

# Interim evaluation of Priority No. 4 of the 2007–2013 Human Resources Development Operational Programme with the view to the input to the 2012 annual implementation report to European Commission

## Summary

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## SUMMARY

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Human Resources Development Operational Programme (HRDOP) is one of the four operational programmes designed to absorb the European Union structural funds in the 2007–2013 programming period in Lithuania. Priority No. 4 of this programme is “Development of administrative competence and improvement of efficiency of public administration”. Three objectives were set under this priority, namely, to: 1) improve human resources management and enhance administrative capacity in civil service; 2) improve performance management, implement EU policies better, and improve the structure of public administration; 3) improve regulatory environment for economic activities and provision of services to residents and business. In order to ensure proper monitoring, product and result indicators were assigned for each objective.

### 1. Scope, aim and goals of evaluation

The object of the evaluation was the implementation of Priority No. 4 of HRDOP since the start of the programming period in 2007 until 31 December 2012. The aim of the evaluation was to assess the results of the four indicators of Priority No. 4 achieved by 2012 and to provide relevant insights and information about implementation of the priority. Results of this evaluation were planned to be included in the 2012 report on the implementation of HRDOP to the European Commission (EC). Four goals were set for this evaluation, namely, to:

- Estimate the numerical values of the two indicators of Priority No. 4 in 2012: “Part of the persons who completed training successfully (public officials, statutory officials, other employees) and use acquired knowledge at work (in percent, 6 months after the completion of training)” and “Part of the state and municipal budget expenditures which are covered by the quality management systems (in percent)”;
- Estimate the value of Priority No. 4 indicator “Part of the state budget expenditure which are covered by performance management systems in all 14 ministries (in percent)” in 2012, as well as to provide qualitative assessment of progress in achieving the programme indicator “Number of introduced performance management systems in the ministries of Lithuania and as part of the total number of ministries (number/percentage)”;
- Offer insights on the effectiveness of implementation of the four above-mentioned indicators, evaluate the impact of performance management and quality management systems on the public sector, give recommendations on how to achieve the target values of three indicators by 2015, assess the feasibility of reaching the target values in 2015 and offer ways to improve the monitoring system in the next programming period;
- Provide other insights in relation to Priority No. 4, as necessary for the 2012 report on the implementation of HRDOP.

### 2. Methods of evaluation

During the evaluation, three surveys were carried out as follows: a) survey of civil servants and other persons who had successfully finished EU-financed training between 2008 and 2012; b) survey of the public institutions, receiving funds directly from the state budget and performing functions of the public administration; c) survey of all 14 ministries. Gathered data was used to estimate the values of three indicators of Priority No. 4 and to assess the implementation progress of the programme indicator “Number of introduced performance management systems in the ministries of Lithuania and as part of all ministries (number/percent)”. In order to establish the factors which affect the value of result indicator “Part of the persons who completed training successfully (public officials, statutory

officials, other employees) and use acquired knowledge at work (percentage, 6 months after the completion of training)”, methods of statistical analysis were applied. Important information was generated by three semi-structured interviews and analysis of the secondary sources (methodologies of indicators, legal documents, national strategic planning documents, HRDOP Priority No. 4 financing data, descriptions of projects).

### 3. The use of acquired knowledge at work

In 2010 a methodology was approved for estimating the value of result indicator “Part of the persons who completed training successfully (public officials, statutory officials, other employees) and use acquired knowledge at work (in percent, 6 months after the completion of training)”. According to this methodology, the value of the indicator is equal to the percentage of persons who use acquired knowledge at work regularly (at least once per week) in at least one way (of the possible three) among those who had successfully finished their training. Estimated value of this indicator in 2012 was **58,52%**. Target value of 75% was set for this indicator to be achieved by 2015. Since the indicator is not cumulative, it is very likely that the target will not be met by 2015.

The survey showed that the knowledge acquired in information/communication technology management and document management trainings is used at work most intensively. 67,51% of those respondents who successfully finished information/communication technology training use acquired knowledge at work regularly in at least one possible way. There are 63,53% such persons among those who successfully finished document management training. These numbers are larger than the value of the indicator (58,52%). It is also worth stressing that those trainings which improve horizontal competences (ethics, personal development, managerial competences) are more applicable at work than those which develop sectoral competences (agriculture, economics etc.).

Statistical analysis has revealed two possible reasons for not using acquired knowledge at work:

1) knowledge acquired in training does not always satisfy the needs of the participants. A couple of differences were identified in the answers of those who regularly use acquired knowledge at work in at least one possible way and those who do not. In the latter group there were more respondents who indicated that their educational needs were not assessed before the training than in the former (30,9% compared to 18,5%). Similarly, 38,3% of the respondents in the first group and 58,6% of the persons in the second group stated that they had been consulted rarely or had not been consulted at all before the training. These findings prove that there is a correlation between early consultations and the usage of acquired knowledge at work;

2) significant part of those who had successfully finished training do not consider the possibility to use the acquired knowledge at work as the most important advantage of the trainings (40,2%).

A better match between the participants' needs and training programmes may be reached by improving the forms of training evaluation. A new question should be included in the questionnaire: *Does your training plan, outlined during the annual performance review conversation or in any other way, include the training under evaluation? Possible answers: Yes, No, I don't know.* This addition would be a good basis for evaluating the training projects according to their match with participants' needs. Furthermore, new information would enable those institutions which are responsible for the coordinating of the training policy and ensuring the efficient use of EU structural funds to interfere in the process of project implementation (if it would prove to be necessary).

A couple of reservations concerning the usage of the result indicator “Part of the persons who completed training successfully (public officials, statutory officials, other employees) and use the acquired knowledge at work (in percent, 6 months after the completion of training)” should be expressed. First, the benefit of the trainings is not limited to the usage of the acquired knowledge at

work. Second, the quality of trainings is not the only factor affecting the value of this indicator. For these reasons, the indicator “Part of the persons who completed training successfully (public officials, statutory officials, other employees) and use the acquired knowledge at work (percentage, 6 months after the completion of training)” should not be used to measure results at the priority level. On the other hand, in 2014–2020 programming period this indicator could be used to assess the results of the particular measure or a group of measures. In an effort to facilitate the monitoring of the indicator, it is very important that a database with the information on those persons who had successfully finished EU-financed trainings is created within the register of the civil servants (VATARAS). In this database trainings should be classified according to the competence groups, to be applied in civil service shortly. Project managers should be responsible for submitting the relevant information to the database.

Since the indicator “Part of the persons who completed training successfully (public officials, statutory officials, other employees) and who use the acquired knowledge at work (percentage, 6 months after the completion of training)” is not cumulative, it is unlikely that the target value of 75% will be reached in 2015. In view of this situation, we recommend to take either of these measures: 1) to simplify the methodology of the indicator, inquiring if the knowledge acquired in training was used at least once and thus ignoring the frequency of application; 2) to use the estimated value of the indicator as a guideline for setting the target value for the 2014-2020 programming period.

#### 4. Progress in the introduction of performance management systems in the ministries

In 2012 the numerical value of result indicator “Part of the state expenditures which are covered by performance management systems in all 14 ministries (in percent)” was **61,35%**. It is by 13,35 percentage points higher than the target value (48%) and by 19,35 percentage points higher than the original value, estimated in 2009 (42%). As almost all the ministries plan to maintain the same level of performance management until 2015, indicator's target value will most likely be reached and amount to 61,15%.

A notable increase in the indicator's value in 2012 compared to 2009 is partly the result of a project “Improvement of performance-based management” (VORT project). This project was implemented by the Office of Prime Minister since 16 March 2009 until 16 March 2012. Most ministries indicated that the VORT project had a positive impact on the effectiveness of their work. The main achievement of the project in the first phase of its implementation (VORT1) was the creation and introduction of the Information Monitoring System (IMS). The IMS was created to ensure regular performance monitoring of the institutions reporting to the Government. During the second and third phases (VORT2 and VORT3) assessment of the budgetary programmes and impacts of draft decisions was both designed and improved. However, the line ministries do not yet show sufficient initiative. Therefore assessment of the budget programmes and impacts of most important draft decisions so far has been mainly sustained by the efforts of the Office of Government and Ministry of Finance as co-ordinating institutions.

All 14 ministries were ranked according to the level of introduction of the elements of performance management, achieved by 2012:

- Ministry of Energy (ME) (95%);
- Ministry of Interior (MI) (92%);
- Ministry of Health (MH) (90%);
- Ministry of Foreign Affairs (MFA) (83%);
- Ministry of Education and Science (MES) (79%);
- Ministry of Agriculture (MA) (75%);

- Ministry of National Defence (MND) (72%);
- Ministry of Culture (MC) (66%);
- Ministry of Justice (MJ) (64%);
- Ministry of Social Security and Labour (MSSL) (61%);
- Ministry of Economy (ME) (59%);
- Ministry of Transport and Communications (MTC) (48%);
- Ministry of Environment (ME) (38%);
- Ministry of Finance (MF) (30%).

It is worth noticing that these results are based on the self-evaluation of the ministries and reflect the formal aspect of the performance management alone. Viewed from the perspective of the Office of Government, quality of the performance management in MSSL, ME and MTC is better than the evaluation based on formal criteria suggests, whereas ME and MI should not be considered the leading ministries in the sphere of performance management when judging on the substantive aspects and quality of information provided.

When asked about the effect that the introduction of performance management systems has on the public sector, ministries tended to provide positive assessments. Growing efficiency of the public sector institutions was singled out as the most important consequence of performance management systems. An interview with the representative of MF revealed that Information Monitoring System (IMS) provided the means to transfer various planning and monitoring procedures to the electronic sphere and improve the control of the data submitted. Furthermore, relevant IMS information can be compared with other monitoring data. On the other hand, the quality of the assessment of the budget programmes has not yet improved significantly as civil servants do not have enough motivation to substantiate draft decisions with evidence.

The following measures were offered to improve the process of performance management in the ministries:

- Inform the ministerial leadership about the opportunity of using data generated through the performance management system during the process of decision making. A survey of the ministries has shown that the attitude of the leadership strongly affects the prospects of performance management. It is thus very important that the leadership of the ministries is informed about the benefits of introducing performance management system in each of its seven stages;
- Finance introduction of separate performance management systems in the ministries only if they contain new elements of performance management not yet covered by the IMS (i.e. if they present a valuable addition to IMS);
- In the 2014–2020 programming period adequate financing should be granted to those projects which enhance evidence-based decision making (for example, assessment of the budgetary programmes and impacts of draft decisions). In view of the relative weakness of performance management in the evaluation stage, considerable improvements are needed in this area.

In the 2014–2020 programming period the result indicator “Part of the state expenditures which are covered by performance management systems in all 14 ministries (in percent)” could continue to be used to evaluate the progress, however, not at the priority level, but at the measure level.

## 5. Progress in the introduction of quality management systems in the public sector

In order to estimate the value of the result indicator “Part of state and municipal budget expenditures which are covered by the quality management systems (in percent)”, public institutions which receive

funds directly from the state budget and perform functions of the public administration were surveyed. In 2012 the value of this result indicator was **31,5%**. It was by 6,5 percentage points higher than the target value (25%), set in HRDOP for 2015. Survey data showed that in 2015 the value of this indicator will be higher than the target value. Based on the current forecasts, in 2015 it will amount to 31,1%.

Respondents indicated the following obstacles to the introduction of the quality management systems:

- 1) insufficient funding. However, according to the Ministry of Interior, which is responsible for coordination of the introduction of quality management systems, EU funds are fully available for all public sector institutions which plan the introduction of quality management system;
- 2) lack of comprehensive information on quality management systems, their introduction and benefits;
- 3) negative attitude of the employees.

In order to ensure the effective introduction of quality management systems, the following measures are proposed:

- Organize more awareness raising events (conferences, seminars and other public events), showcasing the benefits of the quality management systems and providing information on relevant IT tools, advantages and disadvantages of various quality management models as well as examples of the good practice. The target group of these events should be the leadership of public institutions and specialists of the quality management. Usefulness of such events is attested by the recent research on the introduction of quality management systems in 2012. 127 out of 149 surveyed institutions indicated that various events, seminars and conferences, organized by the Ministry of Interior, are useful or very useful;
- Create positive systemic incentives for the introduction of quality management systems in the public sector. For example, institutions of public administration should be afforded to use the finances which were saved due to the introduction of quality management system(s) for the needs of institutional development as well as declare it publicly. Another possible incentive could be the introduction of special markings, which would prove that the institution is up to the standards of a certain quality management system.

Respondents of the survey referred to the following results of the introduction of the quality management systems: 1) improved quality of services; 2) more efficient functioning of public sector institutions; 3) opportunity to get more information on the institutional processes; 4) improved administrative capacities of the employees; 5) improved image of the public sector. Earlier study, conducted by UAB "Ekonominės konsultacijos ir tyrimai" in 2012, concluded that municipal administrations with the functioning quality management system, when compared to those without it: 1) allocate a lesser share of the municipality's expenditure to the maintenance of the administration; 2) finance a bigger share of their budget expenses from alternative sources – EU, foreign countries and international organizations; 3) provide public services more efficiently; 4) are more advanced in the field of e-services; 5) provide public services more transparently; 6) adopt fewer decisions in conflict with existing national legal system.

In 2014–2020 programming period result indicator "Part of the state and municipality expenditures which are covered by the quality management systems (percentage)" could continue to be used, although at a lower level, for example, to evaluate the achievements of a particular measure or a group of measures. The following recommendations are offered concerning the estimation of this indicator:

- Additionally estimate the value of the indicator when the budgetary expenses covered by the institutions which have introduced only the "Single-window" principle (SWP) are excluded. As opposed to the other quality management systems, SWP aims to improve only one activity of an institution – provision of public services. It is also worth stressing that the introduction of

SWP is compulsory under the Law of Public Administration. In the recent research on the introduction of quality management systems in 2012 SWP-related results were often separated from the results concerning other quality management systems;

- Discontinue the use of the questionnaires, as there are other less burdensome ways to gather relevant information. Ministry of Interior has the information regarding the introduction of the quality management systems, whereas Ministry of Finance possesses data on the expenditure of public institutions. This should be sufficient to estimate the value of result indicator.

## 6. Proposals on product and result indicators in the 2014–2020 programming period

In 2014–2020 programming period a distinction should be made between priority-level and measure-level indicators. In view of activities planned for the 2014-2020 programming period, the following priority-level indicators are proposed:

Improving the quality of decisions	Strengthening of the institutional capacities	Improving the quality of administrative services and services for clients
<ul style="list-style-type: none"> <li>• <b>Product indicator:</b> the number of institutions which participate in the intervention/the percentage of institutions participating in the intervention among all institutions, those operating in a certain public policy sphere or those who suffer from a particular problem.</li> <li>• <b>Result indicators:</b> 1) evaluation of a change in the quality of decisions (in three groups: politicians, public servants, experts working in non-governmental sector;) 2) a change in society participation level in deliberating decision projects; 3) part of the public expenditure which comprises assessment of budget programmes and reassessment of the functions.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Product indicators:</b> 1) a number of public servants and higher officials who participated or/and successfully finished training; 2) part of public sector institutions which introduced competence-based model of the human resource management.</li> <li>• <b>Result indicators:</b> 1) a change in satisfaction of civil servants with their work; 2) an indicator of rotation in higher civil service.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Product indicator:</b> number of projects and part of participating institutions (in a certain group of services) among all institutions.</li> <li>• <b>Result indicators:</b> 1) a change in the level of use of services (in the spheres of intervention); 2) a change in satisfaction with provision of services (in the spheres of intervention).</li> </ul>

## **7. The effect of the implementation of HRDOP Priority No. 4 on horizontal policies in 2012**

Under Priority No. 4 of HRDOP, new systems of document, data, finance, performance and quality management were introduced in the public sector. These initiatives, together with the carefully planned and well organized trainings in preparation for the presidency of the EU Council, are manifestations of innovations in public administration in the Lithuanian context. Majority of them (introduction of document, data, finance, performance and quality management systems) involve application of information technologies and should be considered as contributing to the development of information society. In pursuit of the information society it is very important that the knowledge acquired during information and communication technology trainings is widely used in the public sector. Regional development was also stimulated by the projects of HRDOP Priority No. 4. Trainings of the local government employees, preparation of the municipal strategic and territorial plans and introduction of the quality management systems in municipality administrations were all financed under Priority No. 4 of HRDOP.