

**UNIVERSITY OF WEST HUNGARY
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Theses of Ph.D Dissertation

Missing links between marketing and public government

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The aim of this study

The demand for the modernisation of our public administration- in the form of reform endeavours- has occurred already before the political changes; albeit it appeared in government program and regulations only afterwards. Many reckon of the acceleration of the process from our join to the EU- but for the sake of this, there is a need for a substantial change in the way of operation- not counting the political intention and legislation. It includes (not exclusively) the application of certain methods *adoptable* from the competitive sector. To discover the marketing concerns of this is a novel and exciting challenge.

General aim: to analyse whether the marketing approach can be domesticated in the present Hungarian public administration.

Specific aims:

1. To recognise how do prominent figures of public administration consider the existing and potential correlation between these two professional fields relating this approach?
2. To determine till what extent is the operation of client service client- friendly, concerning the every day's practice of local authorities? By what means is it achieved and what role does the client- oriented operation play in the satisfaction of clients?

Antecedents, applied methodology

The effect of the economical crisis of the seventies on the public sector has accomplished itself in the eighties, leaving challenges affecting up to the present to the public administration of developed countries. It was established that the welfare state has to face not only its increasing expenditures and the diminishing government sources, but *the loss of confidence* caused by the conflict between better informed society of changing pretension and the static, autocratic institutional system of the state.

The restoration of the reputation of public sector is represented in the reform endeavours, as well as the enhancement of quality, operational effectiveness and efficiency of public services.

The governments face the necessity of reforms also on the level of national economy, seeking the equilibrium of state – and market motivations.

The first- British- answers given to the challenges urged on the government sector to adopt the disciplines of company management, stating that the competitive sector is more effective by nature; and supposing that what is successful there, should work well also in the public sector.

However, the first experiences put on forewarn.

In the nineties, large administrative reform projects came to realisation Europe- wide. Beside the known scholars of the subject, the OECD also examines regularly their efficiency and publishes its experiences. Experts holding different standpoint in many aspects agree that the reforms should be carried on concertedly with other politics, and that there is a need for a comprehensive effect- examination.

Since Hungary – similarly to other Central- European, formerly socialist countries- has faced these challenges rendered even more serious by the political change, it seemed particularly interesting to me to analyse where and what kind of justification Management- and Marketing approach and toolbar should have in the Hungarian public administration?

The timeliness of the topic is even more highlighted by our joining to the EU.

In the first phase of the research I have carried out the *analysis of bibliography*, examining printed and electronic sources in information both in Hungarian and English.

During this, I was seeking the answer for the question where can marketing elements be caught in act in the reforms of public sector, in what areas and with what kind of result are they applied in developed countries? Furthermore, can we detect the germs of the marketing thought in the bibliography of the public administration of the twentieth century; and what have been *domesticated* in the *every day's practice* from the western examples?

I have applied primary methods during the second phase of the research, as follows:

	Object of Analysis	
	Marketing Approach	Marketing tools applied at client services of local governments
Method	Inquiry of professional	Observation and inquiry
Tools	Deep interview	Observation form, questionnaire
Subject	Key characters of central and local public administration	Clients and clerks
Time	April, 2004	October, 2003- May, 2004
	Test inquiry: October, 2003	
Location	Budapest, Debrecen, Sopron, Nyírtegyháza	Regionally proportional distribution, except for region called Dél-Alföld
Size of Sample	19 persons	300 cities and settlements
Way of Sampling	Selective*	Representative by the type of settlement
Collection of Data	Personal	Application of interviewers
Progressing, Evaluation	Qualitative	SPSS for Windows

*People to be interviewed were selected by the help of my external tutor.

Major Findings of the Thesis

My researches have lead to the following results:

1. It has been clearly justified that the motives for the reforms of public administration of modern age are the economical recession and the change of social needs everywhere.
2. Substantial correction or renovation can be achieved only by strong political intention and consistent execution.
3. Common characteristics of the reforms are appearing basically in the *objectives*: slimming down the public sector, making its operation more efficient, amelioration of quality of public services, enhancement of client- friendly approach.
4. The applied methods and tools are diversified and they are not independent from the character and traditions of the public administration of the given country. *Decentralisation*, as a method, is much stronger in countries having a public sector that can be characterised by the secondary of legal regulation- like Great Britain or Sweden-, than in “legalist” countries like France or Germany; and the *enhancement of client orientation* is more typical of them. The application of *privatisation*, as a technique, can be determined *low* in the Scandinavian countries, where the sense of social responsibility is high; in francophone or Anglo- Saxon systems it is *high*; while it can be called *moderate* at the Germans.
5. The reforms of public sector are concentrating on four main areas: Human resource Management, Financial Management, development of social openness- and response, and finally the development of Information Technology. Marketing appears to be effective principally during the development of social openness –and response.
6. The judgement of efficiency of the reforms is inconsistent. Cost savings, more flexible and more efficient task accomplishment, and the increase in the level of quality of public services are mentioned as positive effect. On the other hand, uncertainty and

criticism are raised by the fact that the process is *politicized*, that the overall size of public sector has not been diminished, and that the public dues have increased in spite of the reforms at many places.

7. By the side of the moderation of budget deficit, as a direct goal, the final objective is political in nature everywhere: recovery of the hackneyed confidence and legitimacy.
8. Although the germs of the marketing thought have appeared in the Hungarian specialised literature of public administration already in the first part of the twentieth century (Magyari Z.), the socialist state administration waited for the public sector to execute the will of the central control.
9. The processes and their efficiency have come to revision even in the public administration under the influence of the new economical mechanism and the oil crisis. The shortcomings discovered and published during the seventies contained some that could be traced back to the neglecting of client aspects, however marketing as an expression has not been occurred.
10. During the eighties, the specialists had already urged consistently the reform of our public administration.
11. The political transformation and the shape of coherent structures of market economy, new operational forms have touched either the public sector. The practice- especially in case of local governments- frequently *gets ahead* of the reformation of legislation, sometimes even demands it.
12. Analysing the communication of client services several sources of conflict deriving from the lack of marketing approach come to the light; additionally the importance of material- and personnel conditions of client service in efficiency comes to declaration.
13. Some *differences* between the competitive – and the public sector *restrain* or *sometimes preclude* the tools and approach -that otherwise work well on the market- to be applied in the public sector. These differences can be clearly justified.

14. We can expect a moderate acceleration in the reform of our public administration by our Joining to the European Union.

Modern and Original Result of the Thesis

1. *The reform of our public administration can not suffer a delay, in the opinion of all groups concerned.* **Reform is** composed partly by the **development** (technology, operation, organisation and control) along with the reduction of costs/improvement of cost- effectivity; and partly by the **spread of client friendly approach and its translation into every day's practice.**
2. **The application of marketing is possible not exclusively in the market sector.** The market orientation in the public administration means the adjustment to the varying needs of clients and the *user friendly* provision of public services.

Today, the justification of marketing approach –among certain limitations- is rarely called in question by few people. However, also they themselves treat the application of marketing *tools* in the domain of client relations and public services as useful and reasonable.

3. The domestication of marketing approach can be promoted by the compulsion of modernisation that calls for- over the “hard” elements- the reformation of the *way of management* and the efficiency appraisal.
The critical adaptation of the public administration reforms of countries leading the way in front of us can be accelerated by our membership of the EU.
4. *The execution of the wide- ranging reform,* - which has the **solution of the legitimacy crisis and the reacquisition of public confidence as an ultimate goal,** - would assure at the same time to meet the basic requirements of the EU.

5. The local governments maintaining a more direct relationship with citizens lead both the introduction of substantial reforms and the application of novel methods. However, this latter means rarely the presence of an integrated marketing conception.
- 6. The local governments consider the good relationship with people important; it is also reinforced by client service offices.**
7. The characteristics of public administration- as a system- are restricting the application of marketing tools.
- 8. The marketing tools are indispensable for the recognition and the winning over of customers** (sometimes submitted to political reasons) also in the field of public administration.

Practical Applicability of Results, Recommendations

1. Similarly to other original innovations, neither marketing approach can be domesticated in public administration at once. However, good extraneous and indigenous examples prove that is *possible*. The research of professional opinion has discovered in which regions and domains is the application necessary (public services, direct relationship with citizens).

Recommendation: The work should be started in these areas.

2. Many people confuse marketing with PR, and even more with conscious, external communication. Thus the entire system of public administration should become acquainted with certain core notions and the *marketing conception*.
Theoretically, it could be achieved by several ways, but practically no initiative coming from below, or controlled from above can guarantee success.

Recommendation: *Simultaneously initialised, frontal attack* is recommended in the appropriate depth and extent adjusted to every single level.

3. Marketing can be utilised in each and every relational system of public administration.

Recommendations without the sake of completeness:

- a) Preparation of *Client Map*, separately for deconcentrated organs and for local governments
 - Where/During what tasks does the citizen meet
 - directly
 - rarely personallywith the officer of public administration?
 - With what frequency?
 - What is the *weight* of this connection? (from the point of view of the client)
 - What are the typical problems or complaint situations?
- b) Analysing the map it can be determined where the shoe pinches, which problems can be prevented or eliminated by proper marketing.
- c) Based on the findings of the map, and the present practice, a program should be developed.
 - Employing professionals in the areas bearing the most conflicts or areas enforcing image at least cost; both central, - regional, - and local levels
 - Relating the education plan, separately:
 - for the level of clerks (front office, back office)

- for middle level managers
 - for top management
 - for generators of strategy/ drafters of legislation
- (with different syllabus, lengths, depth and methodology).

d) An Action- and Control Plan has to be carried out for the sake of the management and the supervision of the program; including the managing agent, timing, main coordinators and the order of eventually necessary interaction.

In my opinion, the program should be initialised simultaneously from above and below- on the level of permanent/ parliamentary undersecretaries of state and on the level of clerks having direct connection with clients; since the major (silent) resistance is expected in the intermediate levels.

Due to their characteristics- apart from spokesman practice- the local governments possess the largest marketing affinity. Their experiences could be utilised not only in their own work, but in their further training; or by integrating them into other scope of knowledge, they can participate in other institutions' education plan.

Publications in the Subject Matter of the Thesis

Professional articles and studies

Lectures on conferences

Other professional activities linked to the subject

Preparation of accreditation material of postgraduate Marketing Studies

Working out the program of subject “Marketing in Public Health” (Doctor-Economist and Health Management Postgraduate Studies)

Launching and operation of Students’ Marketing Club

Issuing and editing “Marketing Booklets” (periodical publication of the Department)