Taking People, Process and Partnership on Board for Participatory Decision Making

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Abstract—Public administration institutions in cooperation with politicians are not the sole policy decision makers in full meaning any longer. Meanwhile, a special role, namely steering the decision making process, could be delegated to them.

Despite the wide scientific discussion on different aspects what has direct impact on policy creation, there is a lack of holistic practical managerial advice, which could integrate infrastructure of policy decision making with intellectual capital and with interconnection of partnership. The proposed harmonized decision making model of process, people and partnership entitled by acronym HM-3P is analyzed as a framework for implementation of public administration steering role seeking the coherent social involvement in policy decision making.

Keywords—participatory decision making, partnership, stakeholders.

I. INTRODUCTION

Policy decision making cannot rely on one’s personal intuition or solitary institutional experience, which is occasionally acceptable in the business world. However, the demarcation between public and private sector management is diminishing gradually. Both act in the complex environment and “influence widely across their stakeholder networks” [1]. In consequence, behaviour as “managing for stakeholders” [2] is more and more crucial for firms’ competitiveness, and the participation managing is the challenge for the policy creation and policy change by public administration. However, “competition has become part of government regimes, and cooperation and coordination have become a part of network management in the private sector” [3], [4].

Due to the globalization and dynamical changes, the public administration is forced to look for better coherent decisions, and the managerial approach to decision making process is of great importance. Accordingly, public administration is dealing with issues which could be perceptible as revolutionary changes, when rapid and desired transformation is stimulated by policy intervention driven by a certain target rather than evolution, when changes are self-oriented, slow and long-term. The success of revolutionary changes initiation is the action which goes in hand with common perception of the issue and joint decision making when people are inspired to demand of change [5]. Every policy intervention introduction is accompanied by the resistance from the side of reforming subjects, and this resistance is generally unavoidable. As often as not the reservation to reforms has real background due to constrains of knowledge about complex nature of society needs or unintentional steering mistakes led by public administration. Despite the permanent efforts of public administration to describe decision making procedures [6], to use external national or international expert-based advice [7], to initiate research on a certain problem to gathering evidence for policy decisions [8], there are plenty of policies that have failed or even have not reached the implementation phase, or drastically change their directions to the opposite when policy decision makers with power is replaced.

Consequentially, questions regarding how to cope with challenges for continuity of strategic attitudes, competition between short-term and long-term goals of policy creation, citizens’ participation management, steering role of public administration are on the practitioners’ day to day agenda. What conditions that well-structured strategic legal acts prepared on the public administration level do not secure the implementation and realization directions? Why does some policy preparation take so long? Who is responsible that the society could contribute to policy as a partner instead of an opponent in bargaining? Seeking to solve the above raised questions, the decision making model as a steering mechanism for public administration is conceptualized.

The purpose of the paper is to discuss the main components of decision making by public administration and to propose a platform as a decision making model, which could create the most valuable decision and environment for mutual social understanding and commitments, stimulate the real policy changes in alignment with social needs.

The present research is done as the generalization of previous numerous studies within the last three years regarding decision making process analyses on R&D policy development (institutional, funding, infrastructural reforms), strategic support for high tech industry, expert-based evaluation impact analyses on strategic decisions. The author took part in some of the public administration decision making processes being aware of the stages, not every of which were documented.

The research method includes comparative and systematic analysis of scientific literature and Lithuanian legislation issued in the period of 2005-2009, interviewing experts and personal observation by intermediate participation in the legal base creation process. The personal observation is used to describe the undocumented stages of policy creation.
II. POLICY CREATION SETTING

A. Complexity of Decision Problems

Seeking to understand the complexity of the nature public administration is dealing with, we need to look through the anatomy of problems. According to the clear motivated taxonomy developed by [9], the decision problems could be simply classified to three groups according to the complexity of problems.

The first order decision problems are static, simple, one-dimensional, with countable number of alternatives and manageable number of criteria and attributes. That decision has the single solution, understandable for everybody. Such a decision could be prepared by the one, who holds the necessary information, has obligations and power for decision making.

The second order decision problems have statistical characteristics with certain medium level of risk and uncertainty. The goal of solving such problems lies in searching for the most likely solution. These problems could be solved using probabilistic approach: game theory, computer simulation.

The third order decision problems are those which have very high level of uncertainty and risk, dealing with the future development and far to the future looking goals affecting diverse number of actors. These problems are multi-dimensional, complex in terms of goals, criteria and attributes. The attributes are not measurable by the nature. As a consequence, the solution is not determined. Due to the high level of uncertainty and unpredictable nature, the solution cannot be the sole and perfect, since many of solutions can be acceptable or good for some of alternatives or multiple criteria. Public administration is dealing with these types of problems during policy creation cycle in most of cases.

B. Knowledge Creation and Generation

To cope with the complexity of decision problems, knowledge about the nature of problem and knowledge generation, which could lead to finding the set of alternative solutions, is needed.

Knowledge as information set has several different types recognized in literature: explicit vs. tacit, procedural vs. declarative, esoteric vs. exoteric [10]. Tacit knowledge [11] is that which is not conceptualized and to date is difficult or impossible to express, write down and codify, “It involves knowledge that leads to effective policies, practices and procedures” [10]. Explicit knowledge is that which can be readily articulated, written down and shared. Declarative knowledge consists “of facts or observations about the state of the world, and procedural knowledge is closer to knowledge as recommendations that link observations with facts affected by these observations” [10]. Esoteric knowledge is that which is highly specialized, formalized, and applicable to narrow domains.

If we assumed that knowledge is essential for policy decision making, public administration should answer the question who possesses the knowledge and how the input of those who have knowledge should be managed? It brings us to the theory of stakeholders or actors of policy creation with certain stake or interest which has expression of policy creation knowledge. Shared primary knowledge used wider through the interaction of other set of knowledge and could be transferred from tacit to explicit and later conceptualized as common perception.

The set of actors during the policy creation cycle is not stable due to different reasons. New stakes are recognised and new actors are joining, while others are abandoned. These new actors affect the process in a different way. Both the positive and negative impact could be emphasized. The main impact to policy development is new knowledge and additional commitments had to conceptualise as positive effect. Nevertheless, new comers diminish for the time being the level of previously generated common knowledge and perception despite the possibility to enrich the process by new aspects. Inconsequence and ongoing involvement of completely new set of interest parties cost time delay of policy development and implementation as negative impact. If we assume that for coherent policy decision a certain level of knowledge $K_t$ is needed and with a certain set of actors it is possible to reach at the time of $t_1$, and if we assume that every new comer enriches the process by his knowledge but does not increase the knowledge creation speed, the same knowledge level $K_t$ will be reached with delay of $t_2-t_1$. On the other hand, with a new set of actors the demand for knowledge level $K_t$ increases (Fig. 1).

![Fig. 1. Relationship between knowledge gain in the decision making process during a certain time period, when additional actors are involved.](image-url)

If every policy creation actor possesses specific start-up knowledge which can be effected by experience and interest, the steering mechanism based on management to create common perception and common knowledge should be elaborated. The target settled for steering mechanism is to create environment for policy creation where every single set of knowledge possessed by an actor would exceed than simple sum of primary input.

C. Participatory Policy

Research on public participation in decision making has produced rich body of literature on participatory decision making [12], interactive decision making [13], co-management [14], joint decision making [4], and governance
as process interaction between social networks [15]. All these different approaches of public participation underline the same set of essential aspects such as power sharing, institution building, trust and social capital, process, joint problem solving, governance, social learning [16]. Despite the wide scientific discussion on different aspects what has direct impact on policy creation, there is a lack of holistic practical managerial advice which could integrate infrastructure of policy decision making with intellectual capital and with interconnection of partnership.

III. HARMONIZED MODEL FOR DECISION MAKING: HM-3P

If the third order decision problems as a decision content which has direct interaction with the process [17] are the main challenge for knowledge management via policy decision actors alignment, and timeframe for policy creation is a constrain under consideration, there is a need of integrated steering framework for public administration. Searching for such framework, the managerial approach is applied. The proposed framework as harmonized decision model is based on the democratic approach when successful policy implementation is possible with tight cooperation with implementers at the policy formation stage with wide social consensus and public participation [18]. We call this model harmonized since the political process as infrastructure and people as intellectual capital are interconnected with partnership relationship with the purpose to harmonize the policy decision making (Fig. 2).

Fig. 2. Harmonized model of decision making with 3P – people, process, partnership and their input to decision.

A. Process As Policy Decision Making Infrastructure.

If the policy decision making was understood as a temporary organization, which exists for the time until the policy decision is made, the process would take the role of organization infrastructure. The success of policy creation and policy changes fully depends on the way a decision was prepared. The policy decision making process could be carefully planned and broken down to stages with respect to different managerial tasks. First and foremost, the decision making process strategies imply three main stages: pre-execution, execution and post execution. The process realisation certainly is not perceptible as linear. Any other possible non linear approaches could be analysed and chosen as process according to the complexity of the issues, uncertainty and present knowledge level [19]. Carefully planned and timely communicated process with main attribute of openness and transparency seeking to avoid manipulation and tension will open the floor for acceptable rationality.

The pre-execution stage mainly concerns the singling out of the aims and objectives of the whole process in general. Process planning should start by articulating the values and then action plans to achieve the vision while adhering to those values. At this stage the public administrator would be expected to draft and clarify the results he is seeking to achieve, the timescale available and possibly applied methods. The set of interest parties needs to be identified at this stage; it is also necessary to define what is important for different stakeholders across the decision actors. Different approaches to decision making processes, such as phases, streams or decision making rounds [19] are acceptable to apply at the pre-execution stage, according problem complexity, stakes of interest, knowledge available.

The execution stage encompasses the decision making process with sub-stages as a.) problem analyses and exploration, b.) common perception c.) joint problem solving (definition of goal and objectives, agreed upon all decision problem actors; evaluation criteria that are relevant to the goal, alternatives construction, formal methods application if needed for rational choice of possible alternatives-solutions, d.) decision selection, e.) decision formalization [13]. Although the breaking of the execution phase into the sub-stages according phase decision model was discussed previously, streams and rounds could be organized inside one sub-stage or cover several sub-stages. The challenge for policy makers is managing streams and rounds due to the desire to delegate the mandate to make intermediate decision to any other decision actor than policy maker. Due to time constrain, managing and monitoring of intermediate progress should be planned and executed periodically with the purpose to move knowledge from one round to another one seeking synergy of parallel processes.

The post-execution stage is the period from the moment of decision formation to further periodic monitoring of the success level of overall changes and actions taken. Its purpose is to execute the policy implementation process and outcomes as impacts on policy problem [20] and summarize the evaluation experience; it serves to check the final results by analyzing the change brought as a result of evaluation. Based on post-execution feedback relevant policy can be adjusted. For the decision making process to be finalised by the desirable output, a set of actors who create those actions, who implement them and who will use the outputs should be defined.
B. People As Intellectual Capital In Policy Decision Making

Policy decision making infrastructure is used by people acting as intellectual capital. The broadening of understanding of actors in decision making process depends on the decision problem dimension. The main advantage of actors’ involvement in the decision making process is a creative environment with better understanding, diversity of knowledge, commitments and responsibility to the action following the post-execution phase.

With actors’ involvement, the process is enriched by actors’ own perceptions on problem definitions, possible solutions and impacts, they have a possibility to share their own vision and improve their perception, what leads to consensus and mutual commitments. Delegation of intermediate decision, which is essential when the decision process is not linear, to a dedicated person, team or organization according to [21] promotes responsibility of the actors regarding the whole output.

From the question who possesses the required knowledge for a decision we will gradually move to the question how the variety of social interests and concerns should be recognized and aligned so that people would create the desired intellectual capital in knowledge creation. The answer is hidden in the stakeholder theory, which is widely analyzed and used for business competitiveness and public policy decision making. Stakeholder theory recommends evaluating and grouping the stakes in respect to the role, responsibility and revenue [22] and assessing the relationship between the roles. Stakeholders as decision actors must be perceptible both on individual level and on group level when stakeholders act in organizational framework. The incorporation of stakeholder analyses in to pre-execution stage ensures the ground for policy creation time management since the full set of decision actors are seeking to minimize occasional appearance of any non-considered stake. Taking people on decision making board, it means additional planning actions regarding the stakeholder identification, differentiating and relationship analyses [22]. In the absence of full scale stakeholder analyses there is a danger that some stakes can have greater influence than others or some particular powerful stakeholder can join the process too late and can break the decision making outputs at the post-execution phase.

C. Partnership

A relevant partnership is an essential aspect to make coupling in between policy decision process with people. Sorting the scientific literature, we face partnership as the common topic for public management in terms of public-private partnership, which is gaining support as new forms of governance [23] “which aim to manage the increased interdependencies between all kinds of societal actors” [4]. Meanwhile business world partnerships have been defined as an ongoing relationship between actors involving a commitment over an extended time period and a mutual sharing of information and the risks and rewards of the relationship [24].

In order to harmonize the policy decision making we must fill the content of common perception of partnership. Partnership stands for the obligation to ensure awareness, confidence and mutual understanding. Partnership should act as the platform for communication, which is based on self-confidence within the decision making process and people involved as actors of the decision. Self-confidence in combination with institutional confidence makes the policy decision process open to new creative ideas and solutions. From the technical perspective, to ensure awareness, partnership is engaged by proper, timely and regular communication to facilitate the exchange of elements of tacit knowledge among decision actors. Permanent communication could be perceived as information flow, the direction of which depends on the process stage, intermediate resultants mandate and actors’ constitutions. Only information documented and shared timely could be transformed to knowledge and later to a plausible decision. Every new actor must be equipped by proper chronological sorted information, which represents the state-of-the-art and consensus level reached with the purpose to amortize powerful stakes or decision making time management when new comers are joining.

Different managerial channels to spread up knowledge are available and necessary to use: networks, consultation, date-to-date communication, conference, and etc. Additional managerial, what we can call steering, skills, such as periodically produced information analysis, sorting and grouping of knowledge, are needed just to ensure that the decision infrastructure works properly and the intellectual capital is satisfied by the efforts.

IV. ANALYSES OF LITHUANIA R&D POLICY DECISION MAKING IN PERIOD OF 2006-2009: PARTICIPATORY PERSPECTIVE

R&D policy domain by its nature is a highly risky and costly policy sector, where long-term strategic planning is essential. At the beginning of 2007, during programming of 2007-2013 financial perspective, Lithuania R&D policy makers faced the historical challenge of making a revolutionary background for considerable improvement of R&D, since the fruits of evolutionary R&D development did not satisfy either the academic society or policy makers any longer. It was the time when the new policy intervention elaboration was started. New trends in R&D policy domain as new innovative policy measures, namely integrated science, study and business centres (Valleys), national integrated programmes (InP) and later joint research programmes (JRP), were elaborated. However, new financing schemes did not rescue policy makers from the challenge of initiating transparent policy making process and securing wider participation.

A. An Overview Of New R&D Policy Schemes

National Integrated Programme (InP) was first introduced as the governmental obligation of 2005 to stimulate R&D business integration. InP means a programme for ensuring complex development of R&D, studies and knowledge-intensive business in a particular sector. The main emphasis was put on content of cooperation inside R&D activities and their adoption to knowledge intensive business needs. No
legal act regulating the InP development scheme was formalized, so the policy creation was delegated to the Ministry of Education and Science, which acts on the day-to-day communication.

Integrated Research, Study and Business Centres (Valleys). At beginning of 2007 the government adopted the resolution on the creation of the concept of Integrated Science, Studies and Business Centres (Valleys) as economy clusters accelerating the development of knowledge society and consolidating the long-term foundation for the competitiveness of Lithuania’s economy. The threefold synergy as study, research and business collaboration was conceptualized for the first time on the action plan as legal document. One month later the following legislation was adopted as guidelines on how, when and by whom the visions and the programme could be developed and evaluated.

Joint Research Programmes (JRP). Joint research programme was introduced in 2009 as a steering mechanism to coordinate different R&D projects and programmes initiated via different financial schemes (Valleys and InP), which used the national and EU structural support. The scheme was outlined as guidelines for preparation and implementation of JRP. The initiation, preparation and implementation of JRP is delegated to a consortium which acts within the Valley scheme implementation. After consultation with national experts, 4 topics were selected by government.

Though three R&D stimulation schemes were introduced at different times (Table I), all schemes were concentrated on the same objectives and measures: the consolidation of the private and public efforts for sustainable R&D, studies and business development focusing on infrastructure, R&D priorities and human capacity.

### B. R&D Policy Creation: Process

Policy creation process lasted from November 2005 to the end of 2009, if the end of the policy creation process is considered to be the adopted legal act which is covered by substantial budget. The process investigation has indicated that three competing and interconnected policy schemes for R&D stimulation (Valley, InP, JRP) have been elaborated using the same approach to policy cycles (Fig. 3).

The two-phase policy formation process was used: preparatory phase (exploring the possibilities when calling for visions (Valley case) or feasibility studies (InP case)) and policy outlining, when the concept is extended with details on implementation. Due to time pressure only JRP creation was elaborated in one stage and lasted for 3 months.

Though the policy intervention was done by the Government as top-down approach drafting the main principles, guidelines and evaluation criteria, the initiative to propose content and details of implementation was nominated to legal bodies of Valleys initiators, InP and JRP implementers, specifically R&D performers with cooperation of business partners. The stakeholders’ input could be comprehensible as bottom-up approach. To assure the transparency of the policy decision making process, top-down and bottom-up approaches were integrated with independent

<table>
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<th>CHRONOLOGICAL SUMMARY OF R&amp;D MEASURES</th>
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<td>Debate on idea</td>
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<td>November</td>
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<td>June</td>
<td>Debate on idea</td>
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<td>October</td>
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<td>March</td>
<td>Adoption of Concept</td>
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<td>June</td>
<td>Guidelines for proposals (Visions and Programme)</td>
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<td>September</td>
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<td>April</td>
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<tr>
<td>September</td>
<td>First draft of 5 programmes</td>
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<tr>
<td>December</td>
<td>Approval of 5 programmes</td>
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<tr>
<td>January-February, May</td>
<td>Consultation</td>
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<tr>
<td>June</td>
<td>Concept modification in respect to JRP Start for 14 projects within Valley programmes</td>
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<td>July</td>
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<tr>
<td>December</td>
<td>Budget allocation Approving of 4 programmes</td>
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experts’ evaluation. The active role in policy creation was let by policy makers, and the choice between proposals was done by the government consideration based on external independent evaluation that was conducted by external national and international experts. Based on experts’ recommendations, the government asked to amend all proposals, both for Valley visions and InP.

The combination of top-down and bottom-up approach while formulating new R&D policy schemes and the stimulation of policy changes served as a compromise, being aware of the way R&D policy decisions were made during the last decade, when no radical or revolutionary changes were introduced successfully.

InP creation policy process was not outlined in advance, and the Ministry of Education and Science guided the launching phase by date-to-date communication. Since no legal act regulated the InP scheme development, the Commission set inside the Ministry of Education and Science took the lead for InP development and was free to act at its own decision.

The real policy creation regarding InP development was started in 2006 by the call for feasibility studies. The first legal act, where the goals and implementation measures were outlined, was adopted in late 2007, one and a half year later, and then the real policy creation process was loaded.

After several months of debate, negotiation and consultation, the Commission agreed on the list of evaluation criteria. Under the political pressure in the middle of the decision making process (at the beginning of the 2nd phase) the new additional cycle of call for proposals was loaded as the political response to the claims that the process had not been transparent and some valuable R&D sectors had no possibility to be represented.

The bottom-up and top-down approach was criticized from the side of implementers.

December, 2008, vice-rector, “The way the Valley was created is unjustifiable and not acceptable. The Valley creation becomes a demonstration of political action instead of transparent arena for join problem solving. It was wrong to demand seeking consensus outside the decision making arena, when the initiator (ministry) took the role of an observer and justice.”

Analysing the timeframe we can notice that at the time one scheme is elaborated another two schemes elaboration are interrupted. This represents the consequence of political impact since during the process the political election brought new politicians to the decision making process in October, 2008.

C. R&D Policy Creation: People

From the perspective of policy decision making actors, three types of actors could be found to be involved. Public administration (governmental and ministerial) plays the role of the main actor of policy decision initiator and leader on the one side. On the other side of negotiation table, we can find direct policy implementers: academia and knowledge intensive businesses. National and international external experts take the role of external advisors and external judges.

In some sense, the national experts’ role could be perceived as a stakeholder, since the committee of national experts was gathering from the public R&D and business sectors as a stabilization factor.

The process was built in the manner when the owner of policy decision (public administrator) and implementers (stakeholders) were strictly divided by the role in the process and took the position as confronted parties. At the stage of call for proposals, public administration demanded hierarchically that policy implementers prepare proposals based on consensus, which is reached outside the policy decision framework.
Needless to say that decision actors were not conceptualized as stakeholders, but as intentionally chosen implementers with clear stakes via organizing a competition to select winners for implementation.

Since process was conducted hierarchically as one-way road, where the role to convince the policy makers at governmental level was delegated or dropped to the stakeholders, and the government took the role of an arbiter.

D. R&D Policy Creation: Partnership

If partnership is defined as relationship with commitments and mutual information sharing, new R&D policy schemes have been elaborated in closed, not sharing manner. There were no row information flows, intermediate results communication from the side of policy makers, process participants to policy implementers. Just official formalized information with strict deadlines for proposals and policy content elaboration were announced publicly. Soft deadlines awarded for evaluation and no deadlines for decision announcing demonstrate week partnership. Public information was fragmented and became available just in the end of 2008, on the third year of the process, when the key intermediate decisions were made. Beyond that date more and more official documents became exposed.

Closeness is demonstrated by many facts: proposal evaluation results with ranking and details were not published in any form and were left for the internal use inside the government. The lack of partnership conditioned that policy decision was hard to manage. It was accompanied by public rumour, which caused confusion among policy makers and made them repeat some stages with additional calls for proposals. In consequence, not a single proposal was rejected due to political reasons. This created tolerant environment to inappropriate changing rules: due to the controversial results of expertise and failed negotiation seeking to implement experts’ recommendation to merge some proposals, decision makers ignored proposal evaluation methods in further policy development phase, and experts’ evaluation based on peer review method was applied as the starting point for further decision stage. More details on proposal evaluation methods applied [25].

Despite some obstacles, new R&D policy design represents new policy creation culture and new course in policy decision making in Lithuania, when rational models combined with guidelines announced in advance make preconditions to build a more transparent, more predictable and more consistent policy creation process.

V. CONCLUSION

Since the public administration is dealing with the multi-dimensional, highly complex problems in terms of goals, criteria and attributes, when the attributes are not measurable by the nature, the solution is not determined. Public administration institutions in cooperation with politicians are not the sole policy decision makers in full meaning any longer; meanwhile, a special role, namely steering the decision making process, could be delegated to them.

The proposed harmonized decision making model of process, people and partnership entitled by acronym HM-3P could be analyzed as a mechanism for implementation of public administration steering role seeking the coherent social involvement in policy decision making. The model is based on the policy decision process broken down to single sub-stages with proper involvement of certain set of actors acting as stakeholders. Decision actors are connected with a complicated but properly managed communication and information flow as partnership realization.

The motivation to make the model real depends on the maturity of democracy and social pressure, when seeking to balance the society interests at proper time and proper ratio. Effective public administration being responsible for the consistent progress of a certain sector, has the mission to identify the problem at the original stage and to prevent the issue from becoming chronic when cure is long and painful. In such a case, the motivation to use managerial approach is self- reasoned.

The proposed model is effective when it becomes a part of organizational culture. Nevertheless, some aspects such as the pre-execution phase could be transformed to the legal bases as guiding regulation for pursuing standardized public management system.

REFERENCES


