RAPID CHANGES IN SOCIETY, TECHNOLOGY ,ECONOMY AND PUBLIC SERVICE INSTITUTIONS

TIRTHENDU BAGCHI
UNIVERSITY OF NOTTINGHAM
E-mail: tirthendubagchi@gmail.com

Abstract. Current paper has the purpose to analyze the statement by Drucker (1985) that rapid changes in today's society, technology, and economy in general are simultaneously a great threat to public-service institutions and even greater opportunity. The statement by Drucker will be analyzed particularly with context of post offices that what are they going through these days or have gone through. Finally, some recommendations will be made for USPS based on the findings of the analysis..

Keywords: Rapid Change; Public Service Institution; Society; Economy

Introduction

In modern day economy, the capabilities of government institutions are enhanced and constrained due to various characteristics of their advanced information and technological systems. All the tools used by government, as mentioned by Hood (1983), depend on a particular technological system. For instance, information and communication network of the government, organizational tools, treasure systems to pay out transfers and requisitioning taxes, and basic organizational tasks such as file keeping to register government instructions and to see them being implemented. According to Dolowitz and Marsh (2000) government information technologies is important for policy making in liberal democracies. The information diffusion by the government has also increased enormously during past decade as transfer of information is a click away. There is significant potential for enhancing public welfare by using the advanced technologies; however, there are several risks for increased use of the technology. For example, there is risk of information leakage by the hackers; and also the risk of free riders (Lazer, 2002).

During the recent decades, raising quality to a strategic level has become an essential condition of successful operation in every field of the economy. No production or service organization can avoid applying quality management tools and methods on a system level. These systems have developed parallel with the change of the concept of quality and partly this change may have forced the evolution and application of various quality approaches and systems. (Topár, 2001)

What is called quality? There are numerous different definitions of quality; however, pointing out its essence, we can say that quality means meeting all expressed or latent demands of a client (customer, partner). According to this definition, in essence, the number of various demands arising against services is the same as the number of your partners or clients. (Tenner   De Toro,

2005)

To meet specific unique client demands, of course, a part of public service institutions must consider the fact when creating their quality management systems that the majority of institutions fulfill authority functions. In these cases, legal background and client demands do not always fully comply. Of course, more extensive customer demands stipulated by the law have priority in these cases; these are the ones specified by the creator of the law.

Talking about quality matters of public service, you must not forget that basic quality management methods and techniques have evolved in connection with industry production. Creating or developing your quality management systems, good results can be usually reached with proper adaptation of these methods and considering

the special features of the applying sector and organization when applying them.

The efficient application of modern quality management systems and methods is a critical requirement also in case of public service institutions. (Dudás, 2002)

Higher education institutions have started applying elements of quality management systems systematically during the past decade. Similarly to other sectors of public service, complying with the law is also typical for higher education institutions, which is ensured as an external quality system by the Hungarian Accreditation Committee (HAC; Magyar Akkreditációs Bizottság, MAB). At the same time, requirements drawn up by HAC include the demand that a quality assurance system should operate also within the institutions, enabling the continuous improvement of institution processes.

The other dilemma of performance in the public service is because it is not managed like a business enterprise. What characterises a business is control by performance and results. Since there is no competition in the public service institutions, there is no outward and imposed cost control as there is in the business field. At the outset the public

service institution does not differ much from a business enterprise in any area other than its specific mission and purpose. Nor does the public service institution differ very much from business enterprise with respect to the manager's work, organization design and structure, or even the job and structure of top management. However, managing for performance is the area in which the public service institution differs significantly from a business enterprise.

The other inhibition is the fault embedded in the Public Service system. There is no flexibility and mobility for workers. The Public Service regulation that stipulates that staff can only compete for vacancies which are on the next higher post level hinders staff with necessary competencies and skills to take up managerial and professional positions. This regulation limits opportunities for staff to move within and across the Public Service. Limited mobility creates challenges in sharing skills and competencies across the system. As a result the system undermines performance within itself.

Quality management systems developed according to the ISO 9001:2000 standards can also be found in higher education institutions, but in a smaller percentage as in other fields of public service.

In my personal opinion, such a system should be developed primarily in institutions where the development and

harmonization of processes requires operating a formalized subsystem. I have seen positive results of the system operating during the efficient implementation of institutional integration efforts.
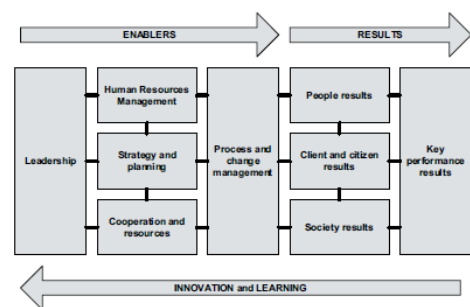
At the same time, in my professional opinion, the majority of the main and supporting processes typical for higher education institutions as well as the specific features of these institutions give the grounds rather for establishing and operating an own institution's quality assurance system taking the principles of TQM leadership philosophy into account. Only the commitment of the leadership (on all levels of the higher education institution) can ensure the high-level operation expected from the institutions by "customers" or partners.

A self-assessment system based on the TQM principles makes it possible to

define strengths and fields ready for improvement on all leadership levels and, as a result, to carry out continuous improvement in higher education. Any self-assessment model may be suitable for this though, but it will work efficiently only if the values of the self assessment are adapted to the specific features of the institution.

Upon establishing this self-assessment culture, the system of criteria drawn up in the Accreditation Guide of HAC (MAB, 2005) can be of assistance, offering a usable framework for the assessment of the institution's (faculty's) potentials and the operating results.

As far as the work of these organizations is regarded, the focus has been moving from fulfilling official functions to service functions. Anyhow, the features of official authority processes today also include service approach and consulting, professional analyzing, after all, supporting activities, as this means supporting the work of the clientele and reaching client satisfaction, i.e. quality. (Topár, 2002)

In the following, I summarize the efforts of some public service sectors relating to quality management system development and their experience. The detailed analysis of these fields is far beyond the

scope of this article so I intend to cover some elements of the quality efforts of healthcare, public administration and higher education in the following.

Opportunities for Public Services Sector in Modern Economy, Society and technological Development The rapid development of computing and communication technologies has offered tremendous opportunities for both public and private sector. Decreased cost of data storage and transfer, as well as, information processing has made it easy for policy makers to provide public services more efficiently and with reduced cost. However, it has become practicable for data mining enterprises to collect all information. Nobody is aware that who collects information, how is it being shared and used or misused. The concerns have reduced trust of people in online institutions (Deb, 2014). Technological and economic developments of the countries have led to various changes in the way governments play their role in public administration. Current global changes in functions of the public officials and the state are based on two sources. First is the technological development and globalization and the second is dissatisfaction of people about governance and the services provided by the public administration. Increased

interaction, interdependence, and integration among organizations and people across the world has increased levels of trade and investment, as well as, the flow of technology, people, and capital and information. Consequently, governments need to support the public services system that satisfies the citizens in changing economic, social and technological environment (Hoffman, 2002).

According to Quinn (1987) there has been focus of research on structural changes in manufacturing due to technological development; however, modern developments have caused dramatic changes in services sector too that generates 68% of employment in the USA. The trend towards services has been observed in US, as well as, many other industrialized countries; however, there are some issues related to technological development in services.

The revolution of information and communication technology has significantly impacted on postal services. Although, postal service enterprises that are managed through traditional governance, were late to adopt the latest technologies because they have little competition as compared to profit making organizations. However, most of the postal service entities is using information and communication technology to become more profitable, efficient, and accessible (Al-Morshid, & Dayan, 2011).

Governments are enthusiastic to adopt the advanced technologies to bring public services to people more effectively and efficiently, as well as, to lower the costs and time to deliver the public services. There are some governments that provide information via the internet, but the services are delivered in old way. Other governments who offer the option of downloading the information or applications via the internet thus saving multiple visits of citizens to government offices. However, transactions are completed over the counter. Some technologically developed governments conduct most of transactions via the internet (United Nations, 2007).

Threats for Public Services Sector

The need for better government services has been felt in past as there was concern that governments were inflexible, ineffective, insufficiently responsive, and expensive to the needs of people. More ever, the threat of government bankruptcy increased the need for re-innovation of government. Timely development of information and communication technology has facilitated the process. The private sector has been using information and communication technology (ICT) to lower costs and to

increase productivity; however, it is not easy for government. The key reason is that government has lack of resources to incorporate technologies in public service administration. Moreover, technology has been introduced slowly as the availability of funds to adopt technological change is minimal (United Nations, 2007).

Another threat for the government while using the advanced technologies is the privacy and security. As technology is still evolving, it is not perfectly secure. For instance, the verification of electronic signature has not developed fully and there are not complete legislations for the use of electronic signature.

Opportunities and Threats for Post Offices

- Technology Drivers in the Postal Services

- Opportunities for Postal Services

The development of new technologies has provided several opportunities for postal services. Some of the benefits or opportunities are as follows:

- The development and increased use of the internet has empowered customers. Their participation in the market of postal services has changed from passive to active customers.

- Customers now a day have increased choice to select among delivery options for their access to services and parcel operations, such as an hour delivery, same day delivery.

- Some newly developed technologies are being tested for future development, such as 3D printing, Drone deliveries and peer to peer delivery. These future services could enhance the efficiency and quality of postal services.

- Challenges for Postal Services

The post offices are facing some commercial, demographic, and technological problems that must be addressed by the senior management. Some threats for post offices from recent technological, societal and economic developments are depicted below:

- The major threat is the falling number of customers. Post offices have observed accelerated fall of their customer visits. For instance, post office had 28 million customer visits in 2000 that reduced to 25 million customers by 2006. It is an interesting fact that older customers visit more than the younger customers.

- Revenues of post offices have fallen and they are in loss significantly since 2000. A number of services that were traditionally provided by the post offices are now offered by other channels with less time and cost. For instance, people get their payment, benefits or pension directly transferred to their bank accounts. They can pay bills online,

renew their taxes online rather visiting the post offices.

- Post offices have reduced the number of their branches over the last decade by 28%. The reason for closure plan was the falling revenues due to decreased number of customers. It was decided to address the issue by removing the capacity or offices from the network.

- Customer are not always have information about the liability issues while using crowd sourced delivery service. The number of complaints and requirement for application of liability rule can increase as the shared delivery services become more popular.

- Another issue faced by customers is privacy and security. In order to access the improved services and take benefit of tailored offers, customers are required to provide personal information to parcel carriers or e-retailers that puts their sensitive information on risk (Hillebrand, et al. (2016).

Technology has changed the USPS

USPS has deep and broad history that was based on the principle that all people in the USA have to right to access efficient, secure, and affordable mail service. During its history of 240 years, USPS has delivered according to the promise and transformed itself to provide better services to the customers. Centuries of universal mail system has

developed its bond of friendship with people. The USPS service system is always ready to adopt ne technologies to explore it it can improve the postal services, such as mail distribution, steamboats, automobiles and trains, plans, sorting machines, and recent automation. USPS distributes hundreds of million of its mail by using its computerized equipment (United States Postal Service, 2007).

The USPS has been struggling to work relevantly in the era of modern technologies. The modern technologies and development has impacted the USPS in different ways both positive and negative. For instance, is has to shrink its workforce, and change it operation models and delivery schedules to achieve efficiency. However, there is opportunity for the organization to use new products and services. Currently USPS is increasing its presence in several online venues such as selling products and stamps on eBay (Edgar, 2013).

The USPS is currently struggling to remain successful in the face of advanced technologies. There are some organizations that work as efficiently as USPS, but efficiency of operations is insufficient to survive in competitive marketplace of today. The major shift occurred fifteen years back when free email became available for users. Fewer

people now use physical mil to write letters, and send or pay their bills. Even the junk mail is far less viable now. Post offices have not done anything wrong but the market shift has declined their value proposition (Hartung, 2011). The development of society, technology and the economy requires government to tackle several challenges, such as employment, demographic change, security, environment, mobility, and many others. The advanced technological changes, such as take up of social media and open data lead to information exchange, as well as, more openness, connectivity at all levels.

Conclusion

Recommendations for USPS

- There is need to change the branch model of USPS in order to face the issue of reduces customer numbers and dependence on subsidy provided by the taxpayers. Without modernization of USPS, and keeping it the current size will require more subsidy from taxpayers that would carry on increasing over the years.

- There is need to adopt a different strategy to post office network. The management should make sure that network remains at the current size an communities don't to face mass closure. The management should be provided support to address the economic and customer service issues that are being

faced in current models of post office networks.

- As the customer needs have changed over the past years, USPS management should consider changing the overall structure of offices and working hours. The short hours for post office, and long time in queues is from past era. More over, the style of talking to post master through a security glass is out of function these days when in a bank they can talk to bank staff without a glass. Thus, the model for USPS should be more convenient for the customers. The model should provide such a convenience that people can post or collect a parcel while they are out to pick up newspaper or coffee, or they can collect currency for family trip while they are on the way to collect foreign currency for travel.

- It is important for USPS to explore what actually customers of technologically advanced era want from post office. Customers should be offered some convenient options with longer working hours. Moreover, post offices can consider attain quicker services, ready accessible locations, and high retail standards.

- The functioning of USPS in future requires the modernization with new sustainable future for post office agents in which they can fully utilize their skills to use the potential of the post office

network. This target can be achieved by making current structure must be made flexible and include refreshed branches. The agents should be rewarded for improved custom services.

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