

Editorial

Service Improvement in Public Sector Operations – A European Comparative Analysis

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Public sector state funded organisations were initially constructed to deliver much needed services to their immediate community. Designed to meet the needs of societies and populations, public sector operations focussed originally on the provision of health, welfare and social services, which were often free at the point of delivery or incurred a nominal charge. Today the effectiveness of public sector service organisations is constantly challenged and threatened by factors such as funding cuts, austerity measures, competition from private providers and political changes (e.g. the departure of the UK from the European Union and the shrinking of the state in many countries). With a focus on public sector efficiency and economic gains, the boundaries between public and private operations are becoming increasingly blurred, fuzzy and complex. To maintain economically sustainable services, public providers need to become more strategic, transparent and innovative in their decision-making, funds allocation and expenditure, workforce development and operations management, whilst acting in an ethical and responsible manner to maintain public confidence and trust.

The focus of this agenda has never been clearer than in the response to the current Covid-19 global outbreak. The impact of which has had a disastrous effect on people within society and on public sector services, which rely heavily on the human workforce. It has shown the world how resilient and innovative this sector can be in the face of adversity, by meeting the needs of customers and patients within constrained social environments. The existing social norms and ways of working, learning, knowing and living are now being challenged, and the public sector response needs to be person focussed, smart and sustainable. This is an example of the many tests that the public sector faces, and researchers and leaders in this field must produce intelligence to support operational readiness to ensure service continuity.

It is for this reason, and for all the emerging threats and opportunities which public sector operations will face, that a focus on service improvement is imperative. Further supporting the need for this Management Focus feature and the collation of examples of good practice in European service improvement research.

1. The importance of public sector operations

The importance of the public sector in providing crucial services to citizens regardless of income or status is clearly evidenced through the provision of healthcare, education, housing, the military, law enforcement and infrastructure. The public sector accounts for 16% of all employment in Europe; ranging from 10% in Germany, 15% in the UK to 30% in Norway (Eurostat 2016). In the UK alone there are over 5.39 million people employed in the public sector as of March 2019 (Office for National Statistics, 2020), which is equivalent to 39.5% of GDP in the 2018–19 fiscal year. The size and scale of public sector operations have raised questions from policymakers about its efficiency, productivity and service levels. Following the 2008 global financial crisis, the public sector has been subject to governmental reforms and transformations with the objective of enhancing management capacities and capabilities. This efficiency focus has led to calls from researchers, management consultants, policymakers and think tanks to increase the application of operations management practices within the public sector. It is important to note that the public sector context of efficiency goes beyond saving money and requires effort to improve the quality of service delivery. Co-producing public services with citizens and beneficiaries, and innovative applications of continuous improvement methodologies are perceived as mechanisms for driving structural public sector transformational change (Meijer, 2016).

2. Operations management driving public sector improvement

Against a backdrop of competition in both public and private services, the need to improve remains constant. There are numerous approaches to service improvement and organisations will have used many of these in their pursuit of improved service and product quality. The application of concepts such as Lean and Six Sigma in public services continues to be relevant, but with the caveat of being ‘adapted not adopted’ (Bateman, Radnor & Glennon, 2018, page 1). There are disparate views about adopting ‘off-the-shelf’ service improvement packages (possibly leading to blind Lean implementation) as opposed to those which are customised to meet the needs of individual organisations (Holmemo, Ingvaldsen & Benders, 2017; Osborne, Radnor, Kinder & Vidal, 2015; Carter *et al.*, 2011). However, Antony, Rodgers & Gijo (2016)

argue that applications of Lean Six Sigma might be more widespread than one may appreciate. They report on Lean Six Sigma practices in criminal justice, healthcare, education and local government, demonstrating cost reduction and financial gain, quality improvement and increase in throughput times. Radnor & Johnston (2013) draw on two extensive case studies of large UK Government departments to demonstrate that while Lean leads to improvement, it is not consistently linked with the concept of value or customer service, which will be critical for sustained improvements in the future. Moreover, Lindsay *et al.* (2014), in their discussion on Lean in the UK NHS, report that compared to other European countries the UK has more tendency towards applying Lean methods. This predominant application in the UK is reported in more detail at a country and global level in recent research by Lukrafka, Souza Silva & Echeveste (2020). In their study, the sectors represented in the literature in the context of Europe are health, education, central government and local government. Having said that, it has been suggested that for public service improvement to be fully embedded, when compared with the private sector, a greater level of employee integration, empowerment and engagement is necessary, and this should be driven by governments and other public institutions (Antony *et al.*, 2016).

3. The need to plan for the future and innovate

The purpose of adopting Lean, Six Sigma, Process Re-engineering, and all other quality improvement philosophies, tools and techniques, is to improve business results, service delivery, product manufacturing, and operational and people performance. Moreover, this strategy has to be embedded in a culture that seeks to change and adapt to being agile and resilient. This approach can be a challenge for traditional public sector services but is not insurmountable. Some improvement can be incremental (Kaizen) and some rapid, responsive and innovative (Breakthrough). The latter poses significant opportunities and risks to organisations choosing to adopt this strategy. Yet, with risks come gains and thus this is a worthwhile endeavour for some organisations.

The concept of Public Service Innovation has also been increasing in relevance and a typology of focus (strategy, capacity and operation) and locus (internal or external) is proposed (Chen, Walker & Sawhney, 2019). In this vein, the leadership role in the public sector is brought to the fore by Leslie & Canwell (2010) who argue that public sector organisations need leaders who can promote change within complex systems, deal with challenging environments, motivate people and promote leadership development at all levels of the organisation.

Healthcare is an excellent example of a Complex Adaptive System (Fylan, Tranmer, Armitage & Blenkinsopp, 2019) and so its management requires a blend of incremental and innovation improvement agendas.

In order for public sector organisations to achieve efficiencies and improved service provision, the *modus operandi* has shifted towards cross-sectoral provision, where public sector organisations are the clients of private sector providers (e.g. Jost, Dawson & Shaw, 2005) and there is increased outsourcing of back-office functions, such as finance and accounting and facilities management, e.g. McIvor, McCracken & McHugh (2011). The promises of delivering ‘value for money’ are still as relevant today as they have ever been. We have also seen examples of public–public sector collaboration, as explored further in this Management Focus by Skipworth, Delbufalo & Mena (2020), and the need to respond to competition within sectors, as examined by Manville & Greatbanks (2020).

Planning for the future and ‘future-proofing’ organisations are complex and risky strategies but given the expectations of, and constraints on, public sector organisations they must be a priority. This paves the way for service model development focussing on all aspects of the operation including the adoption of new technologies and connection with customers, patients and users. Technology, project management and performance measurement are also often identified as key catalysts and drivers enabling the public sector to morph, modernise and mimic the private sector in order to be more effective and efficient in delivering ‘value for money’ (Beynon-Davies & Martin, 2004; Armitage, 2019; Fryer, Antony & Ogden, 2009). Strategically combining improvement agendas such as resource efficiency, service delivery, effective use of technology and meeting the needs of patients is a challenge but can be done within the public sector. This is demonstrated by Xie, Breen, Cherrett, Zheng & Allen (2016) in their examination of reverse exchange systems for medical devices in the NHS and, similarly, by Cole, Lindsay & Barker (2018) in relation to hearing aid equipment. Consideration also needs to be given to the design of future services and their workforces. This issue is very apparent with the Covid-19 global threat that is causing the healthcare workforce skill versatility to be challenged on a daily basis. This issue is further addressed in this Management Focus with the example of workforce skills development in the pharmacy profession (Breen, Acosta Gomez, Tomlinson, Medlinskiene & Elies-Gomez, 2020).

4. About this Management Focus section

This Management Focus section was inspired by the constant challenges that public sector organisations in Europe face, not to mention all the current issues, such as forced migration, Covid-19 and Brexit, to name just a few. It seems that public sector organisations in European countries need to be prepared to serve the increasing demands of their population within the context of austerity measures and delivering value for money. We set out to go beyond country-specific studies and promoted comparative cross-country analyses in the call for papers for this Management Focus section. The reason for this was to facilitate the sharing of good practice and to subsequently avoid the pitfalls identified in tried and tested studies. In this Management Focus section, we have selected four papers focussing on the public sector in different contexts: healthcare, logistics/procurement and social housing. We believe they will contribute to the current debates and discussions around the modernisation of European public services as well as provide practical solutions to improve performance and ‘value for money’. We also anticipate that public sector organisations will be encouraged to innovate and adopt best practices based on this collection of articles.

First, *Liz Breen, Jaime Acosta-Gómez, Justine Tomlinson, Kristina Medlinskiene and Jacobo Elies-Gomez (A preliminary insight into the role and importance of management skills in the prevention of occupational derailment: An exploratory analysis of UK and Spanish pharmacists)* compare the role of management skills for pharmacists in both UK and Spain. They used semi-structured online surveys to collect data, which offer preliminary insights into the importance of management (non-technical) skills in role deployment and practice resilience. The authors also pause to consider the negative consequences on future healthcare provision if these skills are not acquired and further developed.

Second, *Tatiany Lukrafka, Diego Souza Silva and Marcia Echeveste (A geographic picture of Lean adoption in the public sector: Cases, approaches, and a refreshed agenda)* present the results of a qualitative systematic review of Lean application in the public sector around the globe, which provides a strategic overview of the spread of the Lean concept in different countries. Relevant insights and future research agendas are derived from their study.

Third, *Heather Skipworth, Emanuela Delbufalo and Carlos Mena (Logistics and procurement outsourcing in the healthcare sector: a comparative analysis)* compare the logistics and procurement outsourcing practices of healthcare providers in the UK and Italy. They provide some insights on the processes and dimensions that are relevant and irrelevant in relation to other contexts.

Finally, *Graham Manville and Richard Greatbanks (Performance management in hybrid organizations: A study in social housing)* present the hybridization issues of social housing in the UK, mainly through the provision of services via third sector organisations. Within this work, there is a concerted focus on a comparative exploration of social housing in Europe that provides the grounding for a more detailed analysis of the UK social housing sector. The authors advocate the alignment with strategic performance measurement, when assessing such hybrid issues.

The future research agenda points towards the following: developing key aspects of the strategic management of public sector organisations, such as workforce development, knowledge management systems and performance measurement practices that are fit for purpose for public sector organisations. An emphasis on learning from different public sector contexts is also essential, as demonstrated by the European comparative focus of this Management Focus section. Finally, in delivering to this Management Focus, the papers present research grounded in a range of qualitative methods, including online surveys, interviews, case study analysis and systematic literature review. Each of which was instrumental in producing the resultant analysis and insights into public sector improvement activities in the UK and Europe. Whilst not responding directly to the Covid-19 pandemic research call, this timely Management Focus highlights improvement agendas within the public sector. These are important in directing further research to support public sector organisations and social communities in responding to the impact of this threat.

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