

USES OF THE BALANCED SCORECARD SYSTEM IN THE STRATEGIC PLANNING AND THE IMPROVEMENT OF THE JUDICIARY FUNCTIONING

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Abstract,

The necessary steps for the implementation of quality management in the Romanian judiciary must be focused on each of its phases, respectively throughout the whole cycle planning - execution - evaluation - improvement. Starting from the reality that quality management in the Romanian courts was taken fragmented, disregarding some essential phases, like the importance of strategic planning or the quality principle of customer orientation, the study proposes a useful tool for judicial managers -the Balanced Scorecard system. The challenge of the research is to answer whether it is possible to adapt a model designed for commercial organizations and to prove its utility in improving judicial management.

Keywords: Balanced Scorecard, judicial management, strategic planning, quality improvement

JEL Classification:K00, H11.

1. Introductory aspects regarding quality as part of the public domain development

Total Quality Management (TQM) was initially used in the private sector, to achieve an integrated monitoring and estimation of all relevant activities of an organization in order to accomplish excellent results in business operations, including those in progress.[6]

"Quality" is no longer a new concept for the public sector. On the contrary, the quality was, at least implicitly, a concept in public administration since the establishment of the modern administrative state, when it was associated with the obedience of rules and procedures, formal correctness, reliability and absence of arbitrary decisions. [2]

An overview of the occurrence of quality in public domain is found in Engel (2004), which emphasizes the idea that "the impulse for quality" (Massey, 1999, p. 2) comprised the public sector in the last half of the '80s and in a much larger scale in the 90s, allowing quality to become "a central term in our contemporary rethoric" (Pollitt, Bouckaert 1995, p. 3), one of the topics and central concerns of the administrative modernization in Western Europe and even as some authors express, "a recent epidemic" (Pollitt, Bouckaert, 2000, p. 168).

Consequently, TQM is regarded as a "holistic" tool and by the late 80s was implemented increasingly in the public sector. [6]

Like public organizations everywhere, justice systems have shown an increasing interest in understanding and developing quality. As a consequence, in the justice domain as well, total quality management should be seen as the approach through which management tries to provide a quality service and therefore tries to act qualitatively in all areas and at all levels of the judicial organization in question.

2. Quality Management in the Judiciary

The concern to find certain quality standards in justice has become a priority for European countries that have joined forces repeatedly through the establishment of associations of judicial councils, working groups or other organizations to find common solutions and promote examples of best practices. In order to ensure quality management of the Romanian judiciary strategic documents, as a result of joint efforts of European jurisdictions, included important measures such as:

- introduction of quality standards regarding efficiency and effectiveness of the courts, the development of specific indicators;

- the transposer of certain fundamental principles, namely independence and accountability in performance indicators;
- training and human resource development;
- the increase of transparency and accessibility of judicial services;
- the use of modern information-communication technologies in public services;
- increasing ethics in the judiciary and reducing corruption.

These efforts are praiseworthy, but on a careful analysis of the progress in the domain serious shortcomings in understanding the concept of quality management can be revealed. The most serious problems in our view are the lack of a strategic management focused on improving, disregarding the principle of focusing on the customer of judicial services and not least a very formal evaluation, which results in difficulties in the implementation of improvement measures.

3. Why Balanced Scorecard?

Quality assurance in judicial courts must naturally proceed with quality planning. In this context the vision, mission and strategy, choosing a philosophy, a quality policy takes on special meanings. Visions must be connected to quality and the policies must reflect these values and perspectives to gain the management commitment at all levels, which is vital in implementing quality management.

Quality planning should be based on a strategic management of the judiciary, a strategic approach for leading judicial organizations is impetuously requested to meet quality requirements.

Romania does not have a clear vision and or mission of quality, proving shortcomings in the implementation of a strategic management focused on improving results. This emerges easily from studying the documents of Quality Management Working Group, established at the initiative of ENCJ (European Network of Judicial Councils). Other subsequent data, for example the analysis requested by the Government, financed by the European Union and carried out by the World Bank to assess the need for further reform in the judicial system, noted the same shortcomings. According to the analysis, „ a problem encountered at all levels, affecting the functioning of the justice sector is the lack of management and a strategic planning of the system. These are not developed in a generalized way at the judicial system's level, and for a country like Romania, this is essential.[9]

Under the circumstances, judicial managers must assess the following priorities:

- the establishment of a mission statement and a vision on quality.
- based on the grounds that vision and values are the core of activities related to quality, managers, in addition to identifying the values and vision, must promote them, bringing to the attention of their staff and the citizens as a commitment to quality, the shortest way through the courts' website.
- in each court, managers should focus their efforts to establish a strategic management focused on improving results. It requires clear strategic objectives for a meaningful assessment of the existing resources and needs of the judicial system (human resources, financial, ICT). The quality of the system depends on the way resources (financial, human resources, information technology and communications, infrastructure and others) are planned in an integrated manner and how quality principles are translated into strategic objectives.

In this context, BSC is a very valuable tool for the judicial manager as the essence of this system is the placement of the organization's strategy in the center of the performance measuring process. [4],[5]

The management of public services and its quality is directly related to the use of quality management systems, modern tools of monitoring, evaluation and control. For example, the Direction of Quality and Efficiency supports Balanced Scorecard (BSC) in public organizations as a tool for goal setting and performance measurement in projects financed mainly by European Union. Unfortunately there is no unified approach to the implementation of a unique recognized system. (Strategy to strengthen public administration 2014-2020)

4. The Balanced Scorecard (BSC)

Balanced Scorecard (BSC) is a management system and a strategic planning tool, prevalent in business institutions and industry, public state institutions, and nonprofit organizations. BSC improves external and internal communication and also monitors the performance of an organization based on its strategic objectives. [14]

What differentiates BSC system for measuring organizational performance from specific traditional efforts in the field is turning from evaluation work preponderance to value creation preponderance. [9]

In our view, the added value by adapting this strategic system to the needs and specificities of the Judiciary lies in effective communication of vision within the organization and secure the commitment of staff.

Moreover we must stress that systems based on the BSC method are employed by the public sector on a larger scale to effectively communicate a common vision of an organization, pursued that public management be focused on priorities, on establishing unified budget and improve monitoring and evaluation of public services. [13]

Balanced Scorecard is a great help for the courts, as public organizations, to focus on strategic objectives by answering to key questions such as: the programs, services and staff are circumscribed by a common vision of the future? Judicial leaders have formulated a clear strategy for providing high quality services for litigants and other interested parties? Is the strategy on quality clearly conveyed, both internally and externally? How the progress toward vision is measured and how this is communicated?

5. The four pillars of BSC

The design pattern proposed by Kaplan and Norton was based on three pillars of non-monetary use, completed with the already existing traditional one, the finance pillar. In this sense, it has been proposed four directions [4],[5]:

- *Financial*: encourages the identification of several elements relevant to the financial measures. Designers were encouraged to choose measures that have helped to answer the question "How do the shareholders / stakeholders consider us?"

- *Customers*: stimulates the identification of measures to answer the question "How do the customers consider us?"

- *Internal processes*: encourages the identification of measures of answering the question „Are we productive and effective?"

- *Learning and innovation*: stimulates measures to answer the question „Can we continue to improve our staff and create value? What is the position of the employees towards the organization?"

We must note that these questions were raised in the context Kaplan and Norton were concerned about the needs of small and medium business organizations in the United States. These questions and implicitly, the initial pillars can not demonstrate its usefulness to other organizations, therefore, a big challenge for our research is to identify alternative positions, suited variants adapted for a different range of structures, the organizations of the judiciary as specific public institutions.

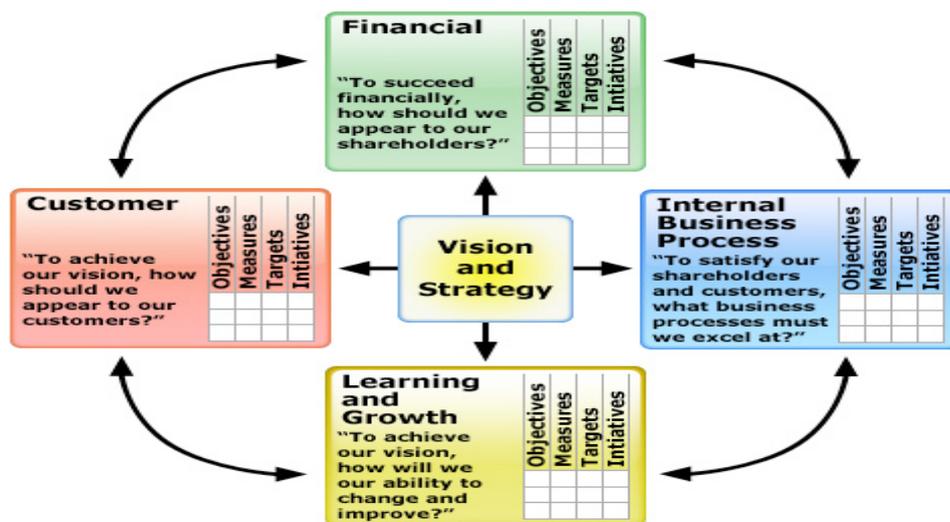


Figure 1. BSC System (Kaplan, R.S., Norton, D.P., 1992)

6. Transposition of BSC model for improving judicial management

In the implementation of BSC model in the courts, the difficulty lies in the impossibility of respecting the genuine architecture of this system, given that the financial perspective is positioned in the top of the hierarchy. For judiciary institutions, based on their reason of being, the order of perspectives should be reconsidered, namely: users, internal processes, personnel, innovation and financial.



Figure 2. Adapted BSC to the judicial system specificities

6.1. Customer / user perspective. The major question in this pillar is based on how judicial customers perceive the justice structures? The main objective is to enhance and strengthen the confidence in justice and the degree of satisfaction in assessing the quality of the operation of justice. We should mention that in this dimension should be taken into consideration that category of people that has a direct contact with the courts as parties, witnesses, etc., thus effectively benefiting on justice services.

In this respect the judicial manager must rely on subjective data and specific tools such as the administration of questionnaires to measure perception of the litigants about the quality of judicial services, discussions between classes involved (judges, lawyers and experts) to identify and debate issues. Some judicial systems even appeal to academic experts to diagnose the functioning of justice and to formulate appropriate improvement measures.

Related to these considerations the following measures would be helpful:

- the knowledge of areas of importance to litigants and the monitoring of the customers' satisfaction towards the operation mode of justice activities;
- the development of consultation mechanisms of independent professional categories of justice (lawyers, legal experts) regarding the operation of the system;
- working with academia and scientific research to identify and implement innovative concepts and methods.

6.2. Personal perspective and innovation. Within this dimension should be emphasized that the court staff is the main resource of the judiciary. In the current circumstances where requirements frequently develop, the legislative changes are a reality and technology is skyrocketing, there is a need for staff to be in a continuous learning process.

We must emphasize that Norton and Kaplan differentiate instruction from learning, the latter assuming mentors and tutors within the organization and effective communication between employees which helps them easily find solutions to problems when necessary.

In the context of adopting and implementing the new legal codes, given the large number of revisions and changes that took place, the need for training of all practitioners in the justice system - judges, prosecutors, lawyers, clerks, staff from the probation system, etc. - increased significantly. In the key domain of human resources of the judiciary, the main problems are the need to ascertain the training needs of staff and also to balance personnel schemes to ensure an optimal workload and increase the quality of work and the act of justice. Through training of the judiciary personnel and also of the legal professionals, through debates regarding the developments in national and international law and the practice of courts, the level of knowledge will improve.

So the most important measures for this dimension should be:

- to increase the professionalism of courts through a better management of human resources;
- to make effective the coordination of staff training and skills development;
- increasing integrity of judiciary personnel;
- the extension of the justice personnel involvement.

It was found that some objectives are more difficult to measure. A controversial question related to this issue is - *how can we measure innovation?* On the Balanced Scorecard Institute official internet page important clarifications are brought, innovation is defined as the process of ideation, evaluation, selection, development and implementation of products, services or new or improved programs. We see therefore that innovation is inextricably linked with the

role assigned to staff, on how learning takes place, in a word on how „ the organization means to invest in personnel ”.

So the expected results of this are:

- To increase the number of new ideas.
- To improve the quality of ideas.
- A more effective implementation of quality ideas.
- Improvement achieved from the implementation of new ideas.

6.3. The internal perspective must identify the inner processes the organization needs to be focused on.

In the context of this dimension, an important strategic objective of judicial management is linked to the celerity of justice, the steps that should be taken to shorten the procedures and judgments within a reasonable timeframe, while finding solutions to the problem of scheduling the hearing in terms of decreasing the waiting time of litigants.

Also, continuing the efforts of the development of E-Justice will make an important contribution to improve strategic management and the efficiency of justice, therefore should be included in our view in the dimension of internal processes.

In line with the strategic objectives the following measures should be taken:

- improving the system of judicial statistics;
- the development of e-justice in line with the strategic priorities of the judiciary;
- professional training of staff in the IT domain, simultaneously with a better informing of the citizens on efforts made to increase accessibility of information and services overall.

6.4. Financial perspective. Even if the financial perspective does not have the same representation as in the BSC traditionally model, opportunity data obtained accurately on funding will always be important issues for judiciary managers, who changing the initial approach, should report continuously their activity to the questions: *Are we obtaining highest results with each resource costs? Or, how financial resources should be allocated to achieve maximum social effect?*

However, if in the initial model the structures pertained to how the organization was regarded by the resource providers, in the model proposed by us, judicial bodies should report on how citizens perceive the institution. Citizens, in their position as taxpayers, are people interested in the welfare of the public domain and judicial managers should be concerned about how the community considers the institution of justice.

According to the latest Euro-barometer survey on Justice, 34, 44% of Romanian showed confidence in the judiciary, a good result, which indicates an increase of over 15% since Romania has joined the European Community. Unfortunately, Romania continues to be below the EU average of public confidence in justice.

Under this strategic objective the measures should be:

- Improve decision-making and efficiency of public spending at all levels;
- Changing the perception of citizen, of the entire community, through open communication by organizing sessions dedicated to inform citizens.

Conclusions:

In our opinion, the BSC model exposed by Kaplan and Norton, emphasizing the importance of a complex, multidimensional approach of performance evaluation, can be adapted successfully by the judicial managers as a useful aid in determining both the strategic objectives and the specific performance measurement in close correlation with the vision and strategy.

Given the fact that the instruments of quality management shows its effectiveness in shaping a framework for operation in direct correlation with the needs and requirements of the beneficiaries of the services provided by the courts, it is important that, at national level, to stimulate the development and use of these tools by judicial managers.

In conclusion, the BSC model is proving a useful aid for judicial manager in strategic planning and in evaluating performance and identifying improvement measures achieving consistency between strategy and indicators, and moreover, ensures its communication inside and outside the organization.

Using these quality tools the results will be a performant strategic management in courts and thus in the entire judicial system, an improvement of professional knowledge and managerial skills of the managerial staff, an amelioration of public policies, of the strategic planning process, measurement, monitoring and evaluation of results.

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