

# A Study About Current Trends Concerning Quality and Risk Management in Public Administration

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## Abstract

*The paperwork is part of doctoral research and proposes to yield a study on current trends in public administration management namely the quality and risk found in public administration. Our current society is a dynamic one and this is the reason why increasing the quality of services rendered by public administration and minimizing risks is one of the main objectives of quality-risk management in public administration. The objectives of the research are: analyzing the current stage in public administration management as well as the way in which risks at the level of contemporary administrative apparatus are handled.*

**Key words:** quality, risk, risk management, public administration management

**J.E.L. classification:** G32, H83

## 1. Introduction

There are many definitions used in specialty literature, the following being mentioned: "Quality means offering services in line with the citizen's requirements" (Maragall, 1992). The definition Juran offers: "Quality is the array of a product's characteristics that satisfy the customers' needs and, therefore, render the product satisfactory" is the closest to the economical-social landscape in our country (Juran, 1993). It is branded by the instability found in the economic and social environment and, therefore, studying and investing the quality of Public Sector services represents an objective requisite.

It must be noted that the *customer* comes first. To be able to define the quality of public services, the needs of the customer will be investigated first, his expectations being essential.

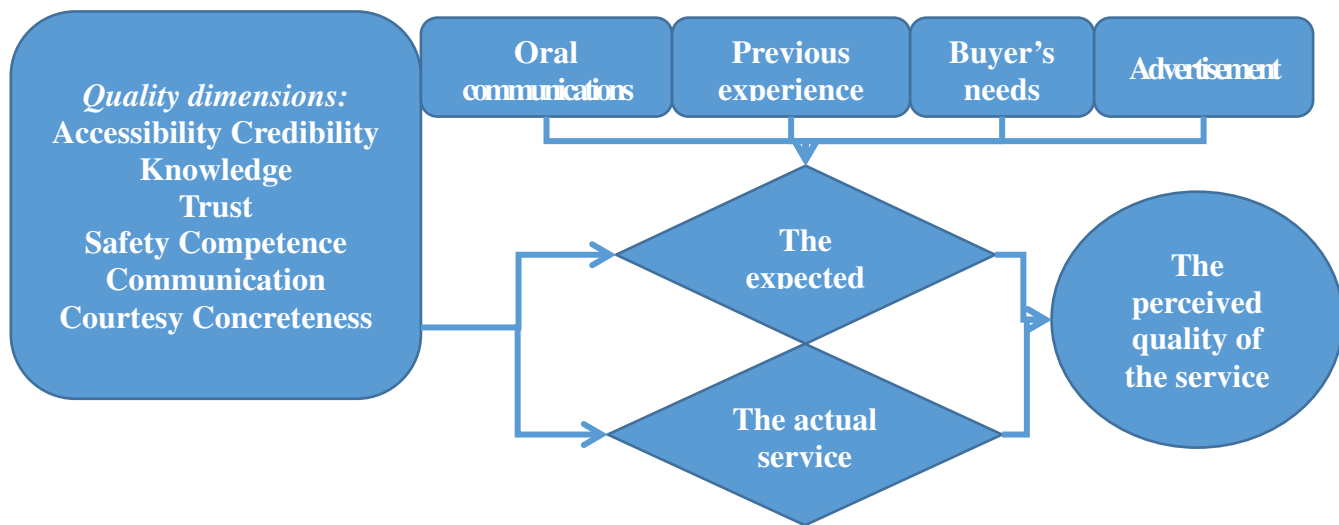
## 2. Theoretical background

The notion of quality of service is more recent, pursuits about it being, according to specialty literature, only a few decades old. It can be defined according to the customer's demands and requirements.

"*Quality* is not a new or generic concept in public administration. On the contrary, quality has been, at least implicitly, a concept in public administration ever since the establishment of the modern, administrative state, being associated with respecting the norms and procedures, formal correctness, reliability and the lack of arbitrary decisions".

*The management of public administration* is the science which studies how the public administration entities function, the way in which they rationally use financial and material resources, the way in which they assist the customers and offer solutions so that the whole administrative apparatus can function properly. Its main goal is to offer public administration ways through which it can solve in the shortest amount of time and with very little expense all the problems it encounters, and to perfect its means of working with customers.

Figure no.1 Determinants in perceiving quality of service



Source: own processing

The management of public administration means organizing and implementing the provisions stated in the Constitution and other normative documents issued by public administration authorities.

Quality management in the field of public administration is essential seeing as society has evolved and the citizens more informed and exacting about the services offered to them, in the private and public sector. Unfortunately, in our country in the public sector, there has never been until recently the concept of quality management, it being found mainly in the private sector. Lately, we can notice a trend in using this concept more and more in public administration.

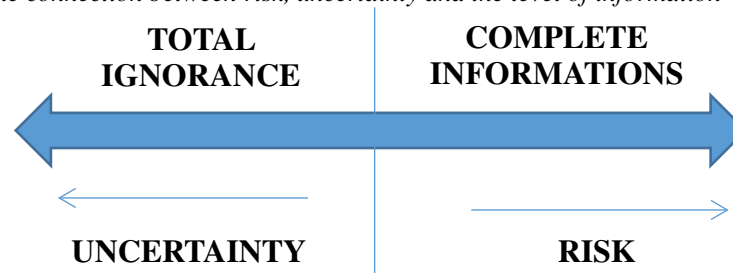
### 3. Risk management in public administration

The way in which the citizens' expectations have changed regarding public administration services determined the need of using the concept of quality management in this field of activity. In a modern society that is ever changing, increasing the quality of services offered by public administration by minimizing risks represents one of the main objectives of quality-risk management.

Seen from a historical point of view, risk and risk management are crude concepts. Starting with defining the concept of risk, scientific and technical discoveries have led to significant advancements regarding human kind's entire evolution. Over the years, the notion of risk has taken on different meanings and has extended to several structures of modern society. This modern society is based on predictions of what might happen and decisions made on these predictions.

The concept of risk appears in a wide range of applications such as environmental protection, public health, education, public administration and many others (Dinescu, Menegatos, Colcea and Albu, 2007).

Figure no. 2. The connection between risk, uncertainty and the level of information



Source: own processing

Since the Renaissance until present day we have been asking ourselves: "What is risk?" In most cases it is defined the same way as in the "*Shorter Oxford Dictionary of the English Language: danger; the possibility of losing or suffering losses*".

In order to approach risk we must view it from two perspectives. In risk management two concepts are outlined: risk and uncertainty.

Decisions taken in risky conditions mean knowing the risks involved and acknowledging them. In other words, one must know the probability of emerging risks. Decisions taken in uncertain situations mean acknowledged but unknown risks. To approach risky situations, a minimum of information must be known as it represents the border line between uncertainty and risk.

It can be argued that life is an ongoing risk-taking situation if we concede that any activity is presented with risks. In order to analyze these risks, a classification of them is in order. By nature of the source generating it, risk can be:

- pure risk
- business risk
- project risk
- operational risk
- technological risk
- political risk

These categories of risks, previously enumerated, are not exclusive. Risks can be found in public entities' activities in different, merging forms.

*Pure risk* is risk that causes damages or material loss. These risks are sometimes called insuring risks because their effects can be reduced by financial safety measures. *Business risk* is the risk offset by the possibility of winning or losing. The manager will be involved in risky actions that imply risk-taking, but accepting these risks generates material motivation that overcomes the probability of losses or their volume. *Project risk*: projects are trend-setters, not being backed-up a past that can ensure some anticipation. This is why any project is a risk in itself and the biggest problems that arise during their development are those generated by associating risks with wrong estimates. *Operational risk* is associated with the unfolding of certain operations or activities. When a certain event affects the activity's development, risk is generated. *Technological risk*: When an activity concludes for the first time there is a risk that deadlines aren't met, the budget is exceeded or the objectives aren't accomplished. *Political risk* is the risk that appears when political factors coerce deciding factors within the management.

Risk management is therefore defined as a regulated process, unfolding along the duration of an activity or an entire project. Risk management implies going over five stages: planning, identifying, qualitative and quantitative analysis, establishing a risk-approaching strategy constant risk monitoring and control.

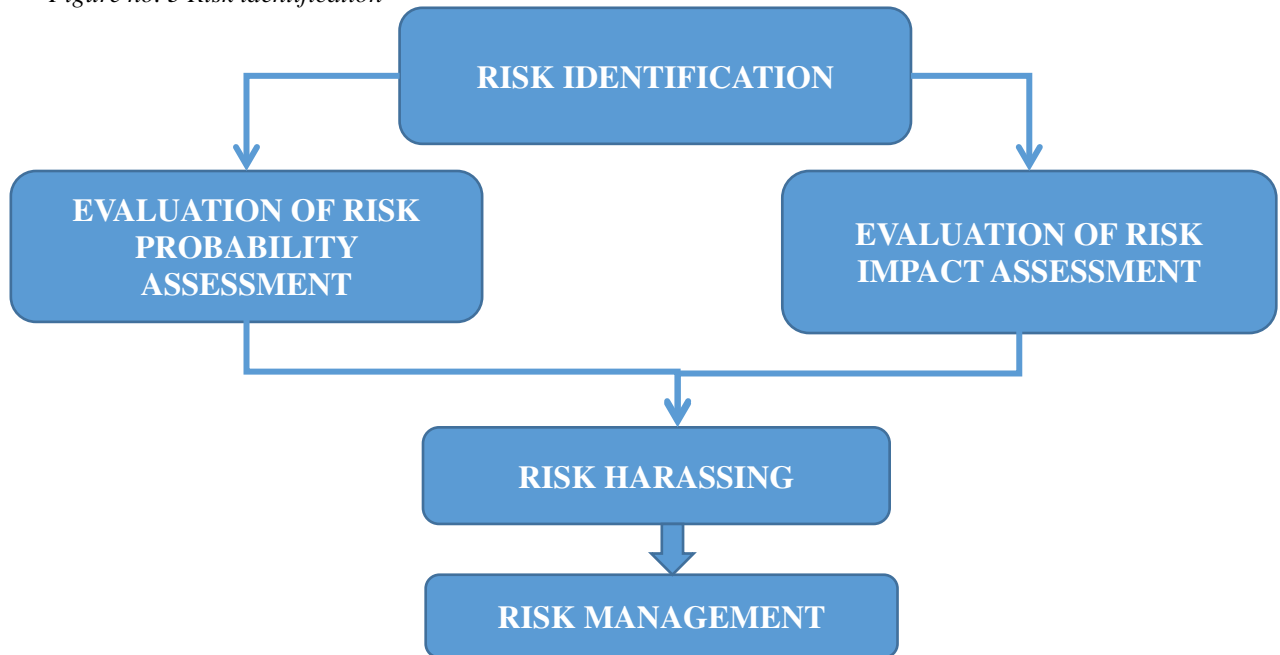
It directs all efforts toward identifying the root of all risks that can impede the project's proper development. Many specialists within the project will analyze risks using dedicated instruments and methods in order to discover weaknesses.

To create a database with all the possible risk- causing events as well as their effects, all risks must be identified. Identification has as its main purpose avoiding those situations in which the management is startled by unwanted and unexpected events as they can negatively affect the ongoing project. In practice it is almost impossible for the root of all risks to be identified.

The manager must assess the impact a risky event can have on the project. This assessment is materialized through qualitative and quantitative estimates of all the effects an event produces. The organization's management will establish risk-approach tactics by using existing methods and techniques. The main goal of these estimates is to protect the manager and the institution (Olaru, 2000).

The last step, but not the least important, in risk management is the monitoring and controlling of all risk-generating events. This stage theoretically concludes the risk management process cycle but, in practice, a lot of situations emerge that will determine resuming the process from step one.

Figure no. 3 Risk identification



Source: own processing

Risk management has as its main goal identifying and evaluating risks as it is a perpetual, structured and consistent process throughout the whole institution.

It establishes at the same time responsibilities, measures of risk- prevention and minimizing, generates the periodical revising and monitoring of the project, all in order to ensure the safety and integrity of the public institution.

At the institutional level the main goal is that of identifying risks, evaluating them, minimizing and keeping them at an acceptable level.

Risk management must be integrated in public institutions because, with its help and implementing the strategy, the management will conform the organizational structure to the personnel, its processes and infrastructure.

#### 4. Conclusions

Risk management can be defined as a process that discerns, assesses, manages and controls all the events/situations in order to ensure the institution's objectives are met. In risk management, the following components are involved: the executive organization, the general management, all the personnel because risk management pursues fulfilling the institution's objectives, identifies situations that can affect it and is the basis for generating its strategy.

Modern society, in constant change, wants to align itself to European practices as well as decentralize public administration, predicting the citizens' needs, increasing activity complexity and expanding public administration. All these objectives can be achieved only by redefining and consolidating the role risk management has in public administration.

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