemented. In recent years there has been a growing attention on implementation of case studies in a systematic, stand-alone manner which increases the validity of associated findings (Yin, 1975, 2002a, 2002b; Jensen, Rodgers, 2001). The case study approach is particularly appropriate as it allows us to better capture the organizational dynamics of the phenomenon (Travers, 2001; Yin, 2002; Alasuutari, 2004). Generally, the use of a case study method is well supported by previous literature, which suggests that case studies are deemed to be particularly good for answering the “how” and “why” questions. The case study method is recognized as an appropriate approach to empirical inquiry when the complex phenomena to be studied cannot easily be separated from their organizational contexts. Because only a few instances are normally studied, the case researcher will typically uncover more variables than data points, thus making statistical control impossible. This is considered to be the strength of case study research. The case study method has the capability of uncovering causal paths, and through richness of detail, identifying causal influences and interaction effects which might not be treated as variables in a statistical study. Consequently, the qualitative case study research method may be particularly helpful in generating theories in developing fields of inquiry (Travers, 2001; Alasuutari, 2004; Brannen, 2004; Seale et al., 2004).

Unlike random sample surveys, case studies are not representative of entire populations, nor do they claim to be. The case study researcher should take care not to generalize beyond cases similar to the one(s) studied. Provided the researcher refrains from over-generalization, case study research is not methodologically invalid simply because selected cases cannot be presumed to be representative of entire populations. Put another way, in statistical analysis one is generalizing to a population based on a sample which is representative of that population. In case studies, in comparison, one is generalizing to a theory based on cases selected to represent dimensions of that theory. Seale et al (2004) set forth a typology of case studies, including these types: (1) Snapshot case studies: detailed, objective study of one research entity at one point in time. (2) Longitudinal case studies are quantitative and/or qualitative studies of one research entity at multiple time points. (3) Pre-post case studies: study of one research entity at two time points separated by a critical event. A critical event can be defined as the one which would be expected to significantly impact case observations according to the theory under study. (4) Patchwork case studies: a set of multiple case studies of the same research entity,
using snapshot, longitudinal, and/or pre-post designs. This multi-design approach is intended to provide a more holistic view of the dynamics of the research subject. (5) Comparative case studies: a set of multiple case studies of multiple research entities for the purpose of cross-unit comparison.

Although case study research may be used in its own right, it is more often recommended as part of a “multi-methodological” procedures (i.e. triangulation) in which the same dependent variable is investigated using multiple additional procedures (Travers, 2001; Yin, 2002a, 2002b). Triangulation is the attempt to increase reliability by reducing systematic method error, through a strategy in which the researcher employs multiple methods of measurement (like survey, case study, observation, and archival data) (Bryman, Stephens, Campo, 1996; Travers, 2001). If alternative methods do not share the same source of systematic error, examination of data from these methods gives an insight into how individual scores may be adjusted to come closer to reflecting true scores, thereby increasing reliability.

A triangulated research design was used to improve the reliability and validity of the data, based on three qualitative research methods. Consequently the philosophy of multi-methodological procedures was followed during the case writing. To assure the validity and reliability criteria in qualitative research process, different techniques and multi-methodological procedures were taken through the process of qualitative case-study research analysis of this paper, including (Bryman, Stephens, Campo, 1996; Travers, 2001; Yin, 2002a, 2002b; Brannen, 2004): first, the secondary analysis of archived data was conducted in the parts of the paper, where theoretical overviews of concepts and approaches of strategic change management in public sector are outlined (especially in parts: 2, 4.1, 4.2, 5.2). A systematic review of most relevant topics academic journals (Arnaboldi et al., 2004; Brown et al., 2004, Hood, 1991; Lewis, 2001; Tsoukas, Papoulia, 2005; Sznelwar et al., 2008), books (Anheier, 2003; Yin, 2002), and internet portals (EU Commission, 2007-2008, Government of the Republic of Slovenia, 2007-2008, Ministry of Public Administration Government of the Republic of Slovenia, 2008; UNDP, 2004) has been obtained. Consequently more than thirty references were analysed and integrated. Second, the thematic content analysis was used in part of the paper, where the issue of Slovenian strategy in the public sector and implementation of Lisbon Strategy goals are presented (part 5.1.). Third, the discourse analysis was conducted in the presentation of the new Slovenian knowledge-based model of public sector in part 5.3. The discourse analysis was held with four university professors lecturing public management and other public administration topics. Attendance of these sessions was voluntary. The discourse analysis solutions provide a contextual frame for the model presented in the part 5.1.
4. Case description

4.1. Overview of Slovenian public administration strategy development – The thematic content analysis

This section of case study outlines the development of Slovenian public administration strategy in the period 2003-2005. The summarized synopsis of Slovenian public administration strategy development within the year 2005 is presented in figure 2, and provides the basis for further discussion and understanding of new Lisbon Strategy targets for Slovenian public sector development in period 2008 – 2010. *Figure 2* shows that the overall public reform of Slovenian public administration initiatives towards the integration of EU could be divided into five areas (Further Development Strategy of the Slovenian Public Sector 2003 – 2005; Public Administration Reform - UNDP, 2004; MTM Program, 2007; EUPAN Handbook, 2007): human resource management, organizational restructuring of the public administration, business processes in administration and e-government, quality management of public administration and the model of i.e. user-oriented public administration, as well as open public administration.

---

5 This content analysis gives overview of previous priorities of Slovenian public sector (in the period 2003-2005) before starting implementing the goals of Renewed Lisbon Strategy (2005 - ).
Figure 2: Slovenian public administration strategy development in the period 2003-2005

<table>
<thead>
<tr>
<th>Priority areas of Slovenian public administration strategy development in period 2003-2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resources management</td>
</tr>
<tr>
<td>Human resources are the greatest capital of every organization, including public administration. Human resources management within public administration is characterized by certain specific features, especially a distinctive work intensity of administrative activity and the demand for ethical operating; the managers are essentially more limited in the decision-making process relating to issues of employment, remunerations and dismissals.</td>
</tr>
<tr>
<td><strong>Objectives</strong></td>
</tr>
<tr>
<td>The objective is to accelerate the efficiency of organization on the basis of greater affiliation, motivation and internal competitiveness of employees.</td>
</tr>
<tr>
<td>• planned, systematic and rational human resources management (a better utilisation rate of human resources, increased efficiency, cost cutting),</td>
</tr>
<tr>
<td>• a transparent, flexible and controllable salary system,</td>
</tr>
<tr>
<td>• increasing the satisfaction and motivation levels for the work within administration - “learning public administration”,</td>
</tr>
<tr>
<td>• establishment of a common organizational culture with a special emphasis on orientation towards users,</td>
</tr>
<tr>
<td>• strengthening the cooperation with civil society and building of partnerships with unions.</td>
</tr>
<tr>
<td><strong>Key development elements</strong></td>
</tr>
<tr>
<td>• the dedicated management believing in the importance of human resources development,</td>
</tr>
<tr>
<td>• development planning based on regular identification of needs for training and development,</td>
</tr>
<tr>
<td>• planning of careers of employees and implementation of planned measures,</td>
</tr>
<tr>
<td>• knowledge management</td>
</tr>
<tr>
<td><strong>Priority tasks</strong></td>
</tr>
<tr>
<td>• establishment of the internal labour market, a system of professional exams of a higher quality, standards for human resources management (selection, training of employees, annual interview, work programming, monitoring and evaluating work result and career, and other),</td>
</tr>
<tr>
<td>• implementation of programmes of permanent training for the top-level management and other focus groups, as well as specialized training in the area of European Affairs,</td>
</tr>
<tr>
<td>• development and implementation of the information-supported central human resources record.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organizational restructuring of the public administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization of the public administration must be adapted to its mission, functions and business process.</td>
</tr>
<tr>
<td><strong>Objectives</strong></td>
</tr>
<tr>
<td>• optimal and rational organizational structure based on the definition of functions and business processes,</td>
</tr>
<tr>
<td>• elimination of administrative obstacles and prevention of introduction of new ones,</td>
</tr>
<tr>
<td>• flexibility of organizational structures,</td>
</tr>
<tr>
<td>• project-orientation of administration organizations,</td>
</tr>
<tr>
<td>• decentralization of administrative decision-making process.</td>
</tr>
<tr>
<td><strong>Priority tasks</strong></td>
</tr>
<tr>
<td>• reduction of the number of organizational levels,</td>
</tr>
<tr>
<td>• a greater transparency of public sector organization,</td>
</tr>
<tr>
<td>• a shift towards the model of learning organizational model.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business processes in administration and e-government</th>
</tr>
</thead>
<tbody>
<tr>
<td>An effective organization masters its business processes. Organizations within private sector place special emphasis on the optimization of business processes and use various systems and models, respectively, to this end. Fundamental processes in the public administration are standardized to a large extent with regulations; nevertheless, the regulatory framework normally provides some room for manoeuvre for process optimization. Information technology offers unique opportunities for optimization and rationalization of processes. It is especially important to continue building data infrastructure, association of databases and their opening to users inside and outside of administration within e-government project implementation.</td>
</tr>
<tr>
<td>Priority areas of Slovenian public administration strategy development in period 2003-2005</td>
</tr>
<tr>
<td>---</td>
</tr>
</tbody>
</table>
| **Objectives** | • optimization and rationalization of functions and organization of administration,  
• orientation towards users,  
• intensive introduction of electronic services in public administration and enabling electronic commerce between public administration, citizens and private sector “e-government” |
| **Priority tasks** | • standardization, optimization and informatization of administrative procedures – further development of e-government,  
• reform of processes and rapid development of e-government in order to bring services closer to users,  
• improvement of electronic support in relations among public administration subjects and beyond through the introduction of up-to-date information and communication technology,  
• ensuring interconnection of public records and integration of databases with information support to processes,  
• keeping up-to-date with information infrastructure developments worldwide and preparing policy guidelines and standards for public administration,  
• reduction of administrative burdens and to exercise administrative control. |

**Quality management of public administration and the model of i.e. user-oriented public administration**

The mission of Slovenian Ministry of Public Administration is (2008) to establish a friendly and an effective public administration, i.e. friendly towards users who are the reason for the existence of the public administration, and towards civil servants who lie at the heart of public administration. In order to establish a friendly public administration, it will be our common task to increase the efficiency of the exploitation of human, financial and material resources and the knowledge within the public administration.

In this context, the quality of administrative work should be defined as satisfying the needs, demands and expectations of users. Orientation of administration towards users represents the limiting of administration’s self-sufficiency, as well as respecting and considering of demands, expectations and desires of users of public services.

| Objectives | • key objective is to secure the satisfaction of users and civil servants and to provide for a public administration, which will not only be comparable with public administrations of other EU Member States but will be, as regards an advanced organisation and the satisfaction of users and public finance effects, among the best in the European Union,  
• comprehensive overview of effectiveness of administrative organizations,  
• orientation towards users, building of partnerships with citizens, private sector, non-government organizations and other segments of the social system. |
| Priority tasks | • revision and administrative function regarding quality policy in public administration,  
• introduction and promoting of quality management systems (ISO, CAF and EFQM) aimed at business excellence and dissemination of good practices in public administration. |

Open public administration (e-mail management and communication networks)

Open administration enables the public institutions to acquire a wider scope of information, perspectives and suggested solutions improving the quality of adopted decisions.

| Objectives and priority tasks | to participate in devising the strategy of e-government development,  
• to monitor the implementation of the strategy of electronic commerce in public administration and the implementation of e-government action plan,  
• to manage and coordinate interdepartmental activities for e-government in the context of the “coordination for better public administration”,  
• to provide support for development and operation of e-services and e-applications for customers service (G2C), e-services for support of the exchange of data within the public administration (G2G) and e-services for information support to create a business-friendly environment (G2B). In this context it plans, manages and coordinates e-services and e-applications projects, particularly these common to more ministries,  
• to provide organizational support for project management of e-government projects,  
• to control, manage and perform extraordinary maintenance of the network according to the needs of State authorities and e-Government applications. |

4.2. Slovenian public administration goals: The secondary analysis of achieved data

The goals of public administration development reform in Slovenia are oriented, in addition to legality and professionalism, towards the openness of public work, efficiency and effectiveness, rationality, flexibility and orientation towards users of public services. In the sense of globalization of the administrative work and reciprocal interdependence of systems, it is necessary to give an adequate emphasis on international cooperation, especially within the framework of professional organizations of public sector. Slovenian participation within the network of Directors-General, responsible in the Member States of the European Union for public administration (EUPAN network) is of primary importance within the European space, in addition to the bilateral interstate cooperation (EUPAN Handbook, 2007; MTM Program, 2007). The aim of EUPAN forum is to exchange information, to share experiences and best practices, to compare current developments and public sector reforms, to promote EU-wide concepts and strategies for administration and public services and to jointly search for efficient solutions to the common challenges. EUPAN vision is to support the implementation of the Lisbon Strategy, placing the citizen at the centre of public management, by working in different areas (human resources, innovation, quality, e-government) and with different players in order to support efficiency and customer orientation in European public services (http://www.eupan.si/index.php?id=6, EUPAN Handbook, 2007).

The Government of the Republic of Slovenia realizes that good governance represents one of the pillars of social development and prosperity, the other two being the economic growth and social cohesion. Public administration plays a significant role within the framework of good governance, since it provides professional basis for political decision-making and directly enforces the adopted policies. Therefore, the quality of public policies and their actual social value depend to a large extent on the quality, effectiveness and success of its operations. The Slovenian public administration respects the principles of legality and legal safety, political neutrality and professional independence, openness and user orientation, expertise and quality, compatibility, rationality and efficiency (Ministry of Public Administration, http://www.mju.gov.si/en/areas_of_work/, may 2008). The mission of Slovenian public administration is to establish a friendly and effective public administration, i.e. friendly towards users who are the reason for the existence of the public administration, and towards civil servants who are the nucleus of the public administration (EUPAN Handbook, 2007).
5. Discussion

5.1. Towards the implementation of Lisbon strategy goals: The case of Slovenian public sector – The thematic content analysis

As the Lisbon Strategy is one of the priorities of the Slovenian Presidency in 2008, the Innovative Public Services Group (IPSG) and the European Public Administration Network (EUPAN) are beginning to implement a midterm Working Programme 2008–2009 (MTP, Lisbon, 2008-2008) with the major focus on the Lisbon Strategy. Consequently in February 2008 the conference on the Innovative Public Services Group (IPSG) and the European Public Administration Network (EUPAN) was organized at Brdo pri Kranju in Slovenia. The main topic of the conference was the discussion of the comparative analyses of quality management in public administrations within the EU, and the evaluation of the added value contributed by the public administrations to the Lisbon strategy goals. This was the first meeting focused on reviewing Lisbon Strategy goals within public administration sector reform and during the Slovenian Presidency of the EU Council. The major focus of Innovative Public Services Group work is the report on quality of public administration within the EU, and in this context, implementing the projects and activities aimed at providing consistent quality of public services in the entire territory of the EU.

According to the implementation of Lisbon Strategy goals, the main idea of Slovenian model is to improve governance focusing on participatory policymaking, knowledge-based managerial capacity and efficiency aiming to design, implement and monitor a coherent set of European and national policies. The EUPAN report (MTP, Lisbon, 2007) summarizes the main areas where the EUPAN bodies could contribute to the achievement of Lisbon Strategy goals and that are of a vital importance for the development of Slovenian public sector. Implementation of Lisbon Strategy targets in Slovenian public sector strategy 2008-2009 is presented in figure 3. This includes putting citizens at the heart of public management. Moreover, customer feedback, as garnered by public services and in the context of Lisbon Strategy priorities. The aim is to demonstrate the relevance of customer focus and the role of the citizens in Slovenian public service management, including how involvement can be brought about (customer insight techniques). Regarding customer focus of the Slovenian public sector, one objective is to improve knowledge about the new public service solutions (for example as e-government) and to help public institutions dealing with the public.
The argumentation for putting the public sector into the centre of the Lisbon strategy delivery is based on the following three aspects (Lisbon Strategy: Implementing the Renewed Lisbon Strategy for Growth and Jobs, 2007): (1) As an investor, a purchaser and an employer, the public sector is the largest single player in Europe. (2) By innovating and implementing policies and regulations, public administration defines the rules and framework conditions. (3) By providing and arranging core services in education, healthcare and social protection, the public sector makes both direct and indirect contributions to the delivery of the Lisbon strategy. Regarding the Lisbon’s Strategy, the public sector is influencing society and key players, directly and indirectly, by making and implementing policies, imposing regulations and control, collecting taxes and providing services (Määttä, 2007).
There are two predominant trends apparent in public sectors throughout the world, including Slovenia (Public Administration Reform - UNDP, 2004): the first one is a more efficient use of allocated financial resources and reduction of public expenses (privatization, rationalization, reduction of the scope of employees), respectively, while the second is the demand for a more democratic, open, efficient, rapid and user-friendly performance of public services. The main objectives of the public sector reforms concern the efficiency, excellence and equity (Further Development Strategy of the Slovenian Public Sector, 2005; MTM Program, 2007). These three objectives comprise the implementation of various types of reforms (extending from the introduction of management work methods to the reforms of political course, structural and even constitutional reforms).

Summarizing the importance of Lisbon strategy initiatives for further Slovenian public sector development (and as shown in figure 4), Slovenian public sector should develop and implement the Lisbon priorities outlining the following main objectives (Brown et al., 2003; Arnaboldi et al., 2004; MTP report, 2007; Renewed Lisbon Strategy: Implementing the Renewed Lisbon Strategy for Growth and Jobs, 2007; EUPAN Handbook, 2007): (1) Enhancing Slovenian public services, taking into account the demands of citizens and private businesses; (2) Introducing
strategic management into Slovenian public administration; (3) Raising quality level and efficiency into Slovenian public administration; (4) Promoting project-related and team-oriented forms of work and enhancing communication within the Slovenian public administration; (5) Promoting transparency, ethics, integrity and confidence-building in the public service and in the relationship between public administration and the public; (6) Making systematic use of information and communication technologies within e-public services development model; (7) Openness to change and reforms in order to meet new challenges of EU public sector policies and Lisbon strategy initiatives; (8) Enhancing the mobility within other EU public administrations members; (9) Ensuring efficient and effective organization of Slovenian public sector with focus on new knowledge-based organizational model; (10) Ensuring the sustainability of Slovenian pension systems; (11) Ensuring and improving public services while taking into account a changing population age structure; (12) Providing for training, integration and promotion to guarantee equal opportunities for recruitment and retention in the Slovenian public service; (13) Promoting flexibility (forms of work, pay systems, working conditions and career models) taking account of changing personnel structures in the public service; (14) Ensuring good working conditions and improving health management in public administration, and (15) Maintaining the attractiveness of Slovenian public service as an employer, policy maker, investor, purchaser, and regulator. It is the role and responsibility of Slovenian public sector to take initiative in setting up the development agenda for society (Määttä, 2007). Furthermore, efficient public-private partnership arrangements provide opportunities for a better focus on core tasks and productivity through increased competition.

5.2. The case of Slovenian e-government platform achievement - The secondary analysis of achieved data

In this part we present the important target of the Lisbon Strategy implementation in Slovenia, which includes “Professionalization of e-government model and technology”, as presented in the previous part of the paper in figure 4. The provision of high quality e-public services is one of the keystones of the i2010 programme “A European Information Society for growth and employment” (European Commission Report on Public Sector, i2010 - Capgemini, 2007). Public services are playing an important role in the route to an inclusive European society. They also play an important role in the success of the European economy. The e-Government policy (Kim et al., 2007) environment has evolved from “bringing public services online” to a concept of effective and user-centered service delivery in an inclusive and competitive European society. In April 2006, the Slovenian government adopted a new ‘e-Administration Strategy’ which presents a strategic vision for the development of e-Administration in Slovenia and outlines the main actions to be taken in this area in the period 2006-2010.
The e-Administration Strategy provides an overview of the situation to date in Slovenia with regard to the development of e-Government solutions, and presents strategic orientations for the coming four-year period. A number of specific goals are set for the 2010 target date. The Strategy also outlines the necessary conditions that need to be in place if these goals are to be met. The main emphasis of the Strategy is consumer satisfaction, the rationalisation of public administration and the delivery of up-to-date e-Services for citizens and businesses. The aim of Slovenian public administration online services is to achieve a better quality of life and improved relations with public sector departments and agencies. In order to measure the indicator ‘availability of public services online’, an e-service sophistication model was developed (figure 5). This model illustrates the different degrees of sophistication of online public services going from ‘basic’ information provision over one-way and two-way interaction to ‘full’ electronic case handling. The overall 76% score achieved on sophistication maturity is the average of all the surveyed countries in 2007 (see figure 6). Austria keeps the leadership among the entire country ranking, and Slovenia takes the second place among all 31 surveyed countries in the year 2007 (European Commission Report on Public Sector, i2010 - Capgemini, 2007).
With a large increase compared to the previous measurement in year 2006, Slovenia improved most among all country rankings. The Slovenian ‘e-Government platform’ launched different new e-service initiatives resulting in a final score of almost complete full sophistication. The example of Slovenian public sector services shows that smaller geographic entities (smaller countries) can progress rapidly when the right building blocks of public administration strategy are put in place.

Figure 6: Availability of online public sector services (September 2007, European Commission)

![Graph showing availability of online public sector services](image)


*Figure 6* shows the availability of online public sector services in the different countries measured in September 2007. According to EU Capgemini Public Sector 2007 report Europe continues to make sound progress in the supply of online public services as a key facilitator to deliver the i2010 e-Government action plan and Lisbon goals. *Figure 7* shows the percentage of public services with full availability online in the different countries. The country ranking shows a strong correlation with the sophistication scores. The amplitude in scores is however bigger, illustrating the higher complexity to achieve the full online availability status. Both measures of public sector service development, sophistication indicator and fully-online availability indicator, have a high correlation in year 2007. Five countries have achieved performance of 90%
or above on both measures. Austria retains its leading position, followed by Malta, Slovenia, Portugal and the United Kingdom. In 2007 report on e-public sector services, Malta, Slovenia and Estonia stand out as countries that have embraced e-Government and advanced online service delivery to levels in advance of many ‘old’ EU member states (EU Report on Public Sector - Capgemini, 2007).

Figure 7: Availability of online public sector services (September 2007, European Commission)

According to EU 2007 report on public sector services the measure of the fully-online availability is presented in figure 7. Europe has advanced from 50% in 2006 to 58% in 2007. There is an even more marked variance, of 85%, highlighting the challenge of delivering integrated (‘front-to-back-office’) interoperable services, particularly for cases of devolved government. Austria, as the most advanced country regarding the fully-online measurement, has in 2007 achieved 100% against the criteria for the 20 services measured. Slovenia was fourth in 2007 and belongs to “fast-movers” group together with the Malta and Estonia (European Commission Report on Public Sector, i2010 - Capgemini, 2007). They have made major progress since 2006 in terms of implementing new solutions of e-government strategy and advanced online public services delivery within public sector.
5.3. The model of strategic change management process in Slovenian public: According to the achievement of the Lisbon strategy goals - The discourse analysis

According to achievement of Lisbon Strategy goals as presented in figure 4, the Slovenian public sector should follow the “new flat partnership model” to improve performance and demonstrate greater transparency and accountability as stated in Renewed Lisbon Strategy (2007; Implementing the Renewed Lisbon Strategy for Growth and Jobs, 2007; MTM Program, 2007; EUPAN Handbook, 2007). The “new flat partnership model” in the Slovenian public sector was developed and conceptualized by authors, as the possible path for further developments of public sector initiatives to meet Lisbon Targets. To meet the challenges of EU public sector directives and Lisbon Strategy initiatives, Slovenian public sector organizations should transform towards new flat decentralized organizational model. The proposed strategic change management model includes all key elements of new knowledge based strategic change management process - aligning people, systems, structures, skills - building relationships (social capital), both internal and external is summarized in figure 8. Slovenian model does not eliminate the public sector ethic and it retains certain qualities of bureaucratic governance that take into account the context of public management while protecting against the human cost of organizational change. The case of the Slovenian public sector reform represents unique model of flat partnership organization, based on advantages of private sector management, and relationship between key values of both systems.

The strategic change management practices towards the flat-partnership model from the Slovenian perspective can be divided into the following seven steps (figure 8): (1) Managing strategy towards the flat partnership organization; (2) Managing staff and governmental changes through the transfer of knowledge across sectors (public and nonprofit sector - third sector); (3) Managing structure towards the new decentralized flat organizational structure and active transfer of knowledge; (4) Managing system changes towards the active policy of building partnership between public and private organizations in Slovenia; (5) Managing skills and competencies towards empowered and knowledge-based model; (6) Managing goals towards the active implementation of EU directives and restructuring of the welfare state towards plural welfare model; and (7) Inclusion of the strategic partners referring to the whole strategic planning process (from strategy goal setting to evaluation of strategic plan). If modern public organisations are to face environmental dynamics more easily, they must move toward a new organisational paradigm which is based on knowledge-based model. Public organisations are transforming into flexible, decentralised structures which emphasise horizontal co-operation. Although there is a growing body of knowledge dealing with the management of strategic corporate change in public organizations there remain still significant gaps in understanding the process of strategic change management (Osborne, Gaebler, 1993; Doherty, Horne, 2002; Brown et al., 2003).
Regarding the services presented within the changing governmental programmes in the public service in previous sections, we can argue that the importance of strategic change management is becoming a crucial strategic management perspective. With the reduction of in-house services, public sector organisations are increasingly retaining consultants to provide training and counselling services to staff.
6. Conclusion and implications

Findings of this study show, that during the last decade the public sector in Slovenia has come under increasing pressure to improve performance and demonstrate greater transparency and accountability. This pressure has resulted in public sector organizations facing shifts in ways of operating and managing public institutions. Various corporate change strategies have been adopted by different public sector organizations, many of these cloning managerial practices from the private sector. According to our findings, the new flat partnership public management can be described as comprising the following main principles: (1) hands-on professional management; (2) explicit standards and measures of performance in public organizations; (3) greater emphasis on output controls, and supervision; (4) a shift to decentralization and outsourcing of programs in the public sector; (5) a shift to greater competition in the public sector, and the active movement towards the flat partnership system; (6) a stress on private sector styles of management practices; and (7) a stress on greater flexibility in resource usage.

In the recent past, governments in various countries, including Slovenia, have restructured their public sector organisations with the following objectives in mind: (1) to clarify the accountability of ministers and departments by giving them more authority in functional areas; (2) to separate policy-making from programme delivery activities; (3) to promote innovation and risk-taking by relaxing some public service constraints on managers and stimulating entrepreneurial behaviour; (4) to make public organisations more efficient by improving their human resource management; and (5) to undertake projects to pilot new work options such as e-government. Other structural changes in the public sector involve reducing the number of management levels by eliminating certain middle management positions.

There are also many initiatives to improve people management in public sector organisations by presenting modern management thinking issues on quality, learning, knowledge, entrepreneurial activity, customer service, the empowerment of workers, training and team-working programmes, working in a task-oriented force internal environment, and enabling new organisational and managerial perspectives. Public officials are becoming more accessible through e-mail, furthermore the scope and quality of information provided to citizens and the business sector through public administration portals has expanded and improved significantly in a short time. As a result, in line with e-business strategies the new concept of e-government has been developed in Slovenia.

Future research will need to address some other issues related to the implementation of the Lisbon Strategy goals in order to contribute to understanding of this changing and challenging area within the Slovenian public sector. Finally in this paper, we have used only data on Slovenian public administration issues and analyzed achievements of Slovenian e-administration strategy comparing to EU member states. Future research could perhaps attempt to address this gap so as to outline, compare and explore new issues surrounding the Lisbon implementation process among all EU member states.
References


Slovenski slučaj strateških promjena upravljanja u javnom sektoru: Prema Lisabonskoj strategiji

Sandra Penger¹, Metka Tekavčič²

Sažetak

Ovaj rad usmjeren je na slučaj Slovenije a vezano za strateške promjene u procesima upravljanja s naglaskom na skretanje prema implementaciji ciljeva Lisabonske strategije. EU će biti “najkonkurentnija i na znanju temeljena dinamična ekonomija u svijetu”, sposobna za razvoj održive ekonomije s više boljih radnih mjesta i većom društvenom kohezijom. To su najvažniji prioriteti Lisabonske strategije. Te promjene u organizacijama javnog sektora imaju veliki značaj za regionalni razvoj Slovenije. Cilj ovog rada je razmotriti i razjasniti razvoj i prioritete slovenske javne administracije u procesu usmjerenavanja prema primjeni ciljeva Lisabonske strategije. U radu se također ističu suvremena dostignuća slovenske strategije e-administracije. U radu se koristi znanstvena metoda istraživanja na temelju slučaja, s naglaskom na longitudinalnu i pre-post tehniku metodološkom pristupu. Rezultati istraživanja pokazuju da metode strateškog upravljanja primijenjene na slučaju podupiru implementaciju ciljeva Lisabonske strategije u Sloveniji.

Ključne riječi: strateške promjene upravljačkih procesa, javni sektor, Lisabonska strategija, metoda slučaja, Slovenija

JEL klasifikacija: H,H83

¹ Asistent, Dr. Sc., Sveučilište u Ljubljani, Ekonomski fakultet, Katedra za menadžment i organizaciju, Kardeljeva ploščad 17, 1000 Ljubljana, Slovenija. Znanstveni interes: menadžment, organizacija, vođenje, javna administracija. Tel.: ++386 1 589 25 69, ++ 386 1 589 24 00. Fax: +386 1 589 26 98. Mobitel: ++386 31 342 883. E-mail: sandra.penger@ef.uni-lj.si. Osobna web stranica: http://www.ef.uni-lj.si/pedagogi/pedagog.asp?id=301
² Izvanredni profesor, Sveučilište u Ljubljani, Ekonomski fakultet, Katedra za menadžment i organizaciju, Kardeljeva ploščad 17, 1000 Ljubljana, Slovenija. Znanstveni interes: menadžment, organizacija, računovodstvo, upravljanje troškovima, javna administracija. Tel.: ++386 1 589 25 56, ++ 386 1 589 24 00. Fax: +386 1 589 26 98. Mobitel: ++386 41 686 334. E-mail: metka.tekavcic@ef.uni-lj.si. Osobna web stranica: http://www.ef.uni-lj.si/pedagogi/pedagog.asp?id=67