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RESPONSIBILITY TO CUSTOMERS IN THE CONTEXT OF PUBLIC VALUE MANAGEMENT – A GERMAN CASE STUDY

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Abstract

This paper provides results obtained within a questionnaire-based survey conducted in small to medium public administrations in Germany. The survey was carried out on the occasion of working out indicators of risks and application of risk management for public sector. The results of the questionnaire enlighten reasons for undesired deviations from plans and strategy; in addition self-estimation of internal or external factors of decisions under not-certainty and their ramifications to the sustainable execution of obligatory and voluntary tasks. Hence the results are helpful to enlighten customer responsibility.

This field research was carried out in the period 2009-2012 with data evaluated from 23 filled in questionnaires with 45 questions. Targets were small to middle local municipalities up to 100.000 inhabitants and county administrations up to 400.000 inhabitants in North Rhine Westphalia of prime importance. The public administrations are forced by law to introduce the accrual accounting system, similar to private sector. Financial statements lead to a similar interpretation. Addressed were mayors and treasurers. The research is replenished by borrowings by Van der Wal, et al., 2008 and Bogumil, et al., 2007.

Virtual safety of existence and financing of public administrations have influence to the quality and quantity of public provided services and goods. The results of handling uncertainty, isolated projects and political decisions confirmed a peculiar dealing with accountability, responsibility and finances.

Recognizing the steady convergence of operations and strategy of public and private sector organization considering leadership, processes or budgets, a peculiar kind of responsibility to the customers is confirmed, but also an endeavor to use the system for personal interests and protection instead to regard themselves as service provider for individual and collective utility, enhancing public value as objective to be legal pursuit by governmental programs.

Keywords: Responsibility to customers, public administration, public value management, sustainable customer satisfaction, Germany

JEL Classification: H41

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Introduction

Public administration is a system of organized non-responsibility. With this kind of provocative assumption Professor Banner already in 1991 described his impression of responsibility in public organizations. Banner summarizes the personal involvement from the initial point of a decision to the evaluation of the outcomes (Banner, 1991).

Private and public organizations provide a wide spectrum of services and products. Each of them is produced to spend specific and expected benefits and utilities. By accepting the price consumers respect the monetary reference for his expected personal increased benefit and utility. Organizations are responsible for their products and services, both for free as well as for a transfer price, if the customers have a legitimate claim for expected benefit and utility (Dinu, 2010, p. 263). Beginning with the basic idea, the intended and expected utility, a good will spend to the consumer, over to quality checks to make sure, that the utility will be reached for every consumer in the intended use. For products that could be selected and purchased on a voluntary basis this notion of product-consumer-relation works. Governmental agencies provide services and goods, some of them in competition to private organizations; other mandatory products are protected by the legal framework and are declared statutory tasks. For the citizenry the responsibility for sustainable execution of provision of public products and services lies by the local public administration.

The values for fulfilling the mandatory and voluntarily tasks in public administration play a role for the way public managers see themselves in comparison to managers in private sector (Van der Wal, et al, 2008) The ambivalent function of the citizens, on the one hand to be the financier of public services and products, as well as to be customer and consumers with different grades of benefits and utilities of the provided goods, challenge the evaluation and organizational and personal localization of responsiveness for provided goods and their outcome (Schedler and Proeller, 2006, p. 102); especially recognizing political streams (O'Flynn, 2007, p. 355).

Those differences, mixed with the assumption, that especially infrastructure projects lead to a peculiar kind of sustainable consumption, the need for complete and accurate information, but in particular the safety of consumers, complement the public administration view. But the sustainable provision of those services and goods has to be analysed and re-evaluated because of the personal value, benefit, or utility in very diffuse personal awareness and a very complex structure of consumers; responses to products are deliberate more comprehensive than for private produced and purchased goods.

By using the processed data of the research and the combination with other scientific results the current state of diversified threads for execution of sustainable execution of obligatory tasks and future aspects to be taken into account for pursuing the fundamental aims of public administration. The conclusion offers comprehensive strategic planning considering financial gaps and delegation of true responsibility as key success factors for guaranteed execution of services to contribute to constitutional objectives.

1. Responsibility to customers as term and the limits in public organizations

The Cambridge Dictionary of Philosophy offers for the term responsibility following description “a condition that relates an agent to actions of, and consequences connected to, that agent, and is always necessary and sometimes sufficient for the appropriateness of certain kinds of appraisal of that agent” (Cambridge, 2009, p. 794).

The dictionary presents further role responsibility, where typically duties are associated with that role, for example for execution of those duties. Another kind is the causal responsibility concerning events including, but not limited to human actions which cause other events. Liability responsibility can be applied as practices of praise and blame, with the need of constrains, including intention, knowledge, and recklessness toward consequences; further absence of mistake, accident, and inevitability of choice. Third kind is capacity responsibility; practices of praise and blame assume a level of intellectual and emotional capability (Cambridge, 2009, p 794).

Both morality and law embody and respect these distinctions, though law institutionalizes and formalizes them. The Oxford Dictionary calls it people's responsibility, considering things for which they are accountable. Failure to discharge a responsibility renders one liable to some censure or penalty (Oxford, 2008). As one result of research, accounting is highest ranked, so a high grade of focus to accountability is set by public managers as mentioned by Van der Wal (Van der Wal, et al., 2008).

In the case of public administration, acting, like orders, is set, following rules and regulations and that's why public managers seldom have to bear a responsibility. In the case of financial mismanagement followed by insolvency the legal framework at the German Insolvency Order opens an exit; at least in the relationship to third persons the consequences to bear were excluded (German Insolvency Order, § 12).

As one static framework the public sector, as organization units dispersed all over Germany, is based on the fundamental of the Weberian model of Bureaucracy model and hierarchical system (Weber, 2008): Equality, "sine ira et studio" (without anger and fondness). The public servant should act impartially with no preferences (Pečarič, 2013, p. 129). Clear and precise determined processes to handle cases are basic principles for execution of the function, not principles or to cause an output or better an outcome. In addition dependencies to regional and federal government, considering resources, duties and objectives and the execution of governmental programs lead to a behaviour which is contrary to the case of full autonomy.

Incentives as well as blames are seldom used, although the public sector collective wage agreement of 2005 offers a limited resources (Tarifvertrag Öffentlicher Dienst, § 18). Qualitative and quantitative objectives can be rewarded with a small monetary fund. Without the possibility of reward / praise and blame / sanctions a direct and personal consequence is excluded. In the case of Public Private Partnership (PPP) Projects Forrer suggests to clear all responsibilities in the partnership/ relationship (Forrer, et al., 2010, p. 478). Therefore accountability in these projects results from the specific relationship created and obligations and requirements accepted by both government and the private entity.

In the case of a public good the consumer/ customer has to accept the provided quality of service. Moss mentioned that results of building bridges or enforcing the law system are obvious (Moss, 2004, p.1). Expectations, specifications are discussed beforehand, all alternatives are described, all legal and formal requirements and the process of providing are proved and determined, simply to make easier and to limit a personal and functional responsibility. Benefit or utility are different to individuals, in addition citizen can hold a public value that is not identical that own a self-interested private value (Bozeman, 2007, p. 132).

2. Considerations regarding the relationship between organizational values in the public sector and responsibility to customers

A contract, based direct or indirect on a legal framework, establish a relationship with bidirectional duties. The buyer has to pay the price, the producer, supplier, or seller has to provide services or products containing the promised properties. The properties and the kind of use, and therefore the individual scale of utility, depend on the effective, efficient and appropriate application of the provided service or product; the public sector organizations provide a broad variety of products and services.

In general, the activities of government action, on federal, regional and local level, content (Stiglitz, 1999, p. 27):

- Production (own provision or by a third person as contractor) of goods and services
- Regulation and subsidization of private production
- Purchase of goods and services as contractor on private markets
- Redistribution of income; that includes payments, such as unemployment benefits to particular groups of individuals.

The try to distinct or categorize the offered activities shows evidently that economic use of resources, to stay in budget or an orientation to a competitive market is not primary focus for the public sector. Main goal is to fulfill the obligatory tasks; secondary are costs, quality and outcomes of the activities. That tendency will be proved later by empirical researches.

The providing often conflicts with the manager's priority to keep within the given budget and, more important, to meet the demands of politicians and employees as states Øvretveit (2005). Pečarič sees a wider spectrum for public employees. He considered that the acts of public employees could have impact on people's thinking, feelings and behaviour and vice versa (Pečarič, 2013, p. 128). The objective to offer public goods enlightens the discrepancy and supports to distinguish private and public provided goods, including public goods as special kind of good (Stiglitz, 1999, p. 128). Other authors defined them as jointly consumed, determined by non-rivalness between customer/consumer and are considered as remedies for market failure of various types (Alford and Hughes, 2008). Because of non-excludability it is not feasible to exclude a citizen from the benefits or use of the good (Stiglitz, 1999, p. 131).

Private goods have already the property of excludability. In the case of public provided goods wide-spread expectations by citizens lead to different evaluation of output and outcome. Expected utility and quality are discussed, often on political and public level.

In the hierarchical structure, with citizenry as sovereign in a representative democracy, execution of governmental programs is the ruling order of public administration and organizations. As O'Flynn points out the focus of private sector is efficiency, quality, scrutiny and reliability; in public sector these characteristics are extended by accountability and public preferences as later proven (O'Flynn, 2007). Other rankings of values occur according to Pečarič (Pečarič, 2013, p. 131).

Public sector organizations have therefore to deal with a wider spectrum of accountability and responsibility because of the bureaucratic structures. Rogers (1998) and Walsh/Rowling (1995) found that bureaucracy leads to some undesired effects, i.e. resource wastage, budget maximization in the pursuits of power, status, income and ease of management (cited in O'Flynn, 2007, p. 355).

Combined with the different values a public manager prioritized, proved by a research by Van der Wal the responsibility on hierarchical or even personal level is hard to define for public organization (Van der Wal, et al (2008). Banner called it the "organized non-responsibility" (Banner, 1991) and is confirmed by Alford and Hughes (2008, p. 138) who point out that "in public services the procedure manuals become even longer with the method for dealing with every conceivable contingency spelled out in great detail. Once this was laid the task of the public official was purely administrative."

In the results of Van der Wal the most important values for managers in private and public sector show the difference in the professional intention. These are the rankings of actual values, given by managers of both public and private sector (table no. 1).

Table no. 1: Descriptive statistics for actual values in the public sector and private sector in order of importance

Ranking	Public sector	Private sector
1.	Accountability	Profitability
2.	Lawfulness	Accountability
3.	Incorruptibility	Reliability
4.	Expertise	Effectiveness
5.	Reliability	Expertise
6.	Effectiveness	Efficiency
7.	Impartiality	Honesty
8.	Efficiency	Innovativeness
9.	Transparency	Incorruptibility
10.	Serviceability	Dedication

Source: Van der Wal, de Graaf, Lasthuizen, 2008, p. 473.

It is remarkable that the traditional entrepreneur characteristics are not ranked higher in the most important values. The priority is directed to difficult to measure values, for example accountability in the meaning of act to willingly to justify and explain actions to the relevant stakeholders. For the private sector values with a possibility to make clear statements based on given objectives or targets are selected. Different values are born and prioritized by the autonomous position and therefore determined by a personal responsibility for the sustainable existences and for qualitatively appropriate products as result of the business.

These are results, the managers gave, asked for "Should be values" (table no. 2).

Remarkable is that in public sector the values ranked 1- 10 are still the same in the meaning of "Should be values", in private sector impartiality in the meaning of act with prejudice or bias toward a specific group interests moves 10 steps upwards, dedication is no more ranked in the first 10.

Table no. 2: "Should be" public and private sector values

Ranking	Public sector:	Difference:	Private sector:	Difference:
1.	Accountability	0	Profitability	0
2.	Effectiveness	+5	Accountability	0
3.	Incorruptibility	0	Expertise	+2
4.	Reliability	+1	Reliability	-1
5.	Lawfulness	-3	Effectiveness	-1

Ranking	Public sector:	Difference:	Private sector:	Difference:
6.	Expertise	-2	Honesty	+1
7.	Efficiency	+1	Impartiality	+10
8.	Transparency	+1	Efficiency	-2
9.	Impartiality	-2	Innovativeness	-1
10.	Serviceability	0	Incorruptibility	-1

Source: Van der Wal, de Graaf, Lasthuizen, 2008, p. 475

However, the legal framework for public administration in Germany reduces the liabilities and therefore a personal responsibility both in terms of content and in terms of personal or functional responsibility. Alford and Hughes confirmed the steps by using the model of bureaucratic system. All steps in a process are detailed determined, each eventuality is covered by the instructions, and creativity and deviation in the pursuit of opportunities are excluded. (Alford and Hughes, 2008)

In general the German municipal code excludes any kind of insolvency for public sector organization if they are necessary to keep the legal and administrative system intact. Any failure to focus to the primary aim of keeping within a given budget will be compensated by the next hierarchical levels, to state or federal authorities. This exclusion is comfortable, but at the end unrealistic as examples from Switzerland or the USA proved shortly: A public administration in Switzerland, the municipality of Leukerbad, has declared bankruptcy after occurrence of insolvency (Rehfeld, 2005). Also the State of California got a financial shortage for a period of time during the financial crisis in 2008. A popular legend of unlimited resources for public sector and an extended safety for all contractors was swept away.

3. Provision of private and public goods and services and the responsibility

To clear the existence and the grade of responsibility of organizations a distinction of private and public goods will clear the differences. Direct accountability to citizens considering products is substituted by the objective of sustainable providing of those public goods for the citizenry. Accountability and responsibility is founded on legal basement, as result public administration has to cope with all cases considering the local community.

Public service and product quality pursuit to meet those most in need of the service, with higher level requirements, available resources and at lowest cost as Øvretveit (2005) mentioned. The limited available resources made it evident: The provision depends on the material and financial framework, the quality is based not on the requirement to meet the expectations, but is actually oriented to an input strategy: Planning to providing services and products within the range of available resources. Considering the increasing and more complex duties of the public administration and the current debt level, on local, state and federal level, obviously the gap between given budget and tasks and duties is increasing. One of multiple significant signals: The debt level of German public administration was 2,058 Trillion € at the end of June 2013 (F.A.Z., 26.06.2013). That means 82% of the Gross Domestic Product (GDP).

To enlighten the diffuse objectives and duties at local administration (depending on size, local peculiarities, etc.), suggested by Burgi (Burgi 2012, p. 19):

- Self-administration
- Safety and regulatory services

- Police and fire departments
- Planning of municipal infrastructure
- Provision of basic services
- Provision energy and water/ disposal of waste water
- Protection of historical landmarks and monuments
- Social security services
- Education and culture/ sports
- Support and stimulation of local business

This list shows a mixture of execution between federal and local duties consisting of these mandatory and sovereign duties. As later to be discussed it reflects that local public administration is not autonomous in the meaning of entrepreneurship. This fact could be one contribution for the absence of responsibility.

The span of the spectrum of municipal duties is combined with the kind of decision making, evaluation of the output, and outcome of public provided goods, independent of the real execution by the public administration. Denhardt and Denhardt point out that there are three different categories which distinct public from private goods and services and have direct influence to define deviations from an expected quality (Denhardt and Denhardt, 2009, p. 5). Further Denhardt and Denhardt suggest that these three, ambiguity, pluralistic decision making and visibility, have enormous effects to the awareness of citizens and to the direct line of responsibility to the citizenry as sovereign (Denhardt and Denhardt, 2009).

Ambiguity is used in the meaning that the performance of a manager or decision-maker is seldom measured, although European approaches come to extensive and representative results (Profiroiu, et al, 2013). It is remarkable that it is states that the unit's contribution to the overall success or better to say profit has no priority (Van Thiel and Leeuw, 2002). Making or losing money is therefore a not important criterion for managerial success. But as trustee of public funds a more important orientation to stay within the given budget and to provide only products and services, which are legally and practically determined on the volume, is in a private sector organization highest priority. The research of Van der Wal confirmed that mention (Van der Wal, et al., 2008).

Further pluralistic decisions making covers the direct assignment of origin, execution and responsibility for process, for outputs and later outcomes. Many different groups and individuals, the quality, and utility of public products and services lead to a diffuse awareness and at least very diffuse evaluation (Blumenthal, 1966 cited by Denhardt and Denhardt, 2009, p. 6).

Public organizations operate with a much greater visibility of the production manufacturing process, the perception of utility of the good in the meaning of benefits, utility or other intentions, and in the outcome as effect to a group or individuals. The public and the press tend to compare intended targets and objectives with the reached effect to individual and collective use und utility function. Selection of the range of provided goods and the challenge of evaluation of quality is determined by legal framework and the political process to put the governmental will and program into practice. Responsibility is thereby limited.

4. Distinction of both sectors affecting the dealing of responsibility to customers

Of special interest is the argument to be peculiar in all or some aspects. Traditional characteristics of public administration and organizations are (Christensen, et al., 2007, p. 6):

- Political steered from hierarchical, federal to local level
- Central organization with some satellite functions
- Political representative
- Transparency and publicity of genesis of decisions, intended outcomes and execution
- Accountability
- Impartiality and equal treatment
- Professional independence
- Political loyalty and neutrality.

Beside the formal and legal characteristics the following factors could affect the awareness of a service provider and could further influence the prevailing intention to execute orders or to pursue given tasks and objectives.

a) Existence guarantee for organizations with constitutional funding

The organizational structure of the main public sector body is factual secured by the legal system. As executive institution the local public administrations are instrument of the government; without this executive branch programs could not be realized. In a more centralized public sector, i.e. France, this argument is weaker.

The legal framework and the municipal code determine organizational, function and personnel equipment for public administration. Because of the function as executive level for governmental programs or orders the existence guarantee is a necessity. At the beginning of the 70ies of the last century the last fundamental geographic, structural and organizational reform took place in the states in Germany. The planning, introduction and execution of accrual accounting connected with the paradigms of New Public Management (NPM) concerned functional and operational aspects of the public finances but not the public administration in full scale.

b) Determined processes which cope with almost every possibility

Cornerstones of the Weberian System are fixed processes. Every step is described, every deviation has regulations. The public manager is pressed in a very static system. The use of opportunities, based on own responsible actions, is excluded. Pečarič mentioned the decisions have to be made in the interest of the public not as self-interested persons. The processes should consider topical public interests (Pečarič, 2013, p. 126).

c) Own culture of using managerial power

O'Flynn (2007) complains bureaucracy tends to resource wastage and budget maximization in the pursuit of power, status and income (Boyne (1998), Niskanen (1971), Rowley (1995), and Walsh (1995) cited in O'Flynn, 2007, p. 355). As result departments tend to increase the resources with the argument of increase of complex duties and increase of routines.

d) Transfer of entrepreneurship-properties

The movement of NPM focused to imitate the practices of the private sector within public sector organizations (Kuhlmann, Bogumil and Grohs, 2008). NPM prioritize the cost-efficiency rather than to transport or enshrine governmental goals or objectives. Outcomes, for example the measurement of impact to public value, are noted secondary. First results in decreasing budget or downsizing of public administration, local or functional, are accepted as symbol for effective and efficient use of public provided resources and as progress in comparison to former performance of bureaucracy.

Further, with focus to the next steps of public sector reform, worked out the following differences which demonstrate indirectly focus to responsibility to politicians and public managers by the comparison of actual discussed management paradigms in public administration (table no. 3).

Table no. 3: Paradigms of Public Management

	NPM (New Public Management)	Public Value management
Characterization	Post-bureaucratic, competitive government	Post competitive
Dominant focus	Results	Relationship
Managerial Goals	Achieve agreed performance targets	Multiple goals including responding to citizen/ user preference/ renewing mandate and trust through quality service steering network
Definition of the public interest	Individual preferences are aggregated	Collective preferences are expressed
Performance objective	Management of inputs and outputs to ensure economy and responsiveness to customers	Multiple objectives are pursued including service outputs, satisfaction, outcomes, trust and legitimacy

Source: O'Flynn, 2007, p. 361.

For the awareness of consequences in the case of not-satisfying results, private organizations face a decrease of market-shares, decrease of turnover and selling; at least a threat of the existence of the organization. Employees, CEOs and the board have to keep in mind the chain of reactions in the case of missing the customer's interest, producing low-quality products or to loose the focus on budgeting (Levitt, 1960). Every part of the chain has to be directly linked to the functional and personal responsibility. Each subjective in charge is aware of fixed and known consequences. In the case of products which could endanger customer's health and are used by a great number the public outrage, the publicity will immediately lead to severe consequences. An organizational and personal liability will follow. The reputation of the private market is one of the most important values.

Contrary to the private sector, administration and organizations in the public sector act in a stabile sphere. Institutions which are necessary to enable governmental programs are secured by their constitutional task. This kind of safety net is one reason for the peculiar behavior.

5. Research Methodology

The research was conducted to collect data to develop a current overview over financial status of public administration. Data for developments in the past are processed. The aim was to show possible impacts by decisions made under uncertainty risk and outcomes for sustainable execution of services.

The research objectives have been achieved using a questionnaire-based field research, conducted 2009 – 2012 in selected German public administrations. Main focussed region was the state of North-Rhine-Westphalia. The state was one of the first states in Germany reforming the accounting system from cameralistics to the accrual accounting system to 01.01.2009. From 80 addressed public administrations, 23 responded. The focus was laid on small to medium city administrations and counties up to 400 000 inhabitants. The processing of data was inhomogeneous.

The questionnaires were replenished by interviews with representatives, mayors and treasurers. Intention was to collect basic data to analyse financial threats and probabilities, status of current risk management, search for indicators and measurement for risk. Using financial indicators for current status and developments, environment of the municipality and searching for latent potential financial risks lead to indicate threats for sustainable execution of services.

The results enlighten also the customer-responsibility-issue. Freedom to improve services to the citizens in public administration is dominated by political and financial constraints. Recognizing that execution of mandatory and voluntarily tasks has to focus to public interest. One question to be answered was the weighting up of intended increase of utility to citizens in comparison of potential financial burdens.

In order to determine to what extent the public administration have concerns regarding undesired financial deviations from a predicted path followed by increasing debts. Further to identify influence spheres from internal and external frameworks (local duties to European Union).

The results of the 45-questions containing survey shows uncertain effects resulting from inner and outer frameworks but further effects which could be steered and are combined with probabilities. Financial status combined with decisions under uncertainty could be used to indicate intentions to the relationship of public administration and citizens. Undesired deviations, uncertain developments by outside influence spheres and disproportions are indicators for the grade of responsible acting and planning and indicators for a peculiar awareness in the public sector.

6. Results of the Research

6.1 Remaining distinction between private and public service and product providing

If one wants to describe the term responsibility to customers in the context of public administration the different direction and objectives of both private and public sector has to be taken into consideration. As discussed above both output and outcome of products and services are different in both formation and maintaining. Enabling and execution of governmental programs are second priority, first to fulfil the constitutional duties. In addition, the protective system and determined processes and steps contribute to a stabile

system. Few incentives to seek for alternatives or opportunities to improve processes and further to reach a higher grade of effectiveness and efficiency are brake pads for a market and competition oriented organization as the ranking of values shows (Van der Wal, et al., 2008). Public funds for increase of public value to support the increase of welfare and benefits for the citizenry contribute to a stable culture of distance to personal or functional responsibility and direction change to more effective use of resources.

Additional aspects distinct the sector from their private counterparts: They provide products which are consumed together in non-rivalness. For other products a competition is missing, the customer is forced to use the local and monopolistic service. As effect responsibility to customers is not focused to a single or a multiple provider-customer relationship, but more oriented to provide a grade of public goods and individual services in general. Intended outcomes are not in focus. Responsibility is direct linked to the sustainable and economic provision, rather than to concentrate to a market share or earnings. Responsibility should be measured by different indices, not quite similar to private sector. For example a balanced budget including the steady execution of statutory tasks or better a yearly surplus, can be used as an indicator for customer-oriented responsibility, under consideration of different protection systems and a virtual safety net. The impact of a service is hard to define in the case of public service: Personal use and combined benefit or utility differ, offered services are mostly legally demanded and have in most cases relatively small space for interpretation or deviation in the provision.

Further the individual use of a service or product could be wide spread and contrary: A highway as fast route to transfer goods has for logistics a high priority and value of benefit. For inhabitants of a village in the vicinity of an embankment a disutility prevails caused by environmental and noise pollution. Combined with a non-evasive opportunity and the monopoly for strategic planning, preparation, execution of such products and services a non-similar relationship of customer-provider exist, which has influence to further consideration for example responsibility and sustainable provision. While a detected and published minor quality in private sector could lead to loss of customers, quality in public administration is still hard to define: A comparison of estimated and realized costs is used as indicator for quality or at least for performance.

Similar are fundamental activities, for example reserves for contingent liabilities. The results over the last 5 years show, that this source of possible compensation is decreasing in the public administration (Table no. 4). Not planned revenues are at increasingly at risk, in most cases credits have to be used.

Table no. 4: Development of reserves in the public administration in Germany

No.	Deviations	Percentage (n=20)
1	Increased up to 10%	10,00 %
2	Stable	35,00 %
3	Slightly decreased	20,00 %
4	Considerable decreased	35,00 %

Source: Research conducted from 2009- 2012 in Germany by the author.

The future challenges could be shown also by the status of the investment backlog, in the following table divided in 4 categories. The respondents named the following results in the context of investment backlogs (Table no. 5).

Table no. 5: Investment backlogs in the public administration in Germany

No.	Type of backlog	Percentage (n=23)
1	Buildings	39,13 %
2	Infrastructure	39,13 %
3	Personnel development	17,39 %
4	Others	4,35 %

Source: Research conducted from 2009- 2012 in Germany by the author.

Both tables allow the assumption that the measured public debt as snapshot of the current situation reflects not all challenges for the public sector future. 40% of the examined public administrations have to bear overdue investments in buildings and infrastructure; that means that the public objectives are endangered, the quality of services and products cannot be sustainable guaranteed.

6.2 Results of isolated projects as indicator of responsibility

The results enlighten the customer-responsibility-issue: staying in budget indices for current and future analysis deliberately is deduced.

Table no.6 shows the deviation from a planned path and could be used as indicator for responsibility to customers in general to provide sustainable dutiful and voluntarily tasks:

Table no. 6: Deviation from planned path in public sector in accordance of scope

Building work	More than +10 %	Up to +10%	As planned	Less than planned
financing	0 %	61 %	31 %	8 %
timeline:		Faster	As planned	Slower
		0 %	70 %	30 %

Infrastructure	More than +10 %	Up to +10%	As planned	Less than planned
financing	14 %	29 %	50 %	7 %
timeline:		Faster	As planned	Slower
		0 %	50 %	50 %

Information technology	More than +10 %	Up to +10%	As planned	Less than planned
financing	0 %	29 %	71 %	7 %
timeline:		Faster	As planned	Slower
		0 %	75 %	25 %

Source: Research conducted from 2009- 2012 in Germany by the author.

In all cases more than 30% of the projects in the described area are out of the planned path concerning costs, but more than 25% of the projects are realized slower than planned. Deviations and the ramifications could be used as indicator for responsibility towards the citizenry; sustainable operations can be guaranteed by meeting commitments.

6.3 Isolated view to guarantees as indicator for sustainable responsible handling

As seen by the given answers planned results, to be measured in time and money, are seldom met. Remarkable are the deviations in monetary aspects. The failure to open the German main airport in Berlin as planned and with the current status of vague milestones to be opened is one significant example; but obviously the responsibility for time and financial precision is taken not seriously. The following table illustrates the intentional risks of endangering financial resources by given guarantees (table no. 7).

Table no. 7: Guarantees of public administration in proportion to yearly budget

No.	Given guarantees (alphabetic order of respondents)	Proportion guarantees / yearly budget
1	25.100.000 €	55,78 %
2	99.500.000 €	130,92 %
3	7.262.839 €	2,08 %
4	23.422.000 €	11,71 %
5	4.500.000 €	22,50 %
6	1.900.000 €	7,90 %
7	15.000.000 €	7,35 %
8	2.400.000 €	2,77 %
9	50.000 €	1,25 %
10	22.825.471 €	61,69 %
11	10.316 €	0,02 %
12	574.000 €	1,64 %

Source: Research conducted from 2009- 2012 in Germany by the author.

The wide range shows a very different handling, but also different reasons to use the instrument of guarantees for third parties to take over public duties to improve local infrastructure, to offer of leisure activities or medical care. Remarkable is the proportion between a yearly budget and the sum of all guarantees. In the case of realization of all, no compensation by own resources would be possible, in one case more than a full yearly budget is involved to care for given guarantees. This disproportion could be used as one indicator of lack of responsibility.

Conclusion

Similarities and differences of both private and public sector in various aspects remain elusive; the system, objectives and targets are different.

The borrowings in combination with the results of the questionnaire allow the finding that the legal and organizational systems in public sector lead to a different kind of understanding of customer responsibility. Accountability is ranked first but the results proved that by execution of routines or projects the given targets are often missed. For guarantees up to a yearly budgets are on risk.

Public value, based on outcomes provided by material and immaterial goods, is influenced by governmental activities. The improvement of public value is a mandatory task as abstract main objective. Increasing public debts are indicators that the improvement is endangered; at least the results of the mismanagement are transferred and delayed. To stay

within given budget can be used a substitute to consumer responsibility for the public sector.

The results of the survey show the deviations and therefore the increased risk for sustainable execution of mandatory and voluntarily tasks. Measurable deviations in effectiveness and efficiency dominate the execution of public programs as confirmed by the questionnaire. In addition the increasing debt level on federal, state and local level can be used for a realistic forecast that objectives to increase the public value are endangered; a responsible dealing with scarce resources is obvious missing. Although accountability is ranked first, the public managers are obvious unable to steer the execution.

Without convergence with private sector up to personal responsibility, but also to participate in the results in positive and in negative context, the non-responsibility remains existent. The results for selected local administration considering given guarantees or adherence on schedules confirmed that estimation.

The concrete measurement, evaluation of results and their effects, and the publishing of mismanagement could be helpful to break this circle. Reforms, breaking with the responsibility-averse fall-back-mentality in the case of undesired results, are necessary; but also a system of appropriate premiums for realistic and worth targets will support a positive change towards sustainable providing of comprehensive public goods and service to maintain public value.

The contribution to public value as indicator for public sector customer responsibility can be stabilized and improved by a integrating an appropriate but flexible control systems and the increased of awareness of responsibility proved by measured results. In addition initiatives are necessary to stabilize the European economic system and the particular economies of their members to prevent transferring the debt level to further generations.

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