

# TQM ACTIVITIES OF THE CZSO IN 2008







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## TQM<sup>1</sup> activities of the CZSO in 2008<sup>2</sup>

This publication offers a review of the TQM activities in 2008. It freely follows the already published documents in this series. The information on the TQM activities, which were of single (or regular) character, was not included and, on the contrary, some new chapters were added (Chapters 8, 9, 10).

In 2008, the systematic strengthening of the TQM methods and principles was further developed and contributed thus to the improvement of the quality of statistics, statistical outputs and their dissemination and the Office management as well. The sixth year the TQM Committee activity subsisted in co-ordination of quality management routine tools such as staff and user satisfaction surveys, methodological audits of individual statistical segments or the CZSO self-assessment with application of the EFQM<sup>3</sup> Excellence Model. Another TQM Committee activity was the co-ordination and improvement of tools to monitor effectiveness of processes, Office activities and modernization.

In compliance with the Czech government resolution dated 25 April 2007 No. 436 regulating the staff cuts in the state administration an internal personal audit was started. The aim of the audit, which took place in June and July 2008, was to present and implement proposals on office work productivity and effectiveness improvement and related staff cuts. Details see in Chapter 8.

Like in 2006 and 2007, also in 2008 the CZSO received some important public awards, which undoubtedly reflect its systematic attention paid to the improvement of total quality of its products and services.

In March 2008, at the conference on communication in public sector held by Westminster Company and the Inside Magazine in Prague, the CZSO along with the Academy of Science of the CR and the Energy Regulatory Office was assessed in the state institutions category as an institution providing the best communication with clients. This applies to the results of the research project European Monitor of Government Communications (EMGC), which for the second time already, has surveyed the level of communications of the public administration institutions in the Czech Republic.


In 2008, the CZSO for the second time took part in the contest for the Czech Republic National Quality Prize in the category of state administration with its self-assessment by the EFQM Excellence Model. Again, the Office was appreciated for systematic and regular

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<sup>1</sup> TQM = Total Quality Management

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<sup>3</sup> EFQM = European Foundation for Quality Management



quality assessment of its products and services. By the end of November the CZSO took up the second best position and was awarded the Prize for the Organisation Improving Performance. For details see Chapter 4.

In representative public opinion survey on the CZSO perception by the Czech public (for details see Chapter 1) conducted for the third time already by the Public Opinion Research Centre, the Institute of Sociology of the Academy of Science, the CZSO (in relation to other organisations assessment) was identified as one of the institutions enjoying the highest confidence in the country and the CZSO results of the survey compared to the previous year have improved.

So far, the Czech statistics is successful in performing its aim – to provide good total quality, which is attested by positive assessment of statistical output users as well as public recognition. This, however, does not mean that these efforts should not be intensified. The commitment of the Office for the future is to win the most prestigious award in quality in the Czech Republic – the National Prize.



## 1. Perception of the CZSO by the Czech public

Public Opinion Research Centre, Institute of Sociology of the Academy of Science of the CR, conducted in March and April 2008 for the third time the public opinion research "Perception of the CZSO by the Czech public". Results slightly improved from those of the previous year. The research yielded following important results:

- The perception of the CZSO by the Czech public has not changed much in the last two years.
- The CZSO enjoys a prevailing confidence by the Czech public: as 62% of the population confirmed their confidence and 15% was lacking confidence (in the previous year confidence was confirmed by 60% of the population).
- Prevailing majority of population (78%) considers the CZSO itself and its activity useful. Most of respondents consider the information provided by the CZSO interesting (66%), trustworthy (73%) and politically unbiased (57%). In response to the question whether the information produced by the CZSO is under the government control a considerable disunity prevails.
- The CZSO is undoubtedly perceived as a professional institution.
- In the public consciousness the CZSO activity is associated with the population and housing census and the population size survey. A great majority of the population associates the CZSO with processing the election results and the economic development monitoring.
- Undoubtedly, the Czech public meets the CZSO information mostly in mass media. 30% of respondents have been searching for this information actively at least sometimes and mostly via the Internet.

## 2. User satisfaction surveys

The CZSO conducts two user satisfaction surveys every year – both wider survey aimed at the CZSO output users and a very brief survey aimed at the CZSO website users.

In the period from 5 December 2007 until 8 February 2008 a **user survey** on satisfaction with information services in 2007 was conducted. The results were similar to those in 2006 while partial deterioration of average marks in certain user groups was compensated by their partial improvement in another group of users. Remarks of respondents were concrete and constructive and many of them contributed to the improvement of quality of the CZSO products and services. The main results of the survey were the following:

- The number of responses increased from 401 to 426.
- Total quality assessment of provided statistical information and services slightly deteriorated from 2.21 to 2.23, may be due to a respondents' structure change – the

number of respondents in the group of journalists, televisions, agencies, whose quality assessment related to statistical information is, as a rule, stricter, increased almost by 50%.

- 86% of users can be considered regular users of statistical outputs.
- This survey also affirmed that the more regular the user is and the longer he uses the CZSO outputs the better assessment he assigns to the data availability.
- Users find the CZSO staff flexible and competent.
- From among the Office outputs most users use “news releases” and 93% of users are content with their quality. The second best rating was reported for “regional data” with 85% user satisfaction. Concerning satisfaction respondents give best assessment to analyses, worst to international comparisons.
- What users miss most: territorial breakdown of data, more comprehensive information, graphs and maps to improve transparency of statistical information.

**The survey of the CZSO web site users 2008** was conducted in the period from 19 to 21 November 2008. In three days 1634 responses were obtained through a “pop-up” window. The aim was to obtain source material for the improvement of website presentation to meet best the needs and activities of respondents – this is why the form of open-ended questions was chosen which, however, brings a wider spectrum of responses obtained. The most important results are the following:

- More than a half of users (taking part in the survey) were students (51%) followed by employees in private sphere (11%), lying behind with great difference, then employees of state administration and local governments (8%) and analysts (7%).
- The most valuable parts/information available at the CZSO website are considered the population related information, macroeconomic data and data related to regions.
- Encouraging is that almost 20% of respondents find the CZSO web site satisfactory and they do not wish any changes. At the same time, improvement should be reached in the following areas: easy navigation on the website and its clear layout (for 17% of users), more regional information (5% of users), time series (by 4%) and more effective search (by 5%).

### **3. Regular meetings of the CZSO management with representatives of the main groups of users**

In 2008 the traditional meeting of the CZSO management with economic analysts and representatives of the media and press agencies dealing with economic publications was organised at the beginning of December, shortly before the publishing of keenly anticipated GDP estimate for the third quarter. This particular timing was intentional because it was an occasion for assessment and exchange of opinions on a new product, i.e. publish-

ing of GDP flash estimates. Informal discussion confirmed that the CZSO manages reliably meet high demand (especially from professional public) for “flash estimates” of domestic economy performance.

Another topic on the agenda was new products designed for 2009, which could have been modified according to specific remarks of important users. This will also apply, among other things, to the policy of revisions and the manner of their publishing at the CZSO web site to be timely noticed by analysts. Important for them was also the information on introduction of a new system of industrial classification of CZ-NACE economic activities. On the one hand, the classification meets the EU requirements, but on the other hand, it may temporarily complicate the work of analysts because it breaks continuity of some time series. From this aspect an open discussion initiated by the CZSO effort to reach maximum transparency was even more important.

Users appreciated this approach of statisticians also in case of changes related to average wages. Beginning from 2009 the CZSO modifies the methodology of calculation and publishing of this indicator. The News Release (average wages) will reflect income not only of enterprises employing 20+ employees as to date, but wages earned in small-size enterprises as well. Those were so far available in publications issued by the CZSO after a small time interval. For the sake of certain data continuity the CZSO will in 2009 publish two kinds of average wage indicators, i.e. covering only enterprises with 20+ employees and, newly, covering all enterprises regardless the number of employees.

#### 4. Self-assessment of the CZSO by the EFQM Excellence Model

In 2008, the CZSO received two important awards following the long-term project of the CZSO self-assessment by the EFQM Excellence Model.

On 6 February 2008, an application was filed to the Czech Republic National Quality Prize contest launched annually by the Association of the Czech Republic National Quality Prize in the category of state administration. Under the contest rules the Report on the CZSO self-assessment by EFQM Excellence Model in 2007 (hereinafter Report 2007), submitted in written form to the contest on 14 April 2008, was assessed.

From 18 to 19 August 2008 an assessment of the Office was held “in situ” by assessors from the Association of the Czech Republic National Quality Prize. All statements given in the Report for 2007 were reviewed. Based on the assessment procedure a feedback was provided in form of a report giving a clear review of weak and strong points of the CZSO and assessing the Report 2007 **by 376 points in total**. This point assessment is a big progress compared with the point assessment of the previous Report. The CZSO won the second place in the quality contest, i.e. **“Prize for Organisation Improving Perform-**

**ance**“. On 22 November 2008, Petra Kuncová, director of analyses and dissemination branch, took over the price for the CZSO at the gala-evening held in the Spanish Hall of the Prague Castle.

The self-assessment project, which was described in the Report 2007, continued in traditional way as in the previous year, with the same composition and the same number of assessing teams. In May 2008 the preparation of the next round of self-assessment was started. On 30 October 2008, according to recommendation of an external consultant and in compliance with the CZSO management decision the number of internal assessors was reduced from 35 to 8 and the composition of the groups was changed as well.

Second important recognition was the 1<sup>st</sup> to 3<sup>rd</sup> place standing (ranking) in the research project European Monitor of Government Communication held by Westminster Company and the Inside Magazine. The CZSO along with the Academy of Science of the CR and Energy Regulatory Office was assessed in the category of state institutions as an **institution of public administration providing the best communication**. This award is recognition of the CZSO effort for permanent improvement.

## 5. Assessment of the CZSO from the aspect of the Code of Practice on European Statistics implementation

In 2008, the CZSO continued to fulfil measures accepted for comprehensive implementation of the Code in the Czech Statistical Service. A commission of the Eurostat experts and statistical institutions of Sweden and the UK adopted the measures in March 2006 on the basis of the assessment. The CZSO management discussed the report on progress reached in the Code implementation in February 2008 and then the report was sent to Eurostat.

In 2008, major part of adopted measures was implemented or its implementation continued according to specific time-schedules. Full implementation of some projects (i.e. the project of the Redesign of the Statistical Survey System) will, however, depend on allocation of extraordinary out-of-budget funds.

Since 2007, the assessment has included also other producers of data for the European Statistical System. In the Czech Republic the assessment covered nine departmental statistical units where the respective CZSO commission made similar assessment of how the principles and indicators of the Code are fulfilled. The assessment was based on the results of a standard questionnaire in simplified form. Even in these cases some measures were proposed including those, which require methodological assistance and closer cooperation with the CZSO.

Summary report describing the implementation of the Code on the level of departmental statistical services was discussed in February 2008 by the CZSO management and after approval sent to Eurostat. The Report states that departmental statistical units respect and fully follow the Code principles. No political influence was exercised and the data were collected and used solely for statistical purposes. Mandate for data collection is fully based on the applicable statistical legislation and the same applies to the statistical data protection. Some departments were not sure about the question of e.g. the access to statistical data for research needs. The CZSO was asked to provide methodological assistance in this respect. Statistical outputs are mostly available on the Internet. The application of the TQM methods (this refers mainly to bigger departmental units) is so far at the beginning. In connection with changes in the European statistical legislation and the TQM development on the central level the departments were recommended to prepare and adopt programmes relating the quality aspects of statistics.

In addition to close co-operation on bilateral level the CZSO regularly holds meetings with representatives of departmental statistical units (methodological days) where the information on the implementation of the Code rules in the Czech statistical practice is provided.

The European Commission to the European Parliament and to the Council presented the summary report on the state of the Code of Practice on European Statistics implementation on the national and Eurostat level in November 2008. This report was taken into consideration and now the respective statistical bodies (SPC and Partnership Group) will decide how to proceed in monitoring of the Code implementation in the nearest future.

## **6. Internal communication policy**

In June 2007 the Top Management Meeting approved the document Internal Communication Policy, which contains principles, components and basic issues referring to the internal communication in the Office. With the aim to introduce the Internal Communication Policy principles into current practice a Project Team for Internal Communication was set up to meet regularly, approximately every two months. All discussed topics are available to other employees on the Intranet, under reference "CZSO projects, processes."

The key elements of internal communication are, undoubtedly, the Office employees, their knowledge and skills, their loyalty with the Office, identification with stipulated priorities and strategic aims of the Office management, their engagement in work, as far as possible in comfortable and friendly environment. To realize these goals suitable conditions should be created which is a task for the internal communication project team.

The area of internal communication was divided into two spheres: Global architecture of internal information system and Increased effectiveness of information flows. The second

sphere is broken by topics into: Informal communication, System of information availability within organizational units, Intranet, and GroupWise.

In the area of Global architecture of Internal information system papers to be used for the fulfilment of the CZSO priority goal no. 13 for 2008 – Inter-Office Integrated Information System, were submitted for discussion. With the aim to reach successful fulfilment of this priority goal the Office prepares, within the Operating programme Human resources and employment, the implementation of the CZSO modernization project, whose integral part will be focused on the improvement of effectiveness of the Office Intranet, e-learning and database knowledge. The internal communication project team members will be involved in the work on the Project in selected work groups.

With the aim to reach Improved effectiveness of the information flows the following activities were realized:

- Informal communication: activities in this area represent a very important part of gradual improvement of communication by informal contacts during various events of sports, humanitarian and social nature. In the sphere of sport the following competitions were organised – beech volleyball, bowling league and Christmas table-tennis tournament. Another leg of Sudoku contest and the second hand clothes market were held. Next year the team would like to organize regular meetings of employees with the aim to talk about travelling, collecting and other similar things. The office employees are informed on all prepared activities via the Intranet and by messages mailed from **komunikace@czso.cz** box.
- The Intranet and information availability system within organisational units: basic groups of information, which should be available within individual organisational units, were designed. The main idea is to provide an easy access to all important and necessary information via the Intranet, to avoid double saving and to ensure availability of data both by subject-matter and organisational breakdown. Further work related to this area cannot be separated from activities taking place at the same time in the Office as preparation of the above mentioned future project “Modernization of the CZSO”. Some draft solutions concerning e.g. creation of an integrated system of internal information and data and the system of documents archiving have been submitted.
- GroupWise (e-mail client of Novell): a manual was published on how to use GW Messenger, a supplementary communication tool for informal communication.

## 7. Process management and cost controlling

One of the most important and long-term strategic goals of the CZSO is the creation of environment for effective process-oriented management of CZSO activities. Process management and cost controlling represent a large-scope project, which has become part of priority goals of the CZSO since 2006 when the CZSO won public tender for “Implementation study and pilot project in process management and financial charges.”

The study was realized in co-operation with an external advisory company Deloitte Advisory, s.r.o. The work related to the implementation of cost controlling in the CZSO conditions in compliance with the implementation project approved by the Top Management Meeting of the CZSO on 30 November 2007, continued successfully also in 2008. Objects of controlling were identified and completed and nomenclature of sub-processes was created.

- Task group “Orders in cost controlling” was set up from among representatives of all relevant units of the CZSO contributing to the implementation of the Office orders. With the assistance of the group the “List of the CZSO processes/sub-processes” was amended and then the “List of orders of the CZSO for 2008” was compiled.
- It was necessary to create a schedule for cost determination and monitoring per object of controlling and therefore a programme application “Monitoring of time consumption ” has been developed.
- Trial operation of the above programme application was started from 1 April 2008 in simplified regime, i.e. from the beginning only sub-processes and activities were monitored in terms of time which enabled all employees to get acquainted with the application and the list of sub-processes in service conditions of the CZSO units could be completed.
- Upon putting the programme application into operation the heads of individual units had to define and insert the specialization of their units in the application, e.g. to assign the sub-processes from the approved “List of processes and sub-processes for the CZSO” to individual units and prepare job-specification of individual employees.
- To meet this aim the Programme control manual was published on the CZSO Intranet along with explaining presentations in Power Point and detailed guidelines how to determine the specialization of the CZSO units and its employees.
- In the statistical processing branch the Helpdesk service was established (programme application for responses to the employee’s questions) which contributed more or less to a problem-free use of the application in operating conditions.
- From 1 September 2008 the application started to work in full regime, i.e. all the CZSO employees recorded obligatory data on time spent on executing the orders in compliance with the “List of orders for 2008”. Administrators of orders, authorised persons/heads of teams and teams of employees – task solvers were registered in the application.

- Besides, tender documentation was prepared for the purchase of programme equipment for cost controlling and the tender procedure for the software contractor has been started. Purchase of software for cost controlling is realized simultaneously with the introduction of improved economic information system (EIS JASU) as a necessary condition for recording of costs/expenses on controlling objects.
- Following the selection of software for cost-controlling the preparation for the programme data processing and cost reporting on controlling objects will be started. It will be necessary to determine the follow-up to the information system on personal and financial issues and the “Monitoring of time consumption ” application.
- Programme application “Monitoring of time consumption” is an important source of information aiming at outputs to be used for the management of units, orders and processes/sub-processes of the CZSO.

## 8. The CZSO performance assessment methods (productivity, effectiveness)

In relation to the realization of internal Personal audit (PA) in June and July 2008 the quantitative methods for the assessment of performance (productivity, effectiveness) of the CZSO organisational units were used more extensively in the Office for the first time. Some of these methods had been prepared and used earlier; some were tailored especially for the PA 2008 purposes.

In respect of heterogeneous structure of the CZSO activities (data collection, data processing, “core statistics”, service activities, dissemination...) it is (for now) not possible to create and formulate an universal method for the performance assessment of the CZSO organisational units. During the Personal audit 2008 a variety of these methods was used including the following:

- Benchmarking with the Statistics Austria (Office with one of the best process management in Europe) – for details see Chapter 9.
- Capacity models (in the area of collection and processing of data having more or less industrial, production nature).
- Economic and capacity related calculations (especially in the area of administrative and service activities, but also e.g. in information service area).
- Comparison with average and top values in economy (where possible, mainly in service and administrative activities).

Approximately at the same time (spring 2008) when the performance assessment methods were being prepared as a source material for PA 2008 a basic cost controlling application was started in the CZSO - monitoring of time costs of individual activities (sub-processes and processes) and orders – see previous Chapter 7.



Performance assessment methods used in personal audit were also used for labour productivity assessment (effectiveness) of organisational formations (departments, independent units); monitoring of time costs, i.e. the whole strategy of cost controlling is focused on activities (processes, sub-processes) and then orders and cost centres.

In perspective it will be necessary to connect both branches (performance assessment methods used for PA 2008 and cost controlling) and, where possible, to integrate them into a unified system of performance assessment. Cost controlling should not serve only for cost monitoring (be it time or financial costs). This should be only basic information, which can be immediately derived. What should be developed is the super-structure enabling to monitor the productivity of individual activities (sub-processes, processes, orders, cost centres). The productivity growth should be monitored on continuous basis in certain periodicity and should serve as a basis for repeated personal audits. Cost controlling should also serve for comparison of productivity in space – across activities, orders, cost centres.

## 9. Benchmarking of the CZSO with the Statistics Austria

On 2-3 June 2008 mutual comparison (benchmarking) was agreed between the Czech Statistical Office and the Statistics Austria. As at 31 December 2008 two rounds of benchmarking took place: the first round was concluded, as agreed with Austrian colleagues on 30 June 2008, the second one on 30 September 2008. The third round has not been completed yet and therefore neither detailed results nor analytical assessment of comparative performance of individual organisational units or activities are available. The comparison of both offices so far offers the following:

- Statistics Austria (hereinafter only SA) has only 50% of employees of the total of the CZSO staff (compared was the number of employees as at 31 May 2008: 1752 in the CZSO and 857 in the SA).
- The SA has no regional offices.
- The CZSO and SA produce practically the same statistics; SA focuses more on environment, migration and tourism.
- The SA conducted approximately 200 statistical surveys in 2008 in compliance with the Statistical Survey Regulation.
- The number of News Releases and the planned number of publications for 2008 was 220 in SA, 140 in the CZSO plus 71 regional publications; the number of News Releases in 2007 in SA was 280, in the CZSO 199.
- The SA purchased some services related to financial accounting and legal services.
- The SA has only 2 company cars.
- Field interviewers of the SA use their own car or means of public transport.

- The SA has no real estate properties in its administration.
- The SA has a fixed financial amount allocated from the state budget, which is probably increased by the sale of certain statistical services and products.
- The SA reports on its costs and revenues, the CZSO, in contrast, monitors its incomes and expenditures.

The third round of benchmarking should provide a detailed explanation of differences in the number of the staff of both statistical offices in the areas of some statistics, specialization and the number of interviewers, types of administrative data sources, competences of the personal management unit, competences and scope of international co-operation, competences and the scope of controlling; sort of used ICT system - its advantages (disadvantages), etc.

## 10. Quality in statistics

The sub-system Quality has been developed as part of the project Redesign of the CZSO statistical information system. The project was presented at the international Conference on Quality in Official Statistics held in Rome in July 2008. The aim of the system is to determine, create and subsequently use the information on quality of statistical processes and products concentrated in the central database.

Attributes of quality, i.e. meta-information on quality form the base. Design of their contents and structure is based on the concept of quality of the European statistical system and individual stages of statistical process. Meta-information covers several levels – statistical task, particular processing and its stages, quality of outputs, etc. Essential part is focused on statistical tasks of survey design however; it also covers the tasks dealing with the use of administrative data or other data sources for statistical purposes. The sub-system is gradually connected to different parts of newly designed information system. The calculation of some quality indicators, such as variation coefficient or response rate is also included.

In 2008, the attributes of quality for the level of statistical task were included into the meta-information system and its pilot testing took place. The set of all attributes is tested also separately as part of well-arranged forms design. These forms serve for views of data and for prospective data entry (e.g. commentaries, etc., while majority of values shall be generated automatically). In the future, super-structural functions serving for comparison between statistical tasks, etc. can be taken into consideration. The sub-system is primarily designed for internal use in the statistical process management at different managerial levels. This includes also compilation of basic information for quality reports. Some information can be used as a source of information for the public.

The CZSO takes an active part in international co-operation at the level of European statistical system. This year the Office selected key indicators and their methodology for the output data quality assessment or remarks to the draft structure of European statistical meta-information Euro-SDMX. The CZSO also participated in regular consultations regarding Quality Profile of structural indicators (QS SI) and Quality profile of sustainable development indicators (QP SDI). In 2008, the CZSO sent to Eurostat the total of 22 comments on QP SI and 28 comments on QP SDI.

Coherence of statistical data and processes in the CZSO is coordinated by the Management Committee for the improvement of coherence and comparability of statistical indicators of the CZSO.

## 11. System of analytic activities in the CZSO

Analytic activities of the CZSO were performed in compliance with the document "System of Analyses after 2006" approved by the CZSO President's Board at the end of 2006. The analysis "Tendencies and Factors of Macroeconomic Development 2007" was a pivotal output containing identification of causes and effects of development in 2007 in the context of long-term trends. It also dealt with the position of the CR in international comparison.

This publication was related to partial analyses published in accordance with the Catalogue of Publications 2008. They focused especially on external trade, foreigners in the Czech Republic, gender information, factors affecting success rate of business activities and savings and debts of Czech households. Analyses prepared in the CZSO were also widely presented in the economic and statistical magazine Statistics. Besides, major attention was paid to short thematic analyses devoted to current issues and published on the Internet. Short thematic analyses were made in close co-operation with subject matter departments and peer reviews have become a standard. Analysts got involved in internal analyses and examined discrepancies between individual statistics. On top of data produced in the CZSO, data from other sources were used (including Ministry of Finance of the CR, Czech National Bank, Ministry of Labour and Social Affairs of the CR). Data from Eurostat served especially the purposes of international comparison.

Regional analyses became an integral part of the analytical activity. In addition to the Analysis of regional differences the regional branch offices published analyses of housing construction. Mutual contacts between analysts from the headquarters and the regions contributed to the improvement of quality of regional analyses. This cooperation will continue also in 2009.

Results of work performed by analysts were published besides Statistics journal also in other medias (Hospodářské noviny, Czech Business and Trade, Doing Business, Finanční management, ČT24). The presentations of the analysts were also used to inform delegations from abroad (Budget Committee of the Parliament, Republic of Cyprus, representatives of French Economic Mission from Prague and Warsaw, delegations of statisticians from the Republic of Viet-Nam), to prepare the standpoints to materials to be discussed by the Czech Government or in form of conference papers (e.g. Economic University on human capital issues).

## 12. Termination of the 1<sup>st</sup> round of methodological audits

The aim of methodological audits was to verify whether and to what extent international methodological standards and “best practice” were observed in all segments of statistics. The 23<sup>rd</sup> methodological audit in 2008 concluded successfully the first run of methodological audits.

In 2008 groups of auditors dealt with four segments of the Czech statistics. The first final report from methodological audit discussed by the office management in 2008 was the report of the group of auditors for **retail trade statistics** operating in the CZSO in the last quarter of 2007. The group headed by an external advisor from the Union of Trade and Tourism of the CR, Ladislav Šípek, had not made any important finding in the statistics under review.

In Q1 methodological audit of the **information society statistics** took place. Ota Novotný, assistant of the information technology department at the Economic University, headed the group of auditors. Neither this group made any important finding.

In Q2 the group of auditors dealing with the Energy statistics, headed by a specialist from the Ministry of Local Development of the CR, Pavel Kanta, acted in the CZSO. During a diligent audit the total of nine findings was made of which two were qualified as important.

In Q3 an audit of **research, development and innovation statistics** took place in the CZSO. The group of auditors headed by Martin Matějka, member of the Research and Development Council at the Office of the Czech Government, made in the given segment of statistics only two findings of narrower importance, which is the lowest number of findings made in one statistics since the 15th methodological audit.

By the end of the year a large-scale methodological audit of the financial, governmental and non-profit institutions statistics took place. The group of auditors headed by Tomáš Rosenmayer, project manager of Partnerství o.p.s. and member of the task group of the

Government Council for the Non-state Non-profit Organisations submitted a report for discussion to the CZSO Management Meeting in January 2009.

Four groups of auditors working in the CZSO in 2008 involved the total of 20 auditors, of which 12 were external auditors.

The assessment of the European Statistics Code of Practice in spring 2008 resulted in a statement that the Czech Republic is one of a few EU members countries with an efficient system of methodological audits. The advantage of the Czech system is, among other things, profound and detailed examination of individual segments of statistics. Balance between the number of external and internal auditors has proved useful.

According to preliminary assumptions the first cycle of methodological audits should have been followed by the second cycle. The Top Management Meeting held on 18 November 2008 approved the proposal to postpone the commencement of the second cycle by at least 12 months due to the introduction of new statistical survey systems, changes in statistical data processing, and other similar things.

### **13. Annual performance reviews and career development of employees**

#### **Annual performance reviews**

Annual performance reviews have been for the fifth year in a row an effective platform for work performance assessment. They provide a space for a dialogue concerning personal and professional growth of employees.

Even though the annual performance reviews are considered a standard tool of management they were rarely used as incentive instrument for employees because the funds are limited. Based on Personal audit performed in June and July 2008 and subsequent wages fund savings due to discharge of redundant employees it was possible, for the first time this year, to effectively combine performance assessment with remuneration.

Annual performance reviews, which should be based on concrete dialogue between employee and manager, still have reserves, i.e. not all possibilities of this type of assessment were exploited. In some cases it was an insufficient preparedness of the parties to a dialogue or formal conducting of a dialogue. Proper preparation and responsible approach of all participants are an important part and precondition of success.

Although the share of project management increased also in 2008 the management failed to use an opportunity to invite project manager to take part in the assessment talk. This can be improved in the future round of employee assessment reviews.

For the sake of better quality and elimination of time pressure at annual performance reviews the reviews took place from 15 September to 30 November 2008. The proposal to start the annual assessment review as early as in September was based on adopted measures concerning the Staff satisfaction survey.

The performance reviews focused on three basic areas:

- 1) Review of the past period
- 2) Setting goals for the future period
- 3) Programme development of education needs

Also this year the conclusions of performance reviews provide basis not only for setting education needs of individual employees, but also for determining education priorities of the entire Office. They form basis for selection of employees whose salaries will be adjusted, starting from 2009, and also for selection of employees who will receive a special training in compliance with conditions stipulated in the CZSO Employee Career Development System.

As work aid served the Manual for Conducting Performance Reviews, which was accepted by the Top Management Meeting in 2008 and presented on the Intranet. Like in the previous year, it contained conditions for the selection of employees for career development.

### **Implementation of the CZSO Employee Career Development System**

The CZSO Employee Career Development System was approved and included into the Manual for Conducting Performance Reviews for 2007. The Human Resources and Wages Department compiled by mid-February 2008 a list of candidates from individual branches for the Career Training System. The list of candidates was discussed and presented to the Top Management Meeting for approval. All candidates were approved. At this stage of the project the employees in appointed positions were not included in the Career Training System.

Human Resources and Wages Department prepared materials for personal career project preparation designed for employees included in the Career Training System. At meetings with respective employees and their managers (heads of units, directors of departments, directors of branches) an individual career plan of each employee was discussed. Since these activities took place for the first time and participants were lacking practical experience in this particular field, the Human Resources and Wages Department had to adjust the work process related to the projects. It showed that requirements of employees were

often too general. Subsequently, detailed individual career projects were handed over to employees in the process of preparation and also to their managers for approval.

With those employees whose costs on a special training would exceed CZK 75,000 over two years of preparation a qualification agreement was concluded where an employee agrees to stay in the Office for a two year period. This applied to 12 employees. The agreement has not been signed with three employees whose individual plan costs have not reach the limit of CZK 75,000 and with one employee who has already concluded such agreement from other than the above reason and the compulsory period to stay in the Office would overlap. Two employees refused to sign the agreement and applied for termination of their career training. By the end of 2008 the career training involved 16 employees, of which three in management training and the rest in expert training. Employees currently participated in selected educational activities.

In compliance with the CZSO Employee Career Development System in summer months the first check of the career development plan implementation took place with participation of the employee involved in the training, his/her superior and a representative of the Personnel Training Section. The check included:

- Review of participation of an employee in educational events as part of career training
- Detailed description of his/her career development plan and prospects for the future
- Issues of internal internships and their time-schedule
- Assessment of the first training period

At meetings brief minutes were taken, which were attached to the career development plans of individual employees. It is encouraging that all employees participating in career training and their superiors gave positive assessment to the training course.

The Human Resources and Wages Department assessed the experience of the first year of the staff career training and stated that this was the right choice for ordinary employees. Since a request to include also managers into the career training was raised repeatedly, the department prepared an extension of the Employee Career Development System also for employees in managerial positions who wish to prepare themselves for further career development. The proposal was presented to the Top Management Meeting for discussion.

## 14. Staff satisfaction survey

Staff satisfaction survey is an important source of information providing a feedback to the management of the CZSO. It is an important tool for the Office self-assessment. Basic results of the fifth Staff Satisfaction Survey, which was conducted on 27 November – 12 December 2007, were presented on the Intranet in January 2008. The response rate was slightly up from 47.5% a year earlier to 48.1%. The CZSO Top Management Meeting discussed the results of the survey on 4 March 2008 and subsequent measures on 15 July 2008. Approved measures were seen, for example, in longer period of time for conducting performance reviews; establishing closer relations between performance and remuneration; holding a forum on conditions, possibilities and obtained experience on the introduction of career development system, holding of Survey on the use of benefits from the Cultural and Social Needs' Fund and subsequent introduction of a new benefit paid out from the Cultural and Social Needs' Fund to additional pension insurance of employees and holding of 2 rounds of effective communication courses as part of the management education.

The preparation of the new Staff Satisfaction Survey 2008 included a decision of the CZSO Top Management Meeting to distribute to the staff again the abridged version of the questionnaire, which was positively accepted last year, instead of full version. Left out were questions, which are no longer relevant or one-off questions. Important questions related directly to a set of key performance indicators of the CZSO self-assessment by the EFQM Excellence Model, which is e.g. assessment of the overall staff satisfaction with the professional ambience in the Office, equal treatment, satisfaction with internal communication, or questions relating to immediate superiors, remained. Three new questions were added – two related to topical issue assessment (project management, personal audit) and one question was added to equal treatment area. In view of organisational changes implemented in 2008 minor adjustment of organisational groups, for which the survey results are processed, were made. Out of the original 9 groups in 2007 new 8 groups of organisation were formed. Opinions giving information on the situation in a concrete region could be given anonymously in writing on a separate sheet of paper as before.

The Staff Satisfaction Survey 2008 was conducted from 1 to 12 December 2008. Basic results will be published by 10 January 2009. Analysis of the results will be available by the end of February and draft measures by the end of March 2009.



## **Other TQM activities**

The year 2009 will be an exceptional year for the CZSO. In the first half of 2009 the Czech Republic will take over the presidency in the EU Council. In this respect the CZSO will be able to make good use of its proper and quality preparation and smoothly perform the tasks related to the presidency.

On 14–15 September 2009 an international conference “Statistics – Investment to the Future II” will be held. The CZSO will make itself visible by its projects and activities and contribute significantly to the increased awareness of the Czech and European public of activities and plans of the Office and quality of its products and services.

The CZSO will fulfil the project aim – its modernisation as part of Human Resources and Employment Operation Programme, i.e., transformation into a modern, user-oriented institution with process management focussed on employees and target groups. It will thus meet challenging requirements on public state administration, which is expected to provide more reliable services at larger scale and of better quality at lower costs.

The self-assessment of the CZSO by the EFQM Excellence model will continue in 2009. The Office will contest for the “CR National Quality Award 2009”. Benchmarking of the CZSO with the National Statistical Office of Austria will be accomplished and assessed.

The set of key CZSO performance indicators will be extended by cost controlling indicators linking strategic (sub)goals with the EFQM criteria.

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