Pázmány Péter Catholic University
Faculty of Law and Political Sciences Doctoral School

Author:
György SÁNTHA, dr.

The Managed State
The importance of management cycles and self-improvement processes in public administration development

theses of doctoral dissertation

Supervisors:
Dr. András TAMÁS, professor emeritus
Dr. habil. Balázs Szabolcs GERENCSÉR, Ph.D., associate professor

2021 Budapest
Contents

1. Brief summary of research task .................................................................................................................. 3
   1.1. Subject, content of research .............................................................................................................. 3
   1.2. Research questions ............................................................................................................................. 4

2. Brief description of the tests performed, method of research and collection of materials .......................................................... 5
   2.1. Content and structure of the dissertation ............................................................................................ 5
   2.2. Applied research methodology ......................................................................................................... 6

3. Summary of new scientific findings of the doctoral dissertation .............................................................................. 7
   3.1. Responses given to the research questions, main conclusions ............................................................ 7
   3.2. Possibilities of utilising the research findings .................................................................................. 11

4. List of publications ........................................................................................................................................... 17
   4.1. List of publications on the topic of the doctoral dissertation ............................................................... 17
   4.2. Further publications by the author ..................................................................................................... 18
1. Brief summary of research task

1.1. Subject, content of research

In recent decades, it has become customary to apply a variety of labels to the concept of the state: 'strong state', 'developing state', 'caring state', etc. The aim of the Hungarian Programme of National Cooperation, accepted by the Hungarian National Assembly on 29 May 2010, followed by the Magyary Zoltán Public Administration Development Programme, Hungarian’s first public administration development strategy prepared using contemporary planning methods (published on 10 June 2011), was the creation of a 'good state'. On the basis of these programmes, we can know the answer to the questions of "what?" and "why?"

Personally, I believe it is timely for the further of development of the Hungarian public administration and political science to take a direction that is not just about ‘what?’ and ‘why?’, but also ‘how?’, in order to provide meaningful guidance for those people who have the opportunity and authority in public administration to shape everyday life.

The title of my dissertation (The Managed State) refers to the methodology for creating a 'good state'. With this unusual phrase – certainly for many – under the paradigm of good governance I would like to draw attention to the fact that the concepts of 'management' and the 'management cycle' which are widespread in business sciences also have a place, a space and even career opportunities within the operation of the state. With my dissertation, I would like to give a new, more 'loveable' meaning to these expressions from the world of business.

---

1 See Hungarian National Assembly resolution 27/2010 (V. 29.) on the election of the Prime Minister and the adoption of the Hungarian Government's program, source: https://www.parlament.hu/irom39/00047/00047.pdf (last downloaded: 01.05.2021.)

2 See: The Magyary Zoltán Public Administration Development Programme (Published by the Ministry of Public Administration and Justice, 10 June 2011, source: https://www.uni-nke.hu/document/uni-nke-hu/gal_1_lmodul.pdf, last downloaded: 01.05.2021.)

3 In 21st century academic life, in English the terms 'state management' and 'managed state' are only used in the field of information technology. The latter mostly relates to the programming of user interfaces in IT systems, where software developers try to systematically monitor and 'manage' the state changes of the on and off functions of individual functions.
1.2. Research questions

The first basic question of my research, is where and to what extent do cyclically renewable, self-perfecting processes, i.e. management cycles (PDCA) have a place in the performance of state tasks? Within this topic, I raise the following questions.

- What are the typical applications and areas of business management techniques that are becoming increasingly well-known within public administration?
- What is the legal and institutional relationship between planning, implementation and control functions that can be identified at the level of the state organisation as a whole? Can self-improvement processes well known in the business sciences work in this sense? What regulatory and institutional issues might these processes raise in Hungary?

My second basic research question is to what extent does/can the state work according to specific plans and to what extent does it function on an ad hoc basis? Within this topic, I raise the following questions.

- Is it the job of the public administration to develop professional concepts, strategies, programs and projects?
- Can planning even be seen as a public duty? If so, whose responsibilities, and for what purpose, with what regularity and, above all, what professional methodologies should we discuss in relation to activities carried out in public activities?
- What is the relationship between the legal norms ('legal body') and programme norms ('strategic body'), and what is the ideal relationship between individual strategic planning documents? For example, can we talk about a hierarchy between plans in the same way as we do about legal norms?

My third fundamental research question is who, how and for whom can we measure the fulfilment of public plans?

---


5 In early 2012, the Hungarian Government responded to these questions through Government Decree 38/2012 on the Government Strategic Management System (III. 12.), yet the practical application of this decree still raises a number of important yet unanswered questions.
In connection with this, what methods can be used in public administration to monitor
the planned performance of tasks? Although the Hungarian Government prescribed
the monitoring, regular evaluation and ex-post review of implementation of certain
strategic planning documents in the spring of 2012, very little practical experience is
available with regard to indicator training and monitoring.

At this point, we can raise the question of public administration science and the history of
public administration science, asking what today’s relationship is between private
administration (management) and public administration (public management)? Is György
Jenei’s assertion that public administration and public management are actually not far apart,
and that the latter is essentially one of the solutions for the renewal of traditional public
administration, or – as Tamás M. Horváth noted 15 years ago – does new public management
simply step in alongside traditional administration?

2. Brief description of the tests performed, method of research and
collection of materials

2.1. Content and structure of the dissertation

In order to answer the research questions, in my doctoral dissertation I first conducted a
conceptual review of the history of public administration science, after which I made an
attempt to establish a definition framework for management processes and recurring
management cycles. This also aided my subsequent analysis of the public service delivery
systems in Hungary, where I attempted to identify the logic of the government's operation
according to management cycles, both in terms of the regulation of the given area and in the
daily operation of the institutions. My research was conducted according to the most
commonly defined content elements of management cycles:

- planning
- implementation of the plan (do)
- monitoring (check) and
- intervention (act) following evaluation

I have described the conditions in Hungary in line with these stages.

---

6 See Sections 20-23 of Government Decree 38/2012 (III. 12.).
7 JENEI, György: A közintézményi reformok szemléleti háttere és fejlődési pályái az ezredfordulón, Közgazdaság,
2006/1., 87-90., source: http://unipub.lib.uni-corvinus.hu/478/1/8-jenei.pdf (last downloaded: 01.05.2021)
After a situation analysis performed according to the conceptual system acquisition and the self-improvement management cycle, I have formulated my conclusions and ideas, as well as my general and specific development proposals, in the last chapter of my dissertation.

2.2. Applied research methodology

In writing this dissertation, I applied the following research methodology tools.

- I carried out library sourcing and source analysis on the subject of public administration theory and the history of science.

- With a systematic review of the current legal regulations, I performed a legal analysis to determine the theoretical and legal basis of public planning. I also read the basic laws of the European Union member states in a comparative international constitutional analysis to examine whether European countries deal with public planning issues at the constitutional level.

- I carried out sourcing and source analysis in order to review the historical antecedents of the planning systems in Hungary, and to summarise the experiences of plan management elevated to the state level.

- In order to review international administrative planning practice, I carried out sourcing and source analysis – primarily by examining studies published under the auspices of the UN, the OECD and the European Union – and gained personal experience during short study trips to the United States, the Netherlands and the United Kingdom.

- In order to review the current state planning system ('strategic body'), I have tried in recent years to collect publicly available national and administrative planning documents. I have formulated my situation analysis findings and suggestions in my dissertation based on my experiences gained by grouping and processing these materials.

- Using my personal experience in working in government, I have processed specific cases, based on which I have tried to explain the connections I discovered in this dissertation in addition to my previous publications.

- In the last ten years of my work as a management consultant, I have constantly sought to collect information and concrete examples regarding the operation of state monitoring and measurement, as well as the data and IT background in relation to the performance of public tasks.
- As a non-tenured instructor in the last 15 years, I have on numerous occasions had the opportunity to hold lectures (and write learning materials) in topics such as strategic planning, impact assessments, data management, integrity management and project management.

- Over the past ten years, I have conducted a number of interviews and personal consultations with scientists and public administration specialists who were the theoretical founders and practical shapers of Hungarian public administration science and public administration development after the end of communism in Hungary.

3. Summary of new scientific findings of the doctoral dissertation

3.1. Responses given to the research questions, main conclusions

In the introduction to my dissertation, I posed hypothetical questions such as

a) "Do self-improvement cycles have a space in public administration?"

b) "To what extent can the state operate according to a plan?"

c) "Is the fulfilment of public plans measurable?"

d) "What is the relationship between (public) administration and (public) management?"

a): My dissertation provides an answer to the question of whether there is a place in Hungarian public administration for self-improvement processes that are already well-known and widely applied in the business sphere. The answer is clearly "yes", the entire PDCA cycle could be applied to the state public services system. It should be noted as a fact that there are already several Hungarian regulatory precedents for the application of the self-improvement logic according to the PDCA cycle, while there is also a wide range of institutional practices that can be measured and analysed.9

The typical application areas within public administration of increasingly well-known business management techniques are as follows:

- methodological support for policy and administrative planning;
- the operation of political systems support;
- the operation of internal control systems mandatory for public entities;

---

9 In terms of measurement (monitoring) and analysis (evaluation), the data generated by the State Audit Office of Hungary since 2011—thanks to integrity surveys conducted on an annual basis for thousands of public finance organizations – may provide an excellent opportunity for research.
- integrity management systems put in place to curb corruption.

In my opinion, William Edwards Deming’s self-improving PDCA cycle can also be mapped when it comes to the Hungarian public administration – it is an existing phenomenon or model that can be interpreted and analysed. However, it is also clear that it is a very fragile system, the critical points of which are found in terms of
  - policy planning,
  - monitoring the implementation of policy plans, and
  - approaching the final stages of implementation in the Hungarian institutional solutions of (ex-post) evaluation.

At the macro level, the four major PDCA functions appear to exist separately, but do not work in combination with each other, due to the fact that there is still no awareness of this issue at the administrative level – lack of governance (“management”). In this sense, the operation of the state is not supervised from one place – there is no clearly identifiable owner of the public administration - so "the state is not yet managed," and – according to my own approach – is not really a ‘good state’.

It is particularly painful for me that – given that evaluation in particular does not work well most in a macro-level management cycle – much of the administrative experience and knowledge gained during the implementation of the government plans is not utilised in the system. In my view, this is also an important reason why the operational efficiency of the Hungarian public administration remains low by international standards.

When comprehensively examining the entire public service system – at the level of state organization – it is only possible to identify potential and weak legal and institutional relations between the functions of planning, implementation, monitoring and evaluation. The examples presented in my dissertation also show only one aspect of the state public service activity (e.g. planning, monitoring), and there is no guarantee that the self-improvement logic in line with the PDCA cycle would be comprehensively valid at the system level in public law or administrative practice.

The PDCA logic – both in terms of regulation and in practice – prevails primarily at the institutional (micro) level. I found it interesting that in the case of the emerging "surprisingly round" administrative PDCA cycle, the "bumps" are essentially due to the lack and rudimentary nature of state data asset management. In the absence of data and information collected, systematised and analysed in specialist administrative systems, it is
difficult to prepare well-founded governmental strategic planning documentation. It is also
difficult to measure, analyse and ultimately evaluate the progress of the implementation of
("vague") plans that are not supported by facts and data without appropriate indicators.

Another issue closely related to this is the general lack of professional experts to perform the
measurements and establish the methodological basis of any assessment: the lack of an
owner of the management process as a whole – the self-improvement management cycle at
the administrative level.

The lack of adequate quantity and quality of administrative data, the low level of utilization of
data assets, as well as the lack of a methodological centre and, above all the lack of an owner
of the management cycle presented above, all lead to mediocre performance by the Hungarian
public administration. I consider the most important problem to be that the state does not
gain the necessary information and experience in the implementation of the plan in the
fourth – evaluation – phase of the PDCA cycle, which leads to a lack of learning and the
possibility of self-improvement.

b): In my view, fortunately, the current tasks of an administrative organization are
programmed – defined by plans – at least to the extent that they can be deduced from ad hoc
events that change on a daily basis. In my opinion, it is considered to be the optimal state if
the planned issues in an organization are in balance with those ad hoc tasks that arise on a
daily basis. The proportions at which this balance occurs vary by organisation, geographic
location, and period. For example, the tasks of a national news agency are unlikely to be
dominated by tasks derived from long or medium-term plans. This is not the case with a state-
owned road management company, where, for example, the periodic maintenance of bridges
and overpasses is a pre-scheduled task over a 25-year period, just as the periodic renovation
of pipeline sections and the planned replacement of old aging infrastructure are pre-scheduled.

Whatever the ratio, task planning is now widespread in public administration. The state can
only be operated on a planned basis, because according to Decree 38/2012 on the
Hungarian Government Strategic Management System. (III. 12.) of the Government, the
administrative bodies under the Government became responsible for the development of
professional concepts, strategies, programs and work plans. The so-called KSIR Decree
regulates in detail the planning tasks of the system of public administration
organizations supervised by the Government – including who is responsible for public
planning and for what purpose, with what regularity and according to which professional
methodologies public interest activities are to be performed. It is also clear from this that a
complex and costly structure such as the state cannot organize its tasks on a 100% ad hoc basis.

c): In my research, I have identified 33 factors that can be used to measure the existence and quality of self-improving process cycles in Hungarian public administration in the second decade after the turn of the millennium. Of these, 17 are related to measuring the fulfilment of public-purpose plans, 9 of which help at the macro level and 8 factors at the micro level, to assess the extent to which public administration is involved in monitoring, controlling (‘Check!’), evaluating and – in comparison – taking the necessary interventions (‘Act!’). The situation related to the latter is evaluated in Section 2.3 and 2.4 of the dissertation. It is clear from this which actors (‘Who?’) perform the measurements in which areas (‘Where?’), as well as what methods Hungarian public administration currently uses to monitor the planned performance of tasks (monitoring) and the achieved outputs, to evaluate results and effects (“How?”).

I have found that although the Government of Hungary required the monitoring, regular evaluation and ex-post review of the implementation of the Government's strategic planning documents in the spring of 2012, set out in the KSIR (Governmental Strategic Management System) Decree\(^{10}\) – for the entire PDCA cycle –, the biggest lag is in monitoring and regularly evaluating the implementation of public-purpose plans for the entire PDCA cycle. However, there is now significantly more knowledge and practical experience in developing indicators and monitoring than at the time of the drafting of the KSIR Regulation, thanks to the Good State Research Workshop set up at the University of Public Service (NKE) in 2013 to establish, develop and continuously reform a "good state," to create a scientifically based measurement and evaluation methodology, a database and a set of indicators, as well as to manage and keep them up to date.\(^{11}\)

Since the NKE Good State Reports are published annually both on the Internet and as publicly available documents, it can be concluded that measuring the fulfilment of public-purpose plans is in the interest of society as a whole, including citizens with democratic suffrage and interest in public issues, which may thus become increasingly important in the constitutional system of checks and balances in the coming years.

---

\(^{10}\) See Sections 20-23 of Government Decree 38/2012 (III. 12.).

To answer the research question of what is the relationship between private administration and public administration, including management and public administration, and public administration and management, I have devoted more than a hundred pages to Section 1.2. ("Public administration meeting management"). In this,

- also using a historical perspective, I analysed at length the relationship between public and private administrative systems;
- I presented in detail the development of the concept of the management cycle, including the self-improvement management cycle (PDCA);
- also drawing attention to the American antecedents of the concept, I addressed the concept of public management, in connection with which I considered it important to note that
  - although 'közmenedzsment' is a simple Hungarian translation of the English term 'public management', the term 'menedzsment' should not be translated further into management or leadership, because in the meantime, the word management has – gradually – taken on its own meaning in the Hungarian language.
  - The concept of public management should be supplemented by mandatory conceptual elements such as periodically renewed planning ('Plan'), programmed implementation ('Do'), continuous monitoring ('Check'), and intervention following an evaluation according to standard criteria ('Act').

3.2. Possibilities of utilising the research findings

I believe my dissertation can be utilised as follows:

- systematise the concept of planning, implementation, monitoring, control and evaluation;
- illustrate the effects of Anglo-Saxon pragmatism on continental legal development;
- complement the concept of a Good State with the idea of a 'managed state';
- develop proposals for administrative development leading to a managed state.

In my dissertation I examined the development of the concepts of 'state' and 'governance', analysed international and Hungarian papers dealing with the conceptualization of 'public administration' and 'management', and while studying the meeting points of public administration and management, I found the concepts of 'management cycle' and 'self-improving management cycle', also known as the PDCA cycle or the TVEB cycle. I then
examined in detail how the individual phases of the *self-improving management cycle* – such as 'Planning', 'Doing', 'Monitoring' and 'Checking', as well as evaluation prior to new interventions ('Acting') – can be identified as working tools in the regulations of Hungarian public administration and in the daily practice of institutions.

**In my analyses, I have repeatedly found that when I use the PDCA cycle to our entire administration, I end up in conceptual mazes. This required the interpretation and conceptual identification of the most important concepts and terms.** The results of conceptual systematisation performed at the beginning of each chapter are summarised in the figure below. It arranges the phases of 'Planning', ‘Doing’, ‘Checking’, and ‘Acting’ based on the logic of the PDCA cycle. It is striking in the figure that diffuse concepts that are difficult to distinguish from one another form a system, and the individual phases can overlap even significantly.

*Figure 1: A system of concepts for planning, implementation, monitoring, control and evaluation*
b): In Section 1.2.3. of my dissertation, I presented my views on how proven management tools – and especially management systems – are integrated into statutory provisions in Hungary in the form of 'management systems'. This includes the following steps:

- standard solutions can be reached through situation analyses, audits, model experiments, (pilots), and best practices;
- Anglo-Saxon pragmatism quietly sneaks into European law through internationally recognised professional standards, norms and methodological regulations (methodologies), shaping continental, including Hungarian, legal development.

I found the latter process so important for the development of Hungarian law that I summarised it in the figure below.

![Figure 2: the effects of Anglo-Saxon 'pragmatism' on continental legal development (own figure, 2020)]


c): In Section 1.2.5. of my dissertation, I introduced the concept of 'managed state', which was also chosen as the title the dissertation, the essence of which is that when we look for novelty behind the concept of 'public management' – the extra content compared to the
concept of 'administration', the difference is primarily determined by the fact that a 'managed state' is governed. Additional important conceptual elements can be summarised as follows.

- In a 'well-managed', i.e. governed state, it is obvious that management (or at the system level, governance) should have a well-defined and clear starting point for everyone, which sets goals and makes decisions. In the case of a good state, the **Government itself as a body** — in other words, the leadership of the country, is the 'Management' — in capital letters. So far, there is nothing new in this, but it may be a novelty whether the heads and members of governments recognise and apply the potential inherent in the development of self-improving process cycles.

- In a well-managed state, social and economic goals must always be made clear to all actors (see “Country Strategy”). Thereafter, the **use of resources** should be **planned in advance** in order to achieve these goals ('planning'), and then implementation should be continuously monitored and measured ('doing' / 'monitoring'), the results should be evaluated at regular intervals, and a decision should be made on further interventions if necessary ('evaluating' / 'acting'). I claim that this operational logic – based on cyclical renewal, self-improvement (PDCA) – is what we can consider valuable behind the concept of 'public management', and the adaptation of which in state law can be raised as a realistic proposal in my dissertation.

- In a well-managed state, the measure of governance should be the extent and direction of the effects on society and the economy and, as a result, changes in the level of satisfaction of the population and businesses. To do this, **measuring systems** (methods, procedures, tools) must be introduced, **regular measurement must be started**, the **periodic analysis** of the measured results, and the evaluation of experience must be made standard practice, and then conclusions can be drawn **based on this** (cf. 'lessons learned' – development of knowledge, learning).

- In a well-managed state – as I argue in my dissertation using the examples of Zoltán Magyary and István Bibó –, **legal and efficiency aspects do not have to be mutually exclusive**. In a well-governed state, state-of-the-art management techniques and methods do have a place, but not at any cost and in any form. In a state governed by the rule of law, of course, compliance with the rules that guarantee the exercise of power remains the most important consideration – even if they do not necessarily prove reasonable in terms of economy, efficiency or effectiveness. In order to assess this, however, the **possibility of external controllability must be ensured without**
restrictions, for which advanced monitoring and controlling tools (IT systems, software applications) built on the data systems of public administration must be applied.

Finally, when supplementing the concept of a 'good state' with the criteria of a 'managed state', it is essential to use the four virtues for guidance that Plato also formulates, which form the basis of state organisation:

- wisdom,
- courage,
- austerity and
- justice.

I propose to pay special attention to wisdom among these, in connection with which Plato also stated that "the science of making decisions for the benefit of the whole state and the ability to make good decisions." Here, in my opinion, one cannot ignore two elements of ancient thought which, when approached from the perspective of the sciences of modern management, are important conceptual elements of 'good governance' and 'good state.' This includes:

- 'the ability to make a good decision', in which strategic management appears as a leadership skill, because a good assessment of external circumstances and internal conditions ('situation analysis'), consideration of opportunities and threats, the desired target state ('vision') and then selecting the most appropriate ('good') path to it ('strategy') are indispensable for making good decisions;

- "the science of decision-making for the benefit of the entire state," in connection with which the requirement of sound government decision-making can be raised, including management tools such as strategic management, project management, information, knowledge and data management, quality management, and – in connection with these – ex-ante and ex-post impact assessments and cost-benefit analyses can be made.

(1) In the last chapter of my dissertation, I grouped my specific proposals for the development of public administration derived from the concept of the managed state as follows.

- Steps required to reach the level of a 'managed state':

---

12 Platón: Az állam [Republic], IV. könyv [Book IV], Magyar Elektronikus Könyvtár, source: [http://mek.oszk.hu/03600/03629/03629.htm](http://mek.oszk.hu/03600/03629/03629.htm) (last download: 01.05.2021)
o Planning: developing and documenting a long-term 'country strategy', making it available for a nationwide debate; establishment of a strategic analysis centre (think tank), establishment of a planning/professional network;

o Implementation: KEHI (Government Control Office) study prior to organisational regulation and legislation;

o Monitoring, measurement, evaluation: KEHI study analysing state data utilisation and data-based decision-making.

- Dissemination of useful management tools in public administration:
  o introduction of quality management systems and raising awareness of the concept of quality management in public administration;
  o introduction of administrative data management:
    ▪ assessment of administrative data assets, creation of metadata data registers,
    ▪ development of administrative data management concept (framework – plans, actors, structures, procedures, tools),
    ▪ regulatory background (concepts, responsibilities, procedures, supervision, sanctions),
    ▪ setting up an organisation responsible for central coordination, establishing coordination mechanisms among specialised administrative bodies, conciliation forums,
    ▪ general data alignment: semantic and ontological systematisation,
    ▪ consolidation of records: uniform regulation of record keeping,
    ▪ introduction of master data management: definition of data usage orders,
    ▪ legal, technological and budgetary accessibility of data transfers,
    ▪ regular data analysis and reporting, development of data infrastructure,
    ▪ data backup, archiving: ensuring the protection of administrative data assets,
    ▪ barrier-free access to data, provision of public-purpose data retrieval and public data recycling services.

- 10 interventions required to strengthen the digital state and administrative IT systems (regulation, financing, task coordination, development and operation of state IT infrastructure, coordinated development of administrative records, provision of IT staff, customer focus and seamless e-administration services, strengthening of supervisory and strategic functions).
4. List of publications

4.1. List of publications on the topic of the doctoral dissertation


5. György, SÁNTHA: „Utazás a digitális állam körül” – e-közigazgatási úti beszámoló az elmúlt 10 évről ['Traveling around the digital state’ - e-government travel report for the last 10 years], Új Magyar Közigazgatás, Budapest, year VIII. 2015/3., 71-74.


10. György, SÁNTHA – András, VIGVÁRI: *A nemzetgazdasági tervezési rendszer szervezeti és intézményi rendje – a korszerű költségvetési technikák alkalmazásának feltételei* [organizational and institutional order of the national economic planning system - conditions for the application of modern budgetary techniques], Új Mandátum Kiadó, Budapest, 2006, 192.

4.2. Further publications by the author


6. Lili, KAKATICS – GYÖRGY, SÁNTHA: Az integritás szerepe a közigazgatási kultúравáltásban és a korrupció visszaszorításában [The role of integrity in changing administrative culture and curbing corruption], Önkormányzati Pénzügyek, V-VI., Complex Kiadó, Budapest, 2011 (ISSN 2060-6117)

7. Petra, BURAI – György, SÁNTHA – István, SOMOGYVÁRI: Az integritás jelentősége a hivatali korrupció elleni fellépésben [The importance of integrity in the fight against official corruption], Önkormányzati Hírlevél, Complex Kiadó, Budapest, 2010 (ISSN 1587-4761)
