EXECUTIVE SUMMARY

Bialystok City Hall is an organ of public administration. The city of Bialystok has 280,000 inhabitants. In result of the political transformation in Poland, the new authorities have inherited a bureaucratic and inefficient management system as well as an outdated IT. In the electoral programme for 2000 - 2004, the following objectives have been set for the City Hall: to significantly improve the quality of operations and, in particular, to reduce time of handling affairs; to provide complex and professional customer service; to improve the management of assets. In order to improve the City Hall management system, reengineering and TQM rules have been applied. The new management system has been based on new IT solutions, including extranet network and integrated database. In consequence of those changes, some significant results have been achieved, e.g., an improvement of the quality of customer service and also a possibility to monitor the City Hall operational procedures. The vital result however, was a reduction of the decision-making time by the average of 30% and the reduction of the routine affairs handling time by the average of 25%.

BACKGROUND INFORMATION ON THE PROBLEM

The case regards the issue of the IT role and its application in the improvement of the quality of operations of the Bialystok City Hall which serves one of the biggest cities in Poland as well as the regional capitals of Podlasie region. It is based on experiences gained during the development of the IT system (MIS) for public administration purposes.

The basic objectives of the presented CASE, besides training purposes, are:
- To prove that the improvement of the Public Administration management system can be achieved only through IT.
- To show that application of IT allows, for the sake of improvement of the management process, to use such advanced organisational methods as reengineering and TQM.

Most of the existing analyses relate to reengineering and TQM application in business organisations. Here, our objective is to prove that they can be successfully applied to improve Public Administration operations.

Within the Polish Public Administration, there is a three-level system of management, i.e. a voivodship level (Poland is divided into 16 voivodships), a county level and a gmina level. Bialystok
Kisielnicki

is the capital of Podlaskie voivodship. It is located in the Northeast part of the country. It has about 280 thousand inhabitants. The Bialystok City Hall is in charge of, among the others, public finances, public health care, public security, as well as public education and transport. The organisational structure of the City Hall before the organisational transformation is presented in Appendix 1. In 2001 (according to the plan), the Bialystok City Hall will have at its disposal: a revenue of 488,676 thousand zloty while the projected expenses amount to 543,051 thousand zloty (1 USD = 4.02 PLN – according to the National Bank of Poland exchange rates of April 18, 2001).

The analysis of the Bialystok City Hall management system conducted in 1998 exposed the following: the IT system in use is very much outdated, there are numerous gaps to be filled and the existing IT resources are not being used appropriately. At the time of the analysis, all the data had been traditionally gathered on paper or on the independent, not connected into a network, computers. This situation complicated the City Hall’s operations and made it very difficult. IT in the form of a PC had only been used as a tool to write letters and regulations. It was also used to access very simple databases. In consequence, there was no integrated IT system to service the Bialystok City Hall. Thus, the analysis concluded that such an integrated IT system was vital in ensuring an efficient flow of data and documents between the City Hall’s organisational units and it is also of utmost importance for overall citizen (customer) services. There had been no unification of data in the field of a diversified environment of information protection either. The analysis of the City Hall organisational system showed enormous diversity in the management system as such; 12 people or organisational units reported directly to the City President, while there were only two or three people reporting directly to some members of the City Board. (The literature on the subject recommends five to seven people or units as an optimum for those managerial levels).

The city inhabitants had been grossly dissatisfied with the City Hall work. Their dissatisfaction was documented by:
• numerous complaints on the length of time spent to handle various affairs;
• long queues in front of individual desks;
• critical articles in the local press on the City Hall work as well as on individual departments and the people responsible for an efficient working system;
• the fear of the party coalition in power as to the results of the coming elections (the coalition took part in the previous elections under the banner promising to improve the existing management system in the city).

SETTING THE STAGE

In 1998, the newly appointed local authorities, in order to improve the Bialystok City Hall operations, began their work to change the existing management system. The statement made by one of the party leaders, “If we do not improve the City hall operations, we may not survive until the next elections,” has best illustrated the importance of the problem. On the basis of the users’ needs analysis, which included the City hall authorities, clerks and Bialystok inhabitants, it had been concluded that a new management system should be based on the options provided by the IT and it should meet the following criteria:
• improvement of the City Hall organisational structure and management methods in the aspect of an integrated IT system for the entire City Hall with clearly defined hierarchy and links between all the organisational units;
• efficient flow of information in the City Hall within the newly defined organisational structure,
• diversified quality and safety of servicing the institutions in which the IT system is being installed;
• easy adaptation and an increase of service function of the IT system to meet the increasing needs and requirements;
• fulfilling open system requirements - X/Open standard - which guarantee system compatibility of the existing and future hardware and software.