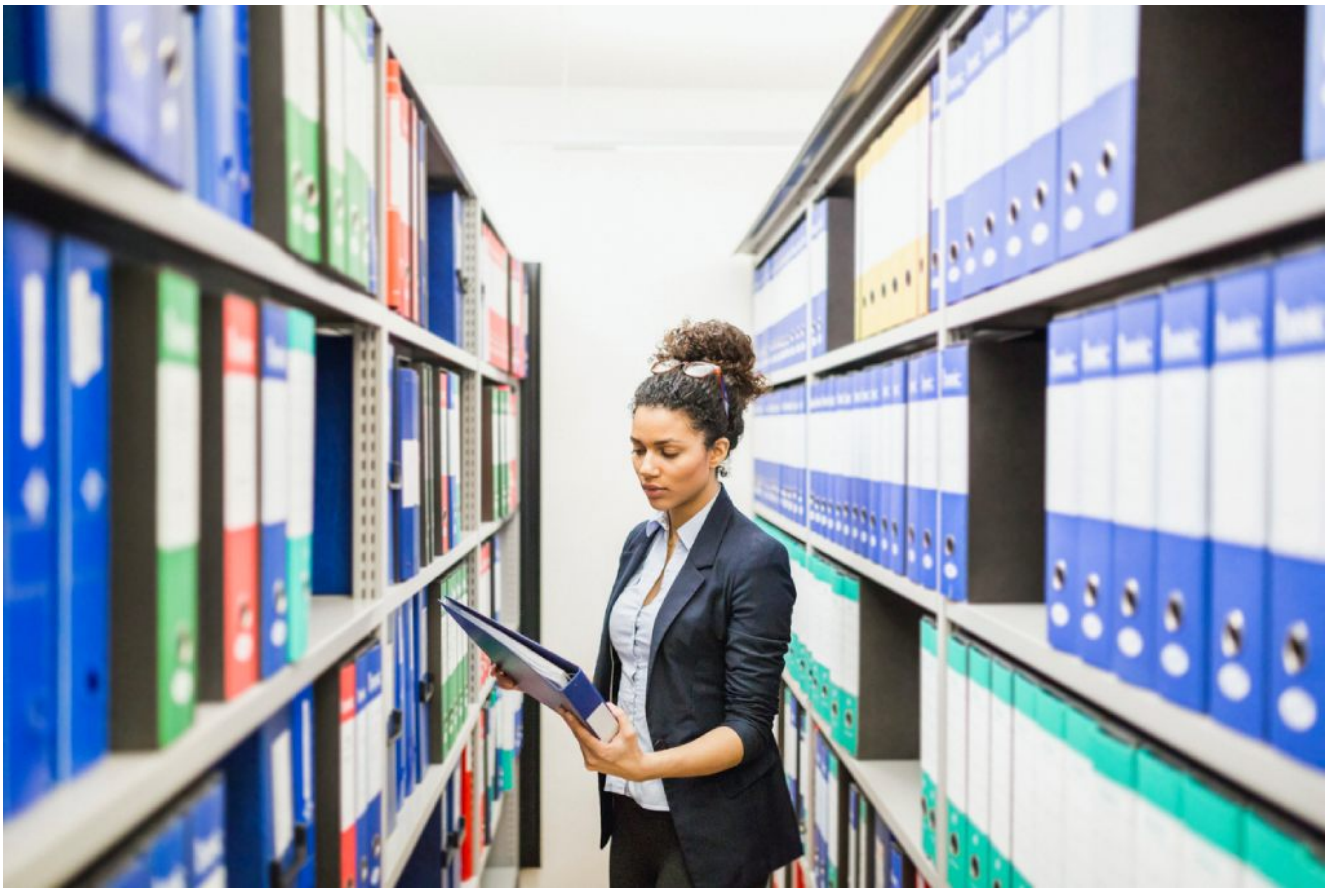
The four-leaf clover: four pillars for public sector efficiency

To what extent should the public sector follow a private sector management model? Could improving public administration increase the wellbeing of the general population?



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In 2010, the publicly owned Portuguese Oncology Center outlined a two-pronged objective to cut costs by 4% and shrink waiting lists. They achieved this through implementing electronic

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public procurement platforms.

The restructuring process allowed them to provide better service while spending less. How did they manage it?

IESE's José Ramón Pin proposes a model for such success in a handbook for good governance in public administration (in Spanish). He calls it a "four-leaf clover" approach.

According to the author, if governments can align their strategic, organizational, collaborative and technical components (the four leaves of the clover), the average citizen will reap the benefits: "They will have a government which is efficient, transparent and accessible." In short, "a government worth having."

Pin explains the paradoxes faced by today's politicians and civil servants. Competing demands include the need for more services on tighter budgets, motivating the upper echelons of public management, where salaries are lower than those in the private sector.

Again, the frameworks of the four-leaf clover can help public bodies rise to these challenges.

1. A strategic focus: setting the course

A government's scope for decision-making may be limited by budgetary restraints, as well as by existing commitments.

A first step in developing public programs should be to assess them against strategic criteria and evaluate which initiatives the government is able to move forward. It is important to try to gauge the level of support for any given project and analyze the value of each program to society.

2. An organizational focus: restructuring government

In the face of limited resources, the state needs to become smaller and more efficient. Tackling inefficiency was one of the main preoccupations of the late 20th century, when the following three models were developed:

- **Westminster model:** New Zealand applied this model when it was close to bankruptcy, as did the U.K. government under Margaret Thatcher. It involves privatization and introducing competition into public services, as well as scrapping unnecessary public bodies.

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- **Reinvention model:** Used by the Clinton administration in the United States. It applied private sector techniques in the public sphere, such as efficiency indicators for assessing public policies.
- **Latin model:** This model arose from the political changes in southern Europe, which led to a gradual political and administrative decentralization. Spain is the obvious example. The country changed from having a centralized administration to distributing most powers among its autonomous communities. The government made efficiency gains by moving decision-making bodies closer to the people.

3. A collaborative focus: cooperating competitively

Competitiveness is essential for maintaining wellbeing in a global economy. Nowadays, it's not nations that compete but "economic communities" comprising business clusters, the public sector and the third (non-profit) sector.

Within these units, the three sectors complement one another and generate synergies, multiplying their standalone efficiencies. Spain, therefore, doesn't compete with Italy: it's the ceramic economy of Castellon that competes with its equivalent in northern Italy, for example.

4. An instrumental focus: improving management techniques

A key factor in determining a public administration's efficiency is how it handles information. Incorporating new technologies helps achieve management excellence, as the Portuguese Oncology Center case demonstrates.

Having access to new technologies is important; using them efficiently is crucial. This means implementing management systems based on objectives or tasks, and motivating the people carrying out the work.

A survey of high-ranking Spanish police officers showed that levels of natural motivation are stronger among civil servants. What practical meaning does this have? That public administrations are uniquely positioned to improve results without increasing budgets.

For example, a career plan that facilitates continuous learning for employees, and better communication of the impact that their work has on the general population, might be worth more than a higher paycheck down the road.

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