IMPROVING THE FUNCTIONING OF AN ORGANISATION – IMPLEMENTING THE INTEGRATED MANAGEMENT SYSTEM

Elwira Gross-Gołacka, PhD
Alcide De Gasperi University of Euroregional Economy in Józefów, Poland

Abstract
The development of an organisation should be the result of multi-directional improving activities. During times of increasing clients’ expectations and changes in management standards at units of the public finance sector, models and methods of improving the quality of public services are used more often, as they take into account the expectations and needs of the modern recipient. One of the areas of significant improvement when it comes to the development of an organisation is the integrated management system. As a result of a successful implementation of the integrated management system, one can expect sustainable development from an organisation both in its external and internal activities, as well as bringing additional benefits for the environment and the employees. This article presents examples of quality-based activities, originating from analysing the implementation process of the integrated management system at a unit of the public finance sector. The analyses have concluded that it is essential to share a common understanding of the intricacies of quality, to define it jointly and to create an environment, which supports it – through a quality-based organisational culture. It will allow a quality-based work orientation being built.

Keywords: integrated management system, quality management, management, administration, public finance sector

JEL Codes: D73, H59, H83

Received: January 24, 2018
Revision: April 2, 2018
Accepted: April 12, 2018


Introduction
During times of increasing clients’ requirements, they constitute an important credibility factor, whereas their usage, confirmed through proper certificates, is indicative of a high organisational culture of a given institution or a company. Effective management in public administration requires setting strategic goals for the activity of the public office, which is aimed at a well-functioning system of organising work and shaping a positive image. New norms determining the requirements and rules for quality management in an organisation are a helpful instrument in creating and implementing a new public administration system. Quality management systems cannot be left to stagnate, but instead they have to be developed, to match the changing internal and external environment of every organisation. According to St. Tkaczyk (2006), the main goal of quality management at an organisation is improving systems and processes, which allow quality to be improved at a constant pace.

Quality management is the task of all managers. It consists of executing the management function in relation to the quality of the managed system and of its components. In such an approach, quality is the most important issue in managerial decisions. This activity also determines quality policy, goals and responsibility as well.
as their realisation in frames of the quality system (Opolski et al., 2009).

Expectations and needs of clients are important aspects of quality management (Walsh, 1991). As such, the process of improving the public institution should conform to them. The quality of services in public administration depends on multiple factors, for instance (Bugdol, 2008): social (e.g. competences, communication, openness, and leadership), economic (ability to improve quality, additional funding, subsidies, social and economic costs), organisational and legal (binding laws, connections between processes), technical and environmental (e.g. environment, infrastructure, development of e-services) (Frąś, 2008). The client plays a very important role in managing quality in public administration, as they are the judge of the quality of the services rendered. Public offices utilise a number of terms to refer to clients, some of the most commonly used are: the party, petitioner. The Administrative Procedure Code defines a party as anyone whose legal interest or obligation is involved in the proceedings or one, who demands activity from a public body due to its legal interest or obligation. Both natural and legal persons can be parties, and when it comes to national or self-governmental organisational units and social organisations – the definition also includes persons without a legal personality (Kodeks, 1960).

Changes in the Polish public administration over the last 30 years have had either internal sources (state and public sector) or have resulted from external factors. These transformations have been of different characters. Some of them were introduced in a chaotic manner, whereas others were of evolitional nature. However this was not always synonymous with being well-planned and well-coordinated. Other changes have been introduced as a result of “structural tension”, stemming from external requirements. Oftentimes these modifications were not consequences of pressures, but an autonomous decision to introduce changes by adapting models from other countries (Kozera, 2009). However, according to Tkaczyk and Kowalska-Napora (2012, p. 174): „Improving the quality of managerial functions at an organisation based on the criterion of quality ought to be reflected in an increase of effectiveness of managing it”.

Utilising modern management methods in public administration in practice is associated with concepts of New Public Management (NPM), which have been common in Anglo-Saxon countries in particular for some 40 years. Basic NPM assumptions have been addressed in increasing the effectiveness of units of the public finance sector, inter alia through putting pressure on managing finances (effectiveness), setting goals and monitoring outcomes as well as setting service standards. In Poland, a general debate on methods and standards of the activity of the public administration has been started by the self-government reform of 1999. Over the course of the first four years about 80 quality-based systems have been implemented (Kozera, 2009). In 2006, 211 self-government offices have seen quality management systems introduced based on the norm ISO 9001:2000 (Bugdol and Krawczyk, 2003). It can be observed that with each consecutive year the public administration has been utilising models and methods of improving the quality of public services more and more often, taking into account the expectations and needs of the contemporary receiver. Currently, many public offices hold certificates confirming the functioning of the management system, consistent with the requirements of the ISO 9001 norm. The latter sets the basic requirements for quality-based management.

Nowadays quality management is a task for all managers functioning in both the...
public administration and private sector. Quality management is an approach, in which quality is the most important aspect of making executive decisions and it is based on executing managerial functions vis-à-vis the quality of the managed system and its elements. This activity determines quality policy, goals and responsibility as well as the realisation of activities in frames of the quality system (Opolski et al., 2009).

**Integrated Management System (IMS) – Theoretical Aspects**

The Integrated Management System (IMS) is a combination of processes, procedures and practices utilised at an organisation with the goal of implementing its policies, which can be more effective in reaching the goals resulting from its policies than a separate-systems approach. The integrated management system is the recommended and most beneficial solution for an organisation, which is about to introduce several management systems. Depending on the characteristics of the industry and the plans that an organisation intends to follow over a certain period of time, it would implement an integrated management system consisting of different subsystems. Most commonly the basis for all other systems is a management system consistent with the requirements of the ISO 9001 norm. Most often the integration involves two or three selected systems. For instance, enterprises integrate the ISO 9001 quality management system (Mironiu and Yatskanich, 2013), the ISO 14001 environmental management system (Tache et al., 2013), the PN-N /OHSAS 18001 occupational health and safety management system (Lo Storto and Goncharuk, 2017), the ISO/IEC 27001 information security management system or sector-based systems (ISO 22000, HACCP, GMP+, GMP, GHP). It is worth noting in particular that all systems constituting the IMS should be treated equally, no system forming the IMS should be treated as having priority, nor should the other systems be treated as its sub-systems. The rule of equivalent systems is fundamental for the integrated system (Roszak, 2012). According to Skrzypek (2014), the conditions for a success of an effective integrated system are the following:

- employee motivation, collective and individual creativity,
- creating an opportunity for market success,
- the complexity of the approach towards integrated management systems,
- engaging management, a proper approach towards knowledge,
- seeking means of constantly improving management-related activities,
- treating employees as a workforce, treating change as a chance and not a threat,
- effective time utilisation, perseverance, patience, consistency, requirements.

In the light of the above, an effective and functioning integrated management system at an organisation should be sensitive to changes. Moreover, it should to a large extent be dependent on whether the participants partaking in its implementation believe in the soundness of its solutions and utilisation of the system.

**Integrated Management System (IMS) – Case Study**

This article is concerned with the issue of taking actions on behalf of quality management in a unit of the public finance sector through the case study of a government administration office – the Ministry of Economic Affairs (MEA). Activities on behalf of quality management at the Ministry of Economic Affairs (MEA) have been undertaken in October of 2006 through the Ministry’s participation
in the pilot project: “Implementation of CAF at selected ministries and central offices”. Its aim was increasing the effectiveness of the functioning of the Polish public administration. As part of the realisation of the above-mentioned project, it has been recommended that 7 projects be implemented based on 35 identified areas, inter alia: implementing the Quality Management System and the System of Protection against Corruption Hazards. In the year 2007 the management of the office had made a decision regarding the implementation of the Quality Management System in conjunction with the System of Protection against Corruption Hazards (the result of the I CAF self-assessment conducted in 2007). Since 2008 the Quality Management System has been implemented, which had introduced a project-and-process-based approach founded on the standards of the ISO 9001 norm. Since 2012, pursuant to decision of the MEA Management, the Integrated Management System had been introduced. The ISO 9001 norm defines the Management of the Ministry as the Members of the Management. The Integrated Management System pursuant to internal legal acts – orders of the Director General – consisted of the following:

1. Quality Management System (QMS) – in accordance with the ISO 9001 standards;
2. System of Protection against Corruption Hazards (SPCH) – constituting an extension of the requirements set out by the ISO 9001 standard through introducing additional requirements related to anti-corruption processes;
3. Information Security Management System (ISMS) – in accordance with ISO/IEC 27001 standards (Figure 1).

![Integrated Management System](image)

**Figure 1. The Structure of the Integrated Management System**
*Source: Ministerstwo Gospodarki (2012), Ministerstwo Gospodarki (2014)*

The Quality Management System (QMS) has been established in order to reliably realise tasks related to executing the mission and Strategic Management Plan, which sets out the strategic and operational priorities. The System for Protection against Corruption Hazards (SPCH), which includes the state’s policy against corruption, has been established in order to reliably realise tasks and to increase public confidence in the office. Whereas the Information Security Management System (ISMS) has been established in order to ensure a high degree of security, i.e. maintaining confidentiality, integrity as well as the availability of information processed at the office. The IMS included the realisation of all public services which
were the minister’s responsibility and with which the office is concerned, but also the activities related to ensuring the functioning of the organisation as an office of a central administration. The IMS has been implemented and maintained in all organisational units and at all locations of the office.

System documentation was also prepared as part of the IMS. It includes in particular: IMS policy, an IMS Handbook, a Declaration of application, process charts, system and operational procedures and independently-functioning internal forms – which are subject to necessary updates.

In terms of oversight over the IMS, executives have been assigned areas of responsibility and IMS prerogatives, and it has been included in the internal regulations of the office (Ministerstwo Gospodarki, 2014b; Ministerstwo Gospodarki, 2014c), i.e. the order on the distribution of work for the Management of the Ministry of Economic Affairs and organisation’s statute. These regulations determine that the director general of the office defines the rules concerning the office’s approach to (Ministerstwo Gospodarki, 2014):

- quality management,
- counteracting corruption hazards,
- risk management,
- information security management, excluding secret information.

Whereas the basic tasks of organisational units are increasing quality and effectiveness of activities as well as the level of information security at the ministry, including doing so through applying a process-and-project-based approach in addition to risk management at the ministry, the participation of the representatives of the directed department in the self-assessment according to the Common Assessment Framework (CAF) and the realisation of tasks related to the functioning of the IMS. In the light of the above, the director general of the office pursuant to internal regulation determines (Ministerstwo Gospodarki, 2014):

- The Functioning of the Integrated Management System;
- The Structure of the Integrated Management System and the scope of tasks, prerogatives and responsibility.

The structure of the functioning of the IMS at the office presented in Figure 2 shows that in order to oversee the IMS at the office, the director general appoints The Agent of the Director General for Integrated Management System Affairs and their deputies. The agent oversees the IMS and organises and improves its functioning. Whereas, when it comes to the coordination of activities related to the IMS, the director general appoints The Coordinator for Integrated Management System Affairs, while at the organisational-unit-level – department co-ordinators for IMS affairs. Planning, ensuring the realisation, coordination and process improvement is done through process owners, appointed by the director general, which functions can be held by directors and deputy directors of organisational units.

Moreover, in order to execute specific tasks in frames of the ISMS, an IT Systems Security Administrator was appointed. A Team of Ethical Advisors is also appointed, which consists of an ethical advisor appointed from the pool of directors and deputy directors and an ethical advisor, who is chosen by employees via voting from outside of the group of heads of organisational units.
As a part of IMS functioning, in order to maintain and improve it, the following actions have been taken (Ministerstwo Gospodarki, 2015, p. 10):

- applying IMS requirements, including those contained in the system documentation,
- monitoring the functioning of the IMS,
- conducting IMS audits in accordance with the annual programme,
- conducting management reviews,
- subjecting the IMS to a certified external audit,
- periodically conducting a self-assessment by the Ministry of Economic Affairs,
- periodically conducting a risk assessment,
- constantly improving the IMS through improvement activities.

All employees were engaged in maintaining and improving the Integrated Management System in order to ensure a steady implementation of the systems discussed above at the office, i.e. adapting to the requirements of the ISO 9001, ISO 27001 and SPCH standards, from office workers to representatives of highest levels of management. The quality management system supported the process of optimisation of the employment structure, increasing work effectiveness and meeting the expectations of citizens and institutional partners. It has been assumed that holding the ISO certificate is also evidence of an independent expert assessment taking place, which confirms part of the requirements pursuant to the Public Finance Act with regards to internal control, inter alia:

- consistency with the law and internal procedures,
- effectiveness and efficiency of activities,
- credibility of reports,
- resource protection,
- observing and promoting rules of ethical conduct,
efficiency and effectiveness of the flow of information,
risk management.

An office holding the abovementioned certificate is also a confirmation of the standardisation of managerial solutions, which creates an image of a modern, better-organised public administration, and also puts the office at one of the highest levels when it comes to managing part of the public administration (Sejm Rzeczpospolitej Polskiej, 2013).

**Process-and-Project-Based Approach**

**Process-Based Approach**

The office also distinguishes, defines, names and describes processes. Activities aimed at defining and describing processes have been realised pursuant to the document entitled The methodology of a process-based approach at the Ministry of Economic Affairs. The owners of the realised processes are mentioned in the descriptions of the processes, i.e. in the process control charts. The process owner is a person, who has the applicable prerogatives and takes responsibility for its monitoring, coordination and improvement. At the Ministry, a director or deputy director can be the process owner. Due to the influence of the processes on the realisation of the statutory goals of the office, they have been divided into key and supplementary processes.

Key processes are a consequence of the character of the activity or of the law, they constitute the fundamental function of the office. Supplementary processes do not result directly from the fundamental activity of the office, but they ensure the proper functioning of key processes through providing all the necessary material, financial and human resources.

In the areas of key and supplementary processes, main processes and process groups have been distinguished, together with the processes which create them, in a manner which allows analysing goals set for organisational units. Main processes are processes, which can be decomposed into processes, whereas decomposed processes create sequences (the outcome of one process is the input of the next), for instance the main process: conducting an internal audit, which is comprised of a sequence of processes – planning, executing, and finally, reporting.

Process groups are processes, which are aimed at a common goal and are related to the realisation of tasks in a common area. Processes, which constitute a process group are, however, not related in a sequential way – their outcomes do not always constitute the inputs for other processes in the group. Process groups are involved, whenever managing or coordination is mentioned. Process groups can be divided into processes, for instance, a process group of managing human resources can be divided into processes: recruitment and professional development of the Ministry’s employees as well as the realisation of tasks related to labour legislation.

Key and supplementary processes as well as process groups and main processes, as well as the general nature of their associations have been all presented on the process map. Detailed information on the connections between processes is available in the process charts. The structure of the processes identified at the Ministry of Economic Affairs is an element of the Manual of the Integrated Management System.

**Project Realisation**

The office has realised goals and statutory tasks in frames of the identified
processes, as well as projects. The approach to the realisation of projects has been described in the Methodology of a project-based approach at the Ministry of Economic Affairs. The essence of a project-based approach is capturing the entirety of the necessary conceptual, planning, executive and control activities as well as organising them into a unique project. Projects realised at the office are directly related to the realisation of the operational strategy and goals.

**Conclusion**

Implementing the IMS at the office is associated with many benefits for its employees and the environment as well as the organisation itself. Nonetheless, in order to observe these benefits, at first the project has to be properly planned. It is necessary to indicate the tasks for realisation in the frames of the IMS implementation, estimating their duration and establishing the relations between them. Moreover, it is necessary to determine the required resources, to estimate the budget and to indicate sources of funding.

During the planning stage, the threats that the project could face during its realisation should also be included. In the case of the project, it is crucial to include the degree of participation of employees in the entire implementation process as well as the integration of the System’s elements, which organisations often identify as a weak point only after the System has already been implemented. However, management systems are non-mandatory systems from the perspective of their use. Also, from the point of view of quality, the route chosen by organisations is not crucial. It is essential to share a common understanding of the intricacies of quality, to define it jointly and to create an environment, which supports it – through a quality-based organisational culture, which will allow a quality-based work orientation to be built. The implementation of systems on behalf of quality should contribute to improving the organisational and managerial abilities (Gross-Gołacka, 2017).

**References**


Frąś, J. (2008), *Zarządzanie jakością usług w instytucjach publicznych*, Uniwersytet Szczeciński, Szczecin.


Kodeks (1960), *Kodeks postępowania administracyjnego*, Ustawa z dnia 14 czerwca 1960 r.


Ministerstwo Gospodarki (2012), Zarządzenie Dyrektora Generalnego z dnia 27 marca 2012 r. w sprawie Zintegrowanego Systemu Zarządzania, Warszawa.

Ministerstwo Gospodarki (2014a), Zarządzenie nr 48 Dyrektora Generalnego z dnia 18 czerwca 2014 r. w sprawie Zintegrowanego Systemu Zarządzania, Warszawa.

Ministerstwo Gospodarki (2014b), Zarządzenie Ministra Gospodarki z dnia 15 kwietnia 2014 r. w sprawie ustalenia regulaminu organizacyjnego w Ministerstwie Gospodarki, Warszawa.

Ministerstwo Gospodarki (2014c), Zarządzenie Ministra Gospodarki z dnia 7 stycznia 2014 r. w sprawie podziału pracy w Kierownictwie Ministerstwa Gospodarki, Warszawa.


