

## Studying Executive Barriers on Rationalizing the Size of Iranian Government

(Case: Studying Executive Barriers on Article 88, Act on Adjusting a Part of Government's Financial Rules in Qom Province)

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(Received: 27 November 2011; Revised: 27 December 2011; Accepted: 28 December 2011)

### Abstract

To rationalize the size of government, Act on adjusting a part of government's financial rules is approved and the government is obliged to assign a part of its activities through (1) services by nonpublic sector, (2) partnership with nonpublic sector, and (3) assigning the management to nonpublic sector. There are many barriers in executing this law. The present study derived from a field study tries to provide a report on the performance of various organs in Qom province on executing this law and identifies the executive barriers and provides practical proposals to remove them.

Overall, seventeen organs in Qom are subjected to this law of which five organs are selected as our sample. In this respect, different documents were studied, ten interviews were conducted and one hundred and four executive barriers and forty seven operational proposals including twenty three barriers and eleven proposals in organization and structure area, sixteen barriers and five proposals in administrative technology and working processes area, thirty two barriers and twelve proposals in human resources area, twenty one barriers and eight proposals in laws and regulations area and twelve barriers and eleven proposals in management area have been analyzed and summarized regarding their contents.

### Keywords

The 4<sup>th</sup> development plan Act, The Act on adjusting a part of government's financial regulations, Privatization, Size rationalization, Governance, Incumbency.

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### **Introduction**

The Fourth Development Plan Acts authorized on September 2, 2009 in order to meet government's long-term and strategic plans, identifies practical and executive guidelines for government's affiliated organs as well as nonpublic institutions during 2005-2009.

An aim of governmental policies in the 4<sup>th</sup> development plan rooted in previous plans especially the 3<sup>rd</sup> one is to mitigate government's incumbency and rationalize government size. The Act of the 4<sup>th</sup> development plan identifies government's long-term and strategic plans, practical and executive guidelines for government's affiliated organs as well as nonpublic entities between 2005 and 2009. By such philosophy and approach, a segment is underlined in the Act of the 4<sup>th</sup> development plan titles "the Act on adjusting a part of government's financial regulation subjected to Article 156 of this law" (the Act of the 4<sup>th</sup> development plan, 2004).

Article 88 (F) reads:

"the government is obliged to include the executive plan of this Article based on assigned tasks including quantitative goals and cost – efficacy in public expenditures and the credits to pay subsidies to nonpublic sector per annum in annual budget acts" (the Act on adjusting a part of government's financial regulations, 2004).

To cover and put this Article to practice, in notes and tables of public budget expenditure and resources at 2005 budget act adopted in 2004 under Table 17, the Act on adjusting a part of government's financial regulations obliges the government, organizations and ministries to assign a part of their operations to nonpublic sector. Such assignment in provinces is transferred to provincial administrative organs (Budget Law, 2005).

In Article 46 of the Act on annexing articles to this law, administrative organs are allowed to purchase their needed services from nonpublic sector in order to promote the quality of services and to decrease their cost credits. In Article 47 of annexing law, at least (3%) mitigation in social, cultural, production, service and other incumbencies is emphasized and in Article 13 of National Services Management adopted in 2007, assigning social, cultural and service incumbencies is reemphasized so that (2%) reduction in human forces and (20%) government's incumbency during this plan is predicted (the law of annexing articles to the Act on adjusting a part of government's financial regulations, 2005).

Undoubtedly, undertaking Article of the 4<sup>th</sup> development plan has faced some barriers and problems which lead into failure or delay of its

implementation. The present study extracted from a survey study plans to investigate on barriers and executive guidelines for Article 88 in different administrative organs.

Thus, the research question is to study the executive barriers of implementing Article 88 of the Act on adjusting a part of government's regulations in Qom province.

### **Research Goals**

1. Assessing Article 88, the Act on adjusting a part of government's regulation in Qom province executive organs and studying their executive barriers.
  - 1.1. Studying barriers of organization and structuring in executing Article 88
  - 1.2. Studying managerial barriers in executing Article 88
  - 1.3. Studying human resources barriers in executing Article 88
  - 1.4. Studying official technology and working process barriers in executing Article 88
  - 1.5. Studying law and regulation barriers in executing Article 88

### **Research Questions**

1. How was the performance of Qom province governmental organs on executing Article 88?
2. What are the executive barriers against the Act on adjusting a part of government's financial regulations?
  - 2.1. What are the barriers against Article 88 in organization and structuring area in Qom province?
  - 2.2. What are the barriers against Article 88 in management area in Qom province?
  - 2.3. What are the barriers against Article 88 in human resource area in Qom province?
  - 2.4. What are the barriers against Article 88 in organizational technology and working processes area in Qom province?
  - 2.5. What are the barriers against Article 88 in rule and regulation area in Qom province?

### **A Brief Review of Theoretical Basics to Rationalize Government's Size in Iran**

Studying government's size rationalization requires addressing such concepts as downsizing, privatization and outsourcing as discussed below.

### **Downsizing**

Downsizing refers to systematic reduction of workforce through a set of objective organizational initiatives to increase organizational efficiency and effectiveness. As a result, all costs, processes and workforce are affected. It becomes obvious that downsizing is an effort to improve the organization (Appelbaum et al., 1998, 337). One can say that downsizing refers to a process by which organizations emphasize and evaluate their initiatives and actions in order to use their resources more efficient and more effective (Karake, 1998, 7).

### **Privatization**

According to Beesly and Little Child, privatization is a tool to improve the return of economic activities (industries) through increasing the role of market forces, provided that at least (50%) of public shares are transferred to private sector (Moradi, 2005, 180).

The general definition of privatization, advocated by the World Bank and International Monetary Fund, usually refers to denationalization, particularly the sale of state property to the private sector, including the direct sale of the whole or parts of SOEs to private agents and share issue privatizations (SIPs) (Efa, 2010, 537).

"Privatization" is defined as a process that alters the balance between the public and private sectors in favor of the latter (Ho & Hui, 2008, 159).

Key and Thomson define privatization as: "privatization term involves various methods to diversify the relationship between the public and private sector (structural reform) such as denationalization or selling public assets, deregulation or removing limiting rules and introducing competition in governmental abstract protectionism, contracting out or assigning the generation of products and services financed by the government to private sector" (Sadeghian & Imami, 2005, 200; Katsoulakos & Likoyanni, 2002, 3).

In general, privatization means to return government-owned assets to private sector, a movement from direct production of goods and services by government toward their production by private sector (Schwartz, 2005, 8).

Overall, by better competitive behavior and more efficiency, private firms are able to do the activities that government spend its energy on them (Steiglitz, 2005, 80; Thatcher, 2006, 7-9; Hews, 2000, 134).

### **Outsourcing**

Two important methods in privatization are outsourcing and contracting out. Usually, they are used as synonyms in management literature. In today world, those managers who are looking for a stimulation to come close to success consider outsourcing as an important technique for being located in a competitive situation. Various definitions are provided for outsourcing.

Outsourcing is concerned with the logic behind make-or-buy decisions, which could be motivated by lower costs, or access to new processes and technologies, all of which affect time to market performance (Hameri & Tunkelo, 2009, 54-55).

The field of business economics lacks a unified understanding of outsourcing. The term is used for all varieties of external procurement, and also means the decision to use external procurement. It means the use of the market or the use of cooperative work and networking – always with the goal of concentrating on core business activities (Petry-Eberle & Bieg, 2009, 602).

Based on all available definitions, one can say that outsourcing is to look for a particular specialty found outside the organization which runs certain tasks of the business. When outsourcing is considered in an organization, decision making processes should be changed by the philosophy of “buying or building”. The most important reasons for outsourcing include technology transformation, a need for modern knowledge, creativity and cost mitigation (Gholipour & Tahmasebi, 2006, 128-130; Embelton, 1998).

### **Rationalizing Government's Size in Iran**

Existed experiences in Iran indicate that all initiatives in development plans have less resulted into satisfying the goals due to the lack of macro policies and focusing on sections. Some important initiatives to control the size of the government since the beginning of the first development plan include:

#### **1. Determining employment limit in public sector in the first development plan:**

Studying the performance of the final years of the first plan shows that the number of new employments was more than the determined limit.

#### **2. Assigning procurement affairs of executive entities to nonpublic sector:**

According to the approval letter no. 5435 in 1994, Public Organ Administration High Council is obliged to assign its procurement affairs

to nonpublic sector and, then, to eliminate such organizational positions from their approved charts. Mentioned approved letter was amended and extended in 2000 after five years of implementation. Despite of its relative success in assigning some procurement affairs of governmental organizations to nonpublic sector, this approval letter had no tangible impact on preventing the growth of manpower in government.

**3. Merging ministries and governmental institutes based on Article 2 of the 3rd development plan law:**

According to this Article, Jihad and Agricultural Ministries as well as Industries, Mines and Metals Ministries were merged. In the meantime, two affiliated organizations to Presidency Office (Official and Employment Organization and Planning and Budgeting Organization) were merged and National Management and Planning Organization established. Mentioned merges had no impact on reducing the quantity of manpower or even on decreasing the employment of new forces.

**4. Limitations on entering civil services based on Article 3 of the 3rd development plan law:**

According to this Article, governmental entities are obliged to employ new personnel equal to half of their exited personnel per year in order to mitigate governmental manpower for (1%) per year and (6%) during the program. Despite of devising a comprehensive plan of manpower and predicting employment limits for all ministries, the number of civil servants was not only decreased as (2%) between 1999 and 2001 but also increased as (3.3%).

**5. Transferring the shares and management of public companies to private companies and cooperatives:**

According to Article 9 of the 3<sup>rd</sup> development plan, it was forecasted to transfer the share of those companies whose operations in public sector were not considered necessary (Articles 10 – 27). In spite of this fact, a tangible success was not achieved in privatization of public companies.

**6. How to allocate governmental credits to various activities based on Article 64 of the 3rd development plan:**

Due to separating public activities to four groups namely “governance affairs”, “economic incumbencies”, “social incumbencies” and “nonprofit construction plans” as well as determining necessary priorities in allotting financial resources to each group, Article 64 is practically considered as a macro policy which differs from other articles of the 3<sup>rd</sup> development plan. However, it was not possible to evaluate such macro policy in a short period and it needs more time. It is

necessary that it continues in the 4th development plan.

**7. Devising the law on adjusting a part of governmental financial laws and forecasting a four-year deadline to execute it:**

In Articles 88 and 90, the contribution of nonpublic sector, municipalities and rural communities in social, cultural and welfare services are predicted and a instruction was also devised. Since mentioned instruction was approved at the end of 2002, its performance will be assessed in the present study (Planning and Management Organization, 2003, 59–62).

**Methodology**

Since this study tries to discover executive barriers against Article 88 in Qom province, it is an applied research based on its purpose because its findings are implemented in Qom province and will be used by policymakers and decision-makers. On the other hand, it is an **explorative research** in terms of its nature and method. Likewise, it is a **library / field** study in terms of data collection method since it is conducted as a survey and library study.

**Qualitative Data**

Using the term, qualitative data describe the reality. Such data are collected via observation, interview, documents and etc. Analyzing qualitative data requires three following acts:

1. Data reduction
2. Data display
3. Conclusion (Bazargan, 2005, 207).

**Qualitative Research**

Qualitative research is a regular method to describe the elements of circumstances and characteristics on human phenomena not convertible to quantity. In other words, qualitative research is to collect, analyze and describe rich and narrative-type data in order to perceive the depth of concepts and phenomena that are highly complicated due to the existence of human factor (Shams Mottar, 2009, 7; Sinuff et al., 2007, 104-105; Polkinghorne, 2005, 137; Bowen, 2005, 208; Sadughi, 2008, 56). Qualitative research poses questions to perceive the various concepts, aspects and experiences of human life and its social environment (Fossey, 2002, 717).

**Statistical Population and Sample and Sampling Method**

Studying Article 88 of the law indicates that it practically covers thirty executive organs throughout the country but we refuse to mention their names. Preliminary studies show that totally seventeen organs are covered by this law throughout Qom province. Hence, due to the

limitation on the performance of executive organs in Qom province during 2005 and 2006, it was decided to investigate five organs with the higher relatively performance since others lack a remarkable performance in this regard. They included:

1. Qom province Behzisti Organization (Welfare).
2. Qom province Sport Organization.
3. Qom province Education Organization.
4. Qom province Jihad-e-Keshavarzi Organization.
5. Qom province Medical and Healthcare Service University.

**Due to the fact that research title was a specialized subject, few people had information about Article 88 in each organ.** Hence, it was planned to conduct a structured interview with the **head, personnel and financial deputy and the responsible official executing Article 88 in each organ** to collect needed information and study the documents as research statistical population. Total number of interviews was ten. Noteworthy, there were only ten elites to interview on the research subject.

#### **Data Collection Tool**

Regarding the goals and needed data, two methods are utilized in the present study:

1. **Structured Interview:** Ten relevant managers and scholars were interviewed. A checklist was prepared by using Table 17 and paragraph (e) of Article 88 by which assignable services in each executive organ were determined and their provincial section was prepared. Hence, interviews were structured ones.
2. **Studying the Documents:** To investigate the performance of five organs, existing reports and documents were referred to and gathered reports, statistics or figures of the performance of organs were used as the resources and documents of the present study.

#### **Data Analysis Method**

Content analysis was used to analyze data obtained through interviews.

##### **Content Analysis**

Content analysis is the broadest usable method to analyze those messages based on objective and empirical methods to conduct social researches. Content analysis studies qualitative data and quantitative materials scientifically. Content analysis is the disciplined and rearing testing of communicational symbols in which numerical values are attributed to the text based on valid measurement laws. Then, relations



among such values are analyzed by statistical methods. It is done to describe the content of communication, to extract a result about its meaning or to learn the context of such relations both in production and consumption stages (Zaki, 2006, 48-49; Zeighami et al., 2008, 43).

Content analysis is a step in information process by which the content of communication is changed to excerpted and comparable data by using a set of categorized laws. It is a technique to look for reception (controlled description based on induction and deduction), the perceptual-sensational aspects of messages or extractable subjective understanding from speeches (Danayifard et al., 2004, 250).

#### **Content analysis steps**

1. Pre-analysis (preparing and organizing);
2. Examining the materials (messages);
3. Result processing (Bazargan et al., 2005, 133).

To this end, categories and components were selected by grouping organizational system problems in a report on seven organizational system transformation plans. These categories include executive barriers on:

1. Organizing and structuring;
2. Organizational technology and working processes;
3. Human resources;
4. Laws and regulations;
5. Management.

Data extracted from interviews that led into executive guidelines were classified by content analysis method in five groups and then practical guidelines were provided.

Worth mentioning, although organs and interviewees were limited, findings in five organs were similar. Regarding the observed frequency of barriers and suggestions, a kind of maturity was seen in c data and the possibility to find new issues was too low.

#### **Findings Analysis**

Below is a report of conducted activities by selected executive organs to identify executive barriers against Article 88 of the law on adjusting a part of government's financial rules. Hence, this section consists of following questions by considering research questions:

1. Evaluation of conducted activities to execute Article 88 in studied executive organs;
2. Identified barriers and operational proposals to remove them by executive organs;
3. Analyzing identified barriers and operational proposals in Qom province.

### Evaluation of conducted activities to execute Article 88 by studied executive organs

This segment reports performed activities by five studied executive organs in Qom province to undertake Article 88.

Table 1. Performance Report by Sport Organization

Row	Description	Unit	Minimum Assignment	2005	2006	2007	Average
1	Refereeing and coaching training classes	Course	643	61	73	55	29%
2	Holding domestic champion competitions (deployment or hosting)	Course	600	177	221	213	100%
3	The rights of using sport spaces	Location	1200	To board: 6 locations Private sector: 13 locations Total: 19 locations	To board: 13 locations Private sector: 2 locations Total: 15 locations	To board: 14 locations Private sector: 6 locations Total: 20 locations	5%
4	Unfinished projects and acquiring capital assets of sport spaces (national and provincial)	Quantity	35% of unfinished projects	-	-	-	0

Four operations could have been assigned by Qom Sport organization, but only holding domestic champion competitions has been completely assigned. Transfer process analysis expresses a rise from 2005 to 2007. It should be mentioned that regarding unfinished projects and acquiring capital assets of sports places (national and provincial) there is no assignment.

Table 2. Performance Report by Education Organization

Row	Description	Unit	Minimum assignment	2005	2006	2007
1	Recreational-entertainment centers	Center	100% (status quo)	80%	80%	80%
2	Healthcare-therapy centers	Center	100% (status quo)	80%	80%	80%
3	Pre-university centers	Person	40,000	9%	8%	8%
4	Elementary school education	Person	400,000	10%	10%	9%
5	Pre-school education	Person	300,000	40%	50%	80%
6	Middle school education	Person	400,000	7%	6%	6%
7	High school education	Person	500,000	11%	10%	10%
8	Vocational training	Person	100,000	25%	25%	30%
9	Developing preparation course	Class	2,000	80%	80%	80%
10	Unfinished projects to acquire capital assets	Quantity	25%	-	-	-

Generally ten performances were possible to be assigned by the Education organization but none were assigned completely. Transfer process analysis expresses the steady ascent (except in several cases) from 2005 until 2007. It should be acknowledged that none has been done by the organization concerning unfinished projects to acquire capital assets.

Table 3. Performance Report of Jahad-e-Keshavarzi

Row	Downsized incumbencies	Method of Assignment	Explanations
1	Assigning inquiry and confirmation process of husbandries and acquiring banking facilities from banks' internal resources by cooperatives	Management assigning	-
2	Assigning animal fattening and poultry incumbents and executors of greenhouse plans (the plans of technical and executive deputy) to acquire banking facilities	Management assigning	-
3	Monitoring on animal feed production factories (concentrate)	Service buying	-
4	Assigning artificial insemination (sheep, goat)	Service buying	-
5	Simultaneous estrous of Zandi race sheep	Service buying	-
6	Identifying active and inactive industrial units and managing animal fattening units	Service buying	-
7	Husbandry service development	Service buying	-
8	Polling	Service buying	-
9	Mapping (water and land)	Service buying	-
10	Project study and designing (water and land)	Service buying	-
11	Project execution (water and land)	Service buying	4 projects
12	Monitoring water project (water and land)	Service buying	7 projects
13	Undertaking patterned farms	Service buying	-
14	Technical monitoring on wheat farms	Service buying	16 cases
15	Technical monitoring on rapeseed farms	Service buying	Under process
16	Monitoring executive operation of patterned and pharmaceutical farms	Service buying	-
17	Monitoring on roads between farms	Service buying	-
18	Preparing and categorizing statistics and related information on combines and visiting under repair combines with respect to technical principles	Service buying	-
19	Constructing a farm to display pharmaceutical plants	Service buying	-
20	Constructing patterned garden	Service buying	-
21	Garden areas	Service buying	2 cases
22	Providing technical and engineering services to promote awareness and technical skills of operators and monitoring on garden remedies	Service buying	-
23	Eliminating undesired and uneconomic grounds and organizing 3 <sup>rd</sup> degree garden platforms	Service buying	3 cases

24	Undertaking cropping operation and managing garden floor	Service buying	4 cases
25	Solution spraying (2 times), poison spraying (3 times) and fighting against weeds	Service buying	6 cases
26	Visiting locations to spend winter time	Service buying	-
27	Developing biological materials application and using fertilization and poison	Service buying	-
28	Assigning the process of issuing poison permit by plant pathology clinics	Management assigning	-
29	Fighting against pests	Partnership	-
30	Fighting against general pests	Partnership	-
31	Garden dropping (pistachio, Olivia)	Service buying	17 cases
32	Holding training assimilation courses	Service buying	28 cases
33	Evaluating and studying assimilation plans and projects	Service buying	-
34	Advisory services	Service buying	8 cases
35	Vocational training	Service buying	-
36	Training visits out of the province	Service buying	2 cases
37	Producing training films	Service buying	-
38	Broadcasting captions by Qom IRIB	Service buying	-
39	Producing and broadcasting Jahad Sabz (green Jihad) radio programs	Partnership	-
40	Producing and broadcasting Rahe Sabz (green road) TV programs	Partnership	-
41	Studying affecting factors on the contribution of rural women in agricultural sector	Service buying	-
42	Producing training publications	Service buying	-
43	Monitoring, visiting and providing expertise and advisory services to fish breeding pools	Service buying	-
44	Mapping and devising land titles and implementing the maps and pile driving	Service buying	-
45	Extracting files on changing the applications to create databases	Service buying	-
46	Obtaining land ownership titles	Service buying	-
47	Equipping and maintaining computer systems	Service buying	-
48	Maintaining and servicing organizational computerized network	Service buying	-
49	Assigning service and procurement affairs	Service buying	-
50	Assigning light transportation (leased)	Service buying	-
51	Type and copy	Service buying	-
52	Assigning the affairs on running Mashad guesthouse	Management assigning	-

Since there is no definite relative frequency as well as no minimum amount of assigning actions in collected data from Jahad-e-Keshavarzi organization, it is difficult to judge how and to what extent Article 88 is employed. Thus, we just can study that out of fifty two assignment performances, only twelve have been assigned as buying service.

Table 4. Performance Report of Medical University

Description	Unit	Minimum Assignment	2005	2006	2007	%
Pharmacy	Quantity	60	-	3 rural centers	4 rural centers	11%
HIV laboratories of Blood Transferring Organization	Quantity	55	-	1 case	1 case	4%
Radiology on patients of private centers	Quantity	47	-	2 cases	2 cases	8%
Hospital beds	Bed	825	-	-	-	0%
Laundry	Quantity	43	-	-	-	0%
Kitchen	Quantity	46	-	-	-	0%
Urban healthcare centers	Quantity	123	-	-	-	0%
Urban bases	Quantity	445	13 38 persons	15 40 persons	15 43 persons	10%
Rural healthcare centers	Quantity	146	-	-	-	0%
Healthcare centers	Quantity	257	-	-	-	0%
Emergency stands	Quantity	34	-	-	-	-
Methadone treatment centers			-	-	3 persons	-
Psychologists in methadone advisory centers	-	-	-	2 persons	3 persons	-
Rural injection centers	-	-	-	3 centers	4 centers	-
Unfinished healthcare projects (nonpublic partnership or sector)	Quantity	35% of unfinished projects	According to agreements, assets were acquired	7 urban and 3 rural centers as well as 1 healthcare home	Building changes, 4 urban centers, 6 rural centers, 5 healthcare homes, healthcare training center	-

About Medical University of Qom assigning its procedural affairs, fourteen were possible to be transferred whereas none has been transferred completely. Transfer process analysis expresses rather a rise from 2005 to 2007.

Table 5. Information on Assigning Healthcare, Treatment and Welfare units

Title	Unit	Quantitative goal of assignment by using triple methods in 2005					
		Minimum assignment		Assignment	Assignment method		
		Country	Province	Province	Service buying	Management assignment	Partnership
Pharmacy	Q	60	-	-	-	-	-
Laboratory	Q	55	-	1	-	-	✓
Radiology	Q	47	-	-	-	-	-
Hospital bed	Bed	825	-	26	-	✓	-
Laundry	Q	43	-	2	✓	-	-
Kitchen	Q	46	-	5	✓	-	-
Urban healthcare and treatment center	Q	123	-	-	-	-	-
Urban base	Q	556	-	14	✓	-	-
Rural healthcare and treatment center	Q	146	-	-	-	-	-
Healthcare centers	Q	257	-	-	-	-	-
Emergency stand	Q	34	-	8	✓	-	-
Unfinished projects except hospitals (national and provincial)	Q	35%	-	-	-	-	-

because the relative frequency as well as minimum amount of transfer actions in collected data from Medical University are not defined, to judge how and to what extent Article 88 is applied in this organ is hard. Therefore, we can only state that out of twelve transfer actions, just six actions have been assigned as shown in Table 6.

### Studying and analyzing identified executive barriers and provided recommendation throughout the province

According to what mentioned in introduction, we analyze executive barriers and recommendation by executive organs in this section.

Table 6. Frequency of Problems and Difficulties on Executing Article 88

Row	Area	Quantity of executive barriers	Quantity of operational recommendation
1	Organization and structure	23	11
2	Organizational technology and working processes	16	5
3	Human resources	32	12
4	Laws and regulations	21	8
5	Management	12	11
<b>Total</b>		<b>104</b>	<b>47</b>

Among one hundred and four identified executive barriers, the major part (32 cases) results from human resources difficulties and minor

part (12 cases) results from management difficulties in public organizations.

Below, we explain the frequency of problems and difficulties on executing Article 88 in detail.

Table 7. Barriers and Difficulties in all Five Areas

Row	Barriers and difficulties in organization and structuring
1	Lack of credits (due to shrinking budget)
2	Need for national will for assigning the tasks of some organs since they involve deprived people or social harms e.g. disability of Behzisti Organization to resolve such problem alone.
3	Non acceptance of some assignments by private sector
4	Non experience of private sector
5	Distrust to private sector
6	Using a set of potential facilities by organization in the case of service buying along with management assignment (otherwise, they will be faced with wasting costs)
7	Non readiness of privatization context in the country and within executive organs
8	Propensity to perform income-generation and low-cost activities by private sector
9	Lack of managerial planning
10	Wasting acquired experience of nonpublic sector after the expiration of relevant contracts
11	Involving governmental system and legal courts to extradite delayed receivables and such costs as water, power, natural gas from private sector
12	Ambiguity in identifying and determining the costs of governmental places which possess subscription fees and shared advantages
13	Regarding assigning welfare centers, since training spaces have been already changed to welfare centers, their assignment has ramifications for us and we try to keep their ownership. However, we have to re-change their application to training spaces if the law requires it because that there is both no land and no credits in the city to buy necessary spaces through Municipality or housing and urbanism.
14	Private sector is the agent to attract the budget not to provide services; we have leaned toward private sector in a manner that by signing artificial contracts they become agents to attract governmental credits and then they go toward aims rather than governmental aims.
15	The existence of official corruption in assignments
16	The existence of rent seeking in informing private sector
17	Lack of documents in private sector
18	Problems with the tariffs determined by official judiciary practitioners and failing to do that
19	Lack of coordination to aware ministries or governor general planning department
20	Weak and low financial strength of healthcare cooperatives (we included this in our contracts in order that they can run for at least one or two months but it was not possible)
21	Lack of healthcare cooperatives to conclude contracts on healthcare and treatment services
22	The existence of a materialistic thought in computing final prices not on the basis of service providing aims
23	Volatility of privatization pillars and low motivation due to the lack of cohesion between Parliament and the Government in various administrations (e.g. the 7 <sup>th</sup> and 8 <sup>th</sup> administrations focused their efforts on privatization while the efforts of the 9 <sup>th</sup> and 10 <sup>th</sup> administrations were on contrary)

Continued

Table 7. Barriers and Difficulties in all Five Areas (continued)

Row	Barriers and difficulties in organization and structuring
1	Posing costs on private sector during assignments (for example, due to mitigation of organizational costs, it is better to eliminates rents acquired through assigning the management of the disabled centers)
2	Non expertise credits (estimation, allocation, monitoring, etc.)
3	Low record of assignment and lack of suitable feedback
4	Ambiguity in privatization executive process
5	Incapability of private sector (in terms of space and equipment)
6	Non supplying advanced equipment and resources adopted to modern standards by private sector
7	Using cheap equipment by nonpublic sector
8	Low quality of services in order to mitigate the costs in private sector
9	Uncontrolled utilization of public facilities and equipment
10	Ambiguity in identifying possible damages resulted from performed activities by nonpublic sector
11	Families' distrust to training centers like vocational training
12	Superficial reports along with colluding with inspectors by private sector
13	Ambiguity in the way of computing final price (mentioned by three organizations)
14	Lack of bidders such as tenders on injection centers of hospitals. The tenders were organized two times but there were no bidders.
15	Weakness in communication channels (not defined)
16	Problem in work cycle: for instance, workers are fixed while the companies change and we are facing with problems with regard to salaries. Later, it becomes clear that no insurance is paid for workers.
Row	Barriers and difficulties in organization and structuring
1	Lack of training in small sectors
2	Lack of training for financial and legal factors is problematic. It means that financial and legal authorities have no familiarity with laws and rules
3	Failure in assignment of culture building
4	The existence of non-qualitative and old forces
5	Lack of productive thinking in public sector
6	Domination of welfare thinking among civil servants due to economic problems
7	Non motivation of personnel especially older ones
8	Weakness in training (experts, staff, service sectors especially financial and legal ones) particularly specialized training for the incumbents of Article 88 in organizations
9	The problem of human resource downsizing and keeping 50% of governmental organizations' staff who lose their motivation due to their habits on working in governmental organizations
10	Incapability of private sector (training, experience, skill, ...)
11	Withdrawal of efficient and experienced forces
12	Focusing on income-generation activities such as sports
13	Unfamiliarity of private sector with structure and process of executive organs
14	Prohibition on using warehouse incumbent
15	Using soldiers as teachers and part-time staff that has led into the mitigation of education since they are not familiar with new methods of teaching and classroom running
16	Lack of adequate and updated in-service training for new colleagues
17	Non commitment of scholars to stay

Continued



Table 7. Barriers and Difficulties in all Five Areas (continued)

18	Lack of skillful forces; service buying personnel are inexperienced
19	Manager's risk-averse
20	Distrust of public sector staff and scholars to private sector
21	Public employees' feeling of danger with regard to assignment to private sector
22	Weakness in training classes for scholars, staff and supervisors
23	Personal perception and personal ideas and experiences
24	Multi-occupation of current organizational forces so that an individual stays even if one position is deleted
25	Incapability of manpower
26	Some forces leave the organization and it is impossible to find their alternatives (due to limitation of 50% of old forces)
27	Inefficiency of old forces and their high costs: not attracting them and hiring soldiers would happen in private companies
28	A gap in the thought of old forces and new ones (welfare thought and productivity thought)
29	Resistance by old forces
30	Not including individuals' diverse skills in some jobs: i.e. we had problems in assigning ambulances since the driver should be also a nurse which caused accident and damages in many cases
31	Employees' tendency to official employment: specialized affairs were not assigned since scholars leave the organizational when they find official employment
32	Low quantity of legal practitioners in official and financial departments
Row	Barriers and difficulties in organization and structuring
1	Clashes in laws
2	Lack of coordination between current laws/regulations and activities and goals of private sector
3	In some cases, lack of a legal solution
4	Short period of assignment contract for some governmental places such sport clubs (one year)
5	Increase in legal problems on assigning some places
6	Involving governmental organization with legal courts on extraditing delayed receivables and such costs as water, power and natural gas from private organization
7	Lack of a unit rate for some activities in order to support vulnerable populations
8	Lack of supportive and subsidized policies from the incomes of special plans (e.g. championship sports or general sports) in the format of service buying
9	Lack of a cohesive trend in adjusting laws and rules related to the way of assignment and control/monitoring system
10	Non communicating general policies by different ministers and a kind of confusion since they have not been able to make a decisive decision
11	Late announcement of rules
12	Rules inflexibility
13	Lack of transparency in rules (ambiguities) and, as a results, various interpretations (e.g. Article 13 is perceived that the location of relevant committee is Ministry and we have to form the committee inside the university which caused problems in manuals)
14	Lack of executive instruction for Article 88
15	instructions were not operational
16	Contradictories in instructions and Article 88 (are they allowed to be assigned to real individuals or not?)
17	The problem of Article 9 on final price

Continued

Table 7. Barriers and Difficulties in all Five Areas (continued)

18	Contradictories on Article 192 and Article 88 (some assignments are allowed by Article 192 but are disallowed by Article 88)
19	Lack of coordinated rules and regulations with Labor Organization
20	Non cost-effectiveness of current contracts in private sector in the case of respecting minimum salary and fringes adopted by Labor Organization
21	Nullifier and nullified: In new government, it was announced to employ contractual staff which led into revolution in contrast with Article 88 and the 4 <sup>th</sup> development plan. However, it is re-announced this year to use contractual staff.
Row	Barriers and difficulties in managerial area
1	Lack of right management in public sector
2	Managers' disregard to some harms such as threatening vulnerable population
3	Non structured controlling and evaluating the way of using public places by assigner organ in nonpublic sector
4	Non structured controlling and evaluating the way of using sport places by assigner organ in nonpublic sector
5	Lack of a cohesive trend in planning, implementing and evaluating the affairs
6	Lack of precise monitoring by managers
7	Managers' financial unfamiliarity to laws and rules
8	Lack of coordination between old and new forces
9	Gathering management (old thinking) and escaping assignment with the aim of developing managerial scope and organizational power (empire building)
10	Weakness in monitoring systems and lack of precise monitoring (low quality)
11	Lack of responsiveness to monitoring organs such as General Inspection Organization and Supreme Audit Court on the way of assignments and acquiring the incomes
12	Lack of proper monitoring mechanism; for example, it was impossible to monitor emergency centers

### Barriers and Limitations

1. The aim of the present study was to gather and analyze the activities of some organs between 2005 and 2006. In practice, some organs only provided their report for 2007 (e.g. Jihad-e-Keshavarzi Organization).
2. The performance of some executive organs differed from Article 88 and they had not necessarily limited themselves to this Article. This is clearly obvious in the report by Behzisti Organization.
3. Another point is on the similarities and closeness of Article 88 provisions and assigning services of executive organs to private (nonpublic) sector. Some interference is seen in the reports of some organs. For example, one can point out the reports issued by Medial University and Behzisti Organization which have included the assigned activities in their performance to realize Article 88.
4. Five organs were studied as statistical sample since other organs covered by this Article had no performance or their performance has been too weak and negligible.

### Conclusion

In conducted explorative study, it was concluded that this is the first research on this issue in Iran and there is no field study on barriers as well as practical proposals on Article 88. Hence, it was decided by Interior Ministry that other provinces use the structure, method and findings of the present study and Supreme Auditing Organization pursues the reasons of not executing the aims of Article 88 in executive organs.

As mentioned, one hundred and four barriers and forty seven operational suggestions were identified and provided through the tables. So, it is recommended that future researchers study these barriers in the perspective of other twelve organs and identify their barriers and suggestions. In the meantime, one can use this paradigm for all provinces throughout the country. Collected data findings in Qom province show that:

a. Among seventeen organs examined in Qom province which were bound to transfer their specialized operations according to Article 88, only five organs did so and the rest did not submit any report during 2005 to 2007;

b. The amount and the type of the examined organs' transfers have been based on their own specific parameters leading to a variety of them, which makes the act of comparing the organs' performances in implementing Article 88 impractical;

c. Considering the explanation of the last paragraph as well as the fact that the relative frequency (percentage) of transfers for each organization is calculated, thus, the averages of transfers (in relation to all transferrable activities) are calculated in percentage in order to compare the organizations' performances.

Table 8. The Averages of Performance in Five Organs Regarding Article 88

Row	Scope (Qom Province)	2005	2006	2007	Total average
1	Behzisti Organization	56/94	13/06	7/50	25/83
2	Sport Organization	-	-	-	33/50
3	Education Organization	34/20	34/90	38/30	35/80
4	Jahad-e-Keshavarzi	-	-	-	-
5	Medical University	-	-	-	8/25

d. after comparing the organizations' transfer performances between 2005 and 2007, it is concluded that all organizations' performances except Behzisti Organization's have a soaring turn.

Table 9. Operational Suggestions on Executing Article 88

Row	Suggestions
<b>Organization and structuring</b>	
1	On time announcement of credits
2	Separating and assigning in the old manner of Article 88
3	Introducing an authority to answer the questions
4	Computing final price
5	Computing the final price in Article 13 commission
6	Avoiding posing any cost on private sector during assignments such as eliminating rents from assigning the management of the disabled centers
7	NoN acceptance of private sector in some assignments
8	Starting outsourcing and privatization thinking in universities
9	Supporting empowerment in private sector
10	Service buying alongside managerial assignments
11	Flexible budgets and increasing the credits
<b>Official technology and working processes</b>	
1	Holding meetings with private sector to achieve a shared language
2	Documenting experiences for private sector
3	Feedback on past five years of the plan
4	More precise monitoring (it is more governmental rather than privatization)
5	Obtaining the opinions of practitioners to achieve the costs and steps before any assignment
<b>Human resources</b>	
1	Obliging nonpublic sector to training activities, talent finding and respecting the standards
2	Introducing specialized forces by government to companies
3	Specializing the forces of performance appraisal unit
4	Attracting specialized forces by private sector
5	Increasing legal scholars in financial and official departments
6	Training ordinary staff by Governor General Office (especially in official and financial areas)
7	Determining an incumbent for Article 88 in executive organs and its specialized training
8	Specialized training of Article 88 incumbent in organizations
9	The attendance of organizational scholars in assignments
10	Private sector empowerment
11	Private sector training
12	Providing the opportunity of experience acquiring by private sector
<b>Laws and rules</b>	
1	Increasing the period of contracts
2	Determining the rules of assignments and special regulations
3	Designing a proper system for pricing assignable activities
4	Enhancing the application side of rules
5	Laws flexibility
6	Resolving the problem of Article 9 since it reads that one should compute the final price, in the case of any damage, it should be assigned
7	Identifying the contradictories (comparing Article 192 of the 3 <sup>rd</sup> plan to Article 88)
8	Amending current laws and rules (legal context making)

Continued

Table 9. Operational Suggestions on Executing Article 88 (Continued)

Management	
1	Monitoring rights for observers in order to mitigate the possibility of collusion
2	Cohesive trend in adjusting the rules and monitoring/control system
3	Enhancing monitoring systems
4	A correct definition on Article 88
5	To determine whether the Article is a cost or an ownership
6	Improving monitoring quality
7	Determining the final aim in assignments
8	Policymaking on the actions by the government in sport places especially supportive and subsidized policies
9	National will on macro assignments (culture building)
10	Paving the way for privatization
11	Increasing the management authorities by executing Article 88

As shown in the above table, amid forty seven identified operational proposals, the major part (32 cases) relates to human resources area and the minor part (5 cases) indicates management issues in governmental organs.

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## بررسی موانع اجرایی منطقی نمودن اندازه دولت جمهوری اسلامی ایران (مطالعه موردی: بررسی موانع اجرایی ماده ۸۸ قانون تنظیم بخشی از مقررات مالی دولت در استان قم)

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### چکیده

در راستای منطقی نمودن اندازه دولت «قانون تنظیم بخشی از مقررات مالی دولت» تصویب شده است، و دولت موظف است بخشی از فعالیت‌های خود را با سه روش خرید (۱). خدمات از بخش غیردولتی؛ ۲. مشارکت با بخش غیردولتی و ۳. واگذاری مدیریت به بخش غیردولتی، واگذار نماید. در مسیر اجرای این قانون موانع زیادی وجود دارد. این مقاله که برگرفته از گزارش یک تحقیق میدانی می‌باشد، درصدد است تا ضمن ارایه گزارش عملکرد دستگاه‌های مختلف استان قم درخصوص اجرای این قانون، موانع اجرای آن را شناسایی نموده و پیشنهاد‌های عملی در جهت رفع آن ارائه نماید. به‌طور کلی در استان قم ۱۷ دستگاه مشمول این قانون هستند که از میان آنها ۵ دستگاه به‌عنوان نمونه انتخاب شدند. در این راستا ضمن مطالعه اسناد و گزارش‌های آنها، حدود ۱۰ مصاحبه صورت پذیرفت و تعداد ۱۰۴ مانع اجرایی و ۴۷ پیشنهاد عملیاتی (شامل ۲۳ مانع و ۱۱ پیشنهاد عملیاتی در حوزه سازماندهی و ساخت‌آفرینی؛ ۱۶ مانع و ۵ پیشنهاد عملیاتی در حوزه فناوری اداری و فرایندهای انجام کار؛ ۳۲ مانع و ۱۲ پیشنهاد عملیاتی در حوزه منابع انسانی؛ ۲۱ مانع و ۸ پیشنهاد عملیاتی در حوزه قوانین و مقررات؛ و ۱۲ مانع و ۱۱ پیشنهاد عملیاتی در حوزه مدیریت) مورد تحلیل محتوا قرار گرفت و تلخیص گردید.

### واژگان کلیدی

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