

PUBLIC LAW

The Roadmap Of Implementing The Balanced Scorecard Marketing To Consolidate The Romanian Judicial System¹

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Abstract

The achievement of the competitive success subordinated to the general public interest, by the public organizations is facilitated by the approach of the public marketing vision with an essential role in developing their own organizational strategies. The integration of this vision is facilitated by the implementation of an innovative organizational tool, Balanced Scorecard, used to transpose the strategies in measures with the purpose of communicating the organizational vision. Initially developed for the private environment, currently the Balanced Scorecard (BSC) is also used by the public sector, more and more authorities and public institutions in Romania considering it the red thread for achieving organizational performance.

From this perspective, the paper presents the initiative of the Ministry of Justice to obtain an integrated system of strategic management at the level of the judicial system, based on an IT solution of BSC type, in order to increase the quality of the justice act.

The methodology used is preponderantly qualitative and it is based on the analysis of official documents, key information and case study.

Keyword: *Public Law, judicial system, Ministry of Justice (Romania), organizational performance, Balanced Scorecard.*

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1. Introduction

Promotion of *strategic management* at the level of organizations determines a positive impact on their functionality: a unitary framework of action, better operational strategic alignment, high institutional flexibility, proactive behavior, increased performance, etc.

For public organizations, the competitive success subordinated to the general public interest is facilitated by the approach of the *public marketing vision*, which allows a better understanding of the values, aspirations, needs and interests of the clients/beneficiaries of the goods and services provided, as well as an improvement of the *performance management*. From this perspective, process optimization is one of the tasks of modern strategic management, modern tools for evaluation, reporting and monitoring of institutional performance are needed. These tools should allow to be introduced a proactive organizational behavior, whereas "for the managers in public administration, it is a special challenge because traditional thinking tends to be focused on the implementation of administrative tasks and passive compliance with legislation," which often leads to a situation in which the strategic documents even if they have a high professional status and performance, they remain unimplemented [1, p.124].

Currently, an innovative management tool used for a better transposition of strategies into measures is the Balanced Scorecard (BSC) tool that also ensures the strengthening of management control and better communication and organizational change in order to provide quality public services.

The *Balanced Scorecard* tool has become a popular method in development that is also based on IT programs that provide a technical tool for collecting the necessary data and managing BSC, being applicable both to the planning at the institution and to the planning process of the major sectoral strategies [1, p.123]. BSC is well known as a public sector management tool in the US, UK, Australia and Scandinavian countries.

BSC has been gradually introduced in the current strategic planning activity at the level of the Romanian central and local public administration, a number of public authorities and institutions initiating the process of its implementation, such as the Ministry of Public Finance [2], the Ministry Of Internal Affairs [3], the Ministry of Agriculture and Rural Development [4], the National House of Public Pensions [5], Uat Arad Municipality [6] and so on.

In this direction, the Ministry of Justice also embarks on the implementation of an integrated strategic management system at the judicial system level, based on an IT solution of BSC type, for determining strategic objectives and rigorous evaluation of performance in close correlation with the vision, mission and its own future strategic documents. This initiative also ensures the removal of some of the

deficiencies arising from the lack of *management and strategic planning appropriate* to the Romanian judicial system and outlined in official documents, such as those of the Quality Management Working Group, established at the initiative of ENCJ (European Network of Judicial Councils) or of the World Bank in the context of carrying out an analysis requested by the Romanian Government (funded by the European Union) in order to assess the need for further reform in the judicial system. [7, p.301] At the same time, the implementation of an integrated system of strategic management at the level of the judicial system would give the Ministry of Justice an increased institutional capacity to articulate strategic documents in the portfolio of its activities with the national priorities, as well as with the policies of the European Union, a particularly important objective, especially from the perspective of the next EU multiannual financial framework for the period 2021-2027.

In this context, BSC is a very valuable tool for the judicial managers the essence of this system is the placement of the organization's strategy and at the center of the performance measuring process [7, p.301].

2. Balanced Scorecard

Initially developed for the private sector in the early 1990s by Professor Robert Kaplan of Harvard University and consultant David Norton of Nolan & Norton company, currently Balanced Scorecard (BSC) is also used by the public sector, more and more public authorities and institutions in Romania considering it the red thread for achieving organizational performance. BSC is different from other measuring systems of the organizational performance developed at the beginning of the 20th century and which develops an organizational dependence *almost exclusively on financial measures of performance*, due to its ability to allow extended measurements in four distinct but interconnected areas: *beneficiary/market, internal processes, employees learning and growth and the financial area*.

BSC monitors the performance of the entire organization or major organizational subdivisions in order to achieve strategic or operational objectives and uses financial and non-financial performance measurements to highlight activities in which the organization fails to achieve what it has intended. Regarding the application of BSC in the public sector, one of the models proposed by the authors Kaplan and Norton is the one shown in Fig. 1.

The advantages of using the *Balanced Scorecard* tool are multiple given that the BSC *aligns and supports a number of key processes* that include [8, p.303]: clarifying and updating the strategy; communicating the strategy to the whole organisation; aligning individual and derived objectives (from the departments level) with the strategy; identifying and aligning strategic initiatives; articulating strategic objectives with long-term targets and annual budgets; aligning

operational and strategic reviews; getting feedback for learning process and improving the strategy.

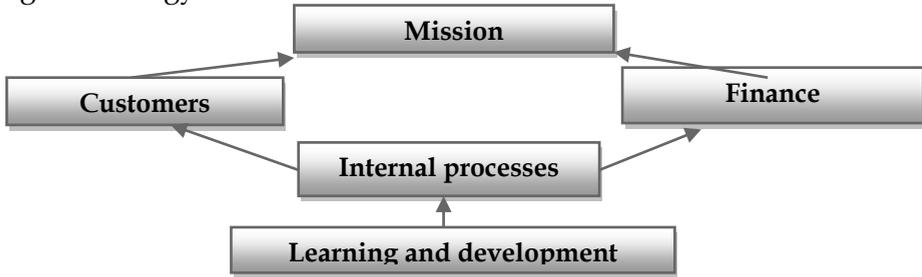


Fig. 1 Structure of the *Balanced Scorecard* instrument for the public sector Source: [9, p. 145].

Balanced Scorecard is therefore a strategic management and planning system used by organizations to:

- communicate what they are trying to achieve;
- align the daily work with the organization's strategy;
- prioritize projects, products and services;
- measure and monitor progress towards strategic targets.

BSC practically reveals when an organization and its employees achieve the results defined in the strategic plan and based on the vision and mission of the organization. BSC is also a learning system for testing, getting feedback and updating the organization's strategy. In order to achieve BSC, the organization should know how to get a strategic core, which requires the construction of the *strategic map*, which is a way of looking at the overall strategy of an organization and providing a language that describes it.

This framework connects the elements of the overall image strategy, such as the mission (the purpose of the organization), the vision (the aspirations for the organization), the basic values, the strategic areas (themes, results and/or objectives) and the operational elements, such as the objectives (continuous improvement activities), the measures (or key performance indicators - KPIs - pursuing strategic performance), the target or targets (desired level of performance) and the initiatives (projects helping to achieve objectives). (Fig. 2).

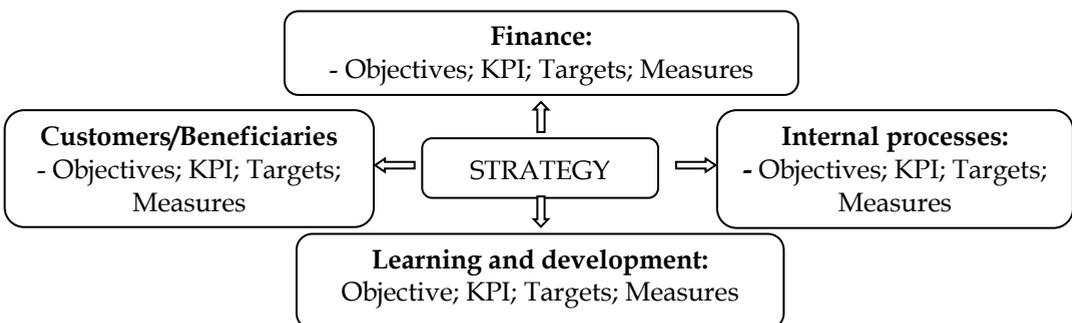


Fig. 2 BSC strategic map structure Source: [9].

Basically, BSC transforms the mission and strategy into objectives and indicators organized on the four different perspectives: financially, customers/beneficiaries, internal processes, learning and development [8, p.38]. BSC is not a simple operational measurement tool, because this tool is a strategic management system that allows the implementation and management of the long-term strategy (Fig. 3).

Building and implementation of the Balanced Scorecard tool at the level of a public institution/authority involves a series of steps [8, pp.311-319]:

1. *Redesign of the institutional measurement architecture.* The stage is based on obtaining a consensus on the objectives and the future role that BSC will play, establishing the organizational subdivisions at which the BSC will be implemented, as well as establishing the relational interdependencies between the subdivisions that implement BSC and entire organization.

2. *Building consensus around strategic objectives.* At this stage, taking into account the vision and mission of the organization, as well as the analysis of the external environment in which the organization operates, the first inputs on the strategic objectives of the organization and the experimental proposals for the BSC indicators structured around the four perspectives, are obtained by the team implementing BSC.

3. *Selection and development of indicators.*

4. *Construction of the BSC instrument implementation plan.* The implementation plan includes the form in which the indicators are to be correlated with the databases and the information system. The plan must be communicated to the entire staff of the organization and to create added value integrated into the organization's activities management system. The plan includes various initiatives to change the organization/its organizational subdivisions that implement BSC that are aligned to the BSC objectives, indicators and targets.

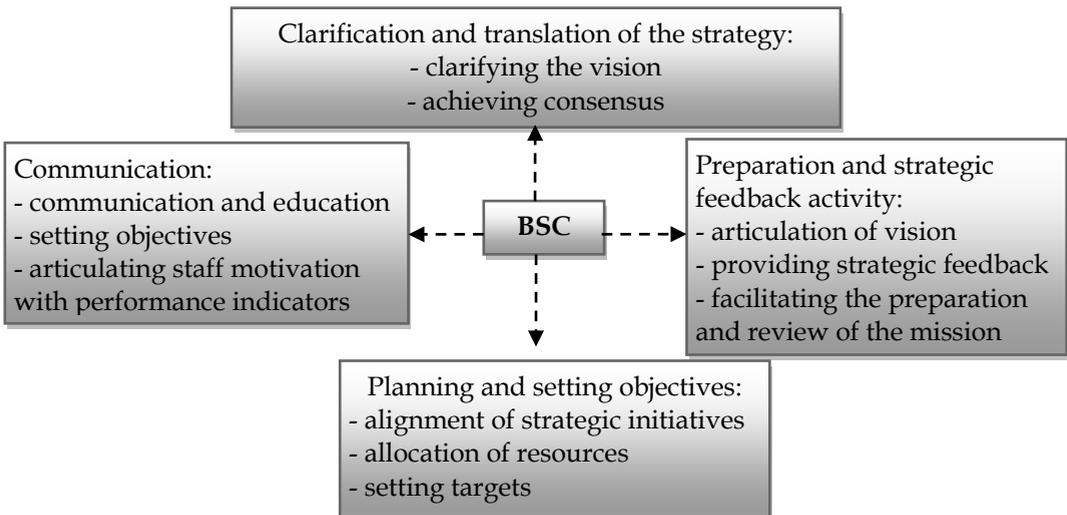


Fig. 3 Balanced Scorecard-strategic framework for action Source: [8, p.285].

3. Integrated Strategic Management System at the level of the Romanian judicial system

In order to implement the *Balanced Scorecard* tool at the level of the Romanian judicial system, the Ministry of Justice initiated the project "Development and implementation of an integrated strategic management system at the judicial system level - SIMS", SIPOCA code 55 [10] and which has as a *general objective* the efficiency of justice and the institutional strengthening of the judicial system by developing an integrated system of strategic management at the level of the judicial system, having as central element the Strategic Management Council (COMS) established by a partnership in December 2016 between Ministry of Justice, Superior Council of Magistracy, Prosecutor's office attached to the High Court of Cassation and Justice and High Court of Cassation and Justice.

One of the specific results pursued within the project are the realization of the *institutional and methodological framework* defining the inter-institutional mechanism responsible for funding and decision-making, the *methodological framework* for elaborating the diagnostic analyzes on the basis of which the strategies and the institutionalization of an IT solution of Balanced Scorecard type are based.

Integrated Strategic Management System (SIMS) at the level of the Romanian judicial system is based on two pillars:

a) *the institutional framework necessary to create a unified vision in the field of strategic planning and the use of judicial system resources;*

b) *Integrated Strategic Management Process.*

Regarding the first pillar, the institutional framework, the project proposes an institutional over-structure, without legal personality, which includes already functional entities (COMS, GTL, Technical Secretariat) and others that will be organized with the full operationalization of SIMS, as follows:

- Strategic Management Council (COMS), a body consisting of the top management of the *Ministry of Justice, the Superior Council of Magistracy, the Public Ministry, the High Court of Cassation and Justice*. COMS is a currently functional entity under the provisions of GD no. 1155/2014 for the approval of the Strategy for the development of the judiciary 2015-2020 [11];

- Technical Working Group-GTL - (collegial body consisting of a holder from the four institutions that make up COMS);

- Technical Secretariat (provided by the Ministry of Justice);

- 5 permanent working groups (consisting of permanent representatives) in the fields of: *public policies; material and financial resources; human resources and integrity; transparency, computerization and judicial statistics; quality of justice.*

- Implementation/monitoring committees: made up of existing staff (at the level of institutions with responsibilities for implementation/monitoring of strategic planning documents).

The powers and competences of the 5 entities are as follows:

- COMS: sets out the medium and long-term development strategy and vision and the general priorities of the judiciary.

- GTL: supports the work of COMS, by preparing COMS work and carrying out COMS decisions, participates in the development, implementation, monitoring, Evaluation and revision of strategic planning documents, etc.

- Technical Secretariat: carries out current activities to support the COMS, GTL and thematic working groups, monitors strategic planning documents, generates from the IT application of BSC type the Annual Report and submits it to the Technical Working Group etc.

- the thematic working groups have the role, mainly, to detail the action plans of the various strategic documents, as well as to participate in the development and implementation of strategic planning documents.

- Implementation/Monitoring Commissions: ensures the internal monitoring, at the level of the institutions where they are established, of the implementation process of strategic planning documents. The implementation monitoring is carried out using the monitoring sheet from the IT platform that includes the degree of the measures implementation.

Regarding the second pillar, the Integrated Strategic Management Process, the proposed project stages for this process are the following:

- the integrated foundation of the strategic management process by conducting diagnostic analyzes, adapted to the judicial system;
- elaboration of strategic planning documents;
- implementation of strategic planning documents;
- monitoring and reporting;
- evaluation and review of strategic planning documents.

The stages of the Integrated Strategic Management Process are carried out with the help of the IT platform of BSC type created within the SIPOCA 55 project, which allows the development of their own organizational strategies of the judicial system.

4. Conclusions

In our opinion, the Ministry of Justice's approach to the implementation of an Integrated Strategic Management System at judicial system level, based on an IT solution of Balanced Scorecard type, provides both a consolidated institutional framework of functioning, modern management process and integrated mechanisms (methodologies, implementation guide) which on the one hand

supports the internal process of developing strategic documents within its own portfolio, and on the other hand, supports the efforts to articulate these documents to the demands of the European Union in the field.

At the same time, BSC allows a better optimization of the management processes in accordance with the needs and requirements of the beneficiaries of the services provided by the judicial system and acts as a facilitating tool to integrate an improved marketing vision to ensure the communication of strategic planning documents (strategies, policies, plans) inside and outside this system.

In conclusion, the use of the Balanced Scorecard tool at the level of the Romanian judicial system allows the development of its human resources in the areas of strategic planning, a better operational strategic alignment, a better measurement, monitoring and evaluation of the results, which will lead to an increase in the quality of the justice act.

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[11] Government Decision no. 1155/2014 for the approval of the strategy for the development of the judiciary 2015-2020.