

Research on Improving the Capacity of NGOs to Undertake Government Purchase of Public Services Based on 7S Model

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Abstract. Under the background of government purchasing public services (GPPS), the development of NGOs faces new opportunities and challenges. To promote the development of NGOs and optimize the quality of public services. This paper analyzes the internal problems of NGOs undertaking GPPS, such as structural mismatch, low employee autonomy, high mobility and lack of professionalism, and government departments in the GPPS management loopholes, unclear regulatory responsibilities, inadequate supervision and other external factors. With the help of 7S model, this paper puts forward that the government provides a good cooperation environment for NGOs to undertake public service projects by changing management mode, strengthening system construction and training employees. NGOs define their own positioning by formulating strategic planning, matching the demand structure of public services, improving working methods, and updating service concepts. The government and NGOs work together to achieve the win-win goal of optimizing public service quality and promoting the development of NGOs.

1. Introduction

The Chinese government attaches great importance to the relationship between government and society under the new situation. It is proposed to stimulate social vitality, accelerate the separation of government and society, explore appropriate ways for NGOs to participate in social governance, and promote the transformation of government functions and the construction of service-oriented government. Different from the previous restrictive control logic, the government adopts the way of purchasing services to interact with NGOs. This adjustment from single control logic to cooperative interaction logic reflects that the government is actively adjusting the relationship with NGOs (Yu and Shen, 2017^[1]). In this context, it is not timely for the government to provide public services alone, and the government does not have sufficient financial strength and management capacity to take into account all aspects of social development. The huge pressure on resource input urgently needs to transform the supply mode of public services systematically, and also needs more social subjects to share. It is necessary for the government to purchase services from the society, which is a new way of public service supply. Increasing the cultivation of NGOs should also be put on the agenda. The 7S model (Figure 1) is the seven elements that must be fully considered in the organizational development process constructed by McKinsey Consulting Corporation. It includes Strategy, Structure, System, Style, Staff, Skill and Shared-values. Only by harmonizing these seven elements can the organizational system play its optimal function and produce the best performance. Since the 1980s, the 7S model has been widely used by enterprises, government agencies and NGOs to analyze the change and development of organizations. It has become an important tool and effective means to diagnose organizational problems, change organizational mechanisms, innovate organizational paradigms, optimize organizational functions and improve organizational performance (Yue,2010^[2]). With the help of 7S model analysis, this paper finds out the problems of NGOs social organizations undertaking GPPS, and puts forward targeted solutions. The government and NGOs work together to optimize the quality of public services and promote the development of NGOs.

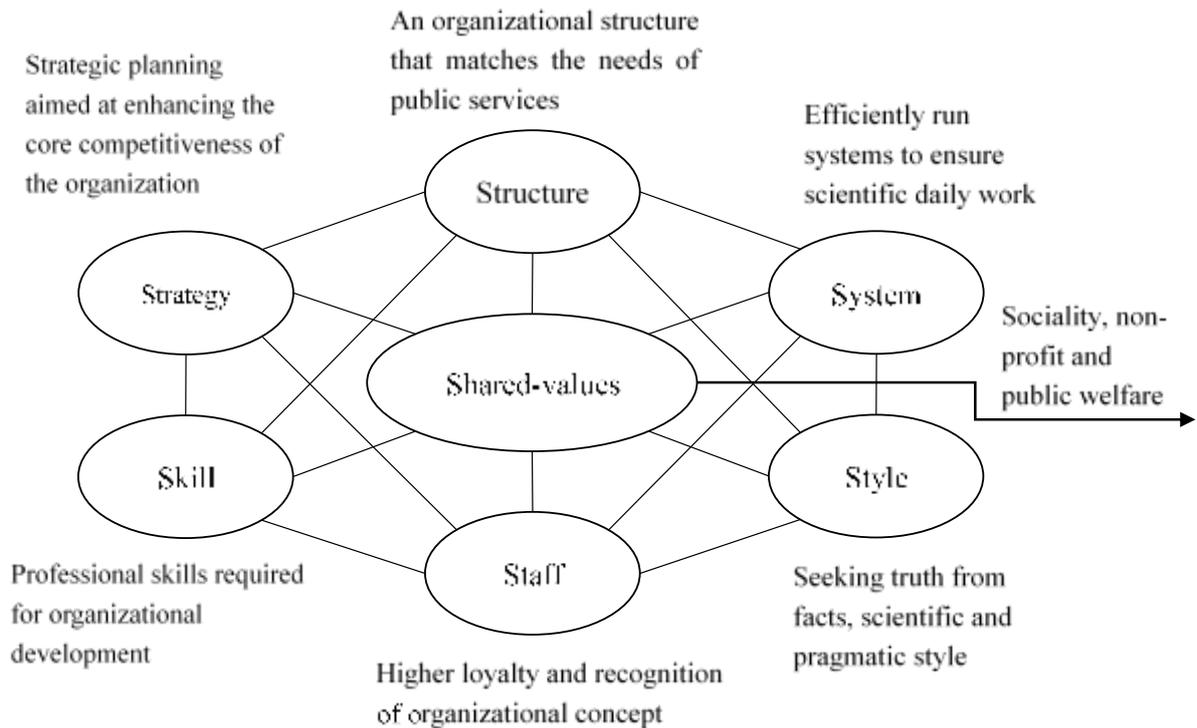


Figure 1. McKinsey 7S Model.

2. Relationship between GPPS and NGOs

2.1. NGOs are Important Subjects to Improve Public Service Quality

NGOs have made significant contributions in attracting employment and pooling social donations, and laid a solid foundation for the improvement of public service quality and public service system. First, NGOs have more advantages in the area of “soft services”. The so-called “soft services” include mental health services, care for disabled elderly and weak patients. These services are measured by satisfaction and quality of life improvement. As NGOs exist among community residents, they have advantages close to the grass-roots level and high social trust, so they can quickly respond to the needs of residents and improve their satisfaction with public services. Secondly, NGOs’ participation in providing public services improves the public service system. NGOs, as independent subjects, participate in public service provision. On the one hand, they enrich the subjects of public service provision, and on the other hand, they enrich the ways of public service provision. Multi-subject cooperation, a variety of ways to provide public services, further improve the public service system. Thus, NGOs are important force to improve the quality of micro public services and improve the macro public service system.

2.2. GPPS is an Opportunity to Promote the Capacity of NGOs

To decentralization to society, the separation of government and society is the proper meaning of the transformation of government functions. As an important means of transforming government functions, government purchase of public services has brought great opportunities to the development of NGOs. First, government procurement of public services provides financial support for the development of NGOs. The Government assists NGOs in capital accumulation by providing service fees and promotes their rapid growth. Secondly, GPPS provides policy guidance and support for the development of NGOs. On the one hand, Governments will determine which public services they need to purchase from NGOs based on economic and social development, and this process of determining public services needs will also help NGOs identify their direction of development. On the other hand, in order to support newly developed NGOs, government departments are bound

to introduce a series of preferential policies for NGOs such as taxation and venues. Third, government purchase of public services regulates the development of NGOs. NGOs can become an important force to promote social development, or may become “troublemakers” who create social contradictions. The government puts forward a series of qualification requirements for the undertakers by purchasing public services, which is very important for the healthy and orderly development of NGOs. Finally, GPPS broadens the survival and development space of NGOs. The government’s purchase of public services makes the establishment conditions of NGOs less stringent, and the areas that NGOs could not enter before are gradually accepted by the government. NGOs can also find their own target market and development space in continuous practice, plan distinctive social service projects, and apply for corresponding support and help from the government, which makes the development of NGOs move to a new stage(Cui et al.,2012^[3])

3. Problems of NGOs Undertaking GPPS

3.1. Internal Problems of NGOs

3.1.1. NGOs Do not Match the Structure of GPPS

In the process of building a service-oriented government, the government transfers a number of public service functions to NGOs. The types of public services purchased by the government are diverse, but the types and distribution of NGOs that can be undertaken do not match. From the perspective of the service sector, NGOs are not synchronized with the government’s purchase of public services. In some service sectors, there are a large number of NGOs, rushing to undertake the government’s purchase of public services projects. On the contrary, the number of NGOs in some service areas is small, and there is little interest in government purchasing public service projects. From the perspective of the regional and urban-rural structure of NGOs distribution, the distribution of NGOs is largely subject to the level of regional economic development. The higher the level of economic development is, the more developed the NGOs are. No matter in quantity or scale, cities far exceed rural areas. In this way, the scale and quality of GPPS in cities are significantly better than rural areas. NGOs in less developed regions have a relatively weak role in improving the quality of public services when undertaking GPPS, as well as fewer opportunities for NGOs to be trained and empowered.

3.1.2. Insufficient Skills of NGOs’ Practitioners

First of all, the mobility of employees in NGOs is large, resulting in uneven quality of public services. The opposition of family members, low salary and welfare levels, and finding other better jobs make the mobility of NGOs larger, which leads to low continuity of service. Frequent personnel changes lead to uneven service quality of NGOs in a service cycle. Secondly, the lack of professionalism leads to the lack of sustainable development ability of NGOs. The emergence of a large number of NGOs reflects the improvement of civil society participation consciousness, but a large number of “grass-roots NGOs” lack of formal training and financial support. Although they are committed to the provision and optimization of public services, the results are not ideal.

3.2. External Problems of NGOs

3.2.1. Government Paternalistic Leadership of NGOs

Since the government is not only an investor in the purchase of public services, but also the center of power, the long-standing “official standard” values have made the government's power pervasive, and even penetrated into the daily management of NGOs. In fact, the relationship between the government and NGOs in GPPS should be an equal cooperative relationship rather than a subordinate relationship. The government should change its “paternalism” style and supervise NGOs, but not interfere too much. In particular, NGOs that have grown up under new social conditions need more government management than traditional approaches such as administrative controls and orders. For example, NGOs serving youth groups are considered to be the source of innovation in terms of organizational philosophy, means of service, etc. (Wang, 2020^[4]). The

government's "paternalistic leadership" style is easily counterproductive to them, and the usual administrative orders and controls are not conducive to the growth of such NGOs, but also to the cultivation of innovative spirit and the implementation of innovative ideas.

3.2.1. Imperfect System of GPPS from NGOs

Firstly, a unified and standardized management system for government purchase of public services has not been established. Government regulation of NGOs undertaking service projects should naturally run through the whole process of cooperation. However, in practice, government departments at all levels have loopholes in management, unclear supervision rights and responsibilities, and ineffective supervision (Yang, 2016^[5]). Secondly, the benign competition for NGOs to undertake GPPS is not yet perfect. Due to various historical reasons, some NGOs in China are inextricably linked with the government. Those "in-system" NGOs have natural internal advantages in undertaking government purchase of public services, which obviously lacks competitive advantages for NGOs without official background. If GPPS from NGOs are not transparent enough and leave too much room for rent-seeking, it will cause serious obstacles to the development of NGOs and the advancement of GPPS. Finally, the performance evaluation mechanism of NGOs undertaking GPPS is not yet perfect. Because the government purchases NGO services, rather than real goods, there is an embarrassing situation that performance indicators and performance standards are difficult to establish (Fan and Xu, 2020^[6]).

4. Measures to Improve the Capacity of NGOs to Undertake GPPS

4.1. Strategy: NGOS Should Formulate Strategic Plans to Undertake GPPS

Strategy is the planning, means and action mode of organizational development. NGOs should position themselves according to the status of organizational resources, and form a holistic and long-term plan through regular strategic planning (Han, 2009^[7]). NGOs need to do a good job of strategic research and judgment on social public service needs, carry out project portfolio allocation realistically, keep pace with social needs and even guide social needs, and finally form a growth and development model with its own characteristics and competitive advantages. In addition, through PEST, SWOT and other strategic analysis tools to locate their own advantages, and find the combination of organizational development and public service needs in the continuous dynamic adjustment.

4.2. Structure: NGOs Should Focus on Areas Where Public Services are Weak

The government's financial funds for purchasing public services are limited, and the resources raised by NGOs are not easy. Therefore, it is necessary to ensure that limited resources are invested in places that are truly needed. Firstly, NGOs should focus on community services that residents need urgently. For example, environmental maintenance, community security, pension and disability assistance. Secondly, from the perspective of urban-rural structure of public services, urban public services are superior to rural public services in both quantity and quality. NGOs should pay more attention to public services in rural areas, especially public health services.

4.3. System: Strengthening the System Construction of NGOs to Undertake GPPS

First, establish a unified and standardized management system of GPPS, establish a unified and coordinated platform, and supervise the whole process of GPPS. Secondly, it is necessary to establish a benign competition mechanism for NGOs to undertake GPPS. According to the characteristics of the project to take the appropriate way of purchase, as far as possible to achieve open and transparent operation. Strict procedures for tender review, project leader statement, review inquiry and sub-item scoring (Yu, 2016^[8]). Finally, gradually improve the performance index system of GPPS, and the performance evaluation results are used as the main basis for project bidding.

4.4. Style: From Paternalistic Leadership to Brother Leadership

Paternalistic leadership refers to the penetration of government power into all aspects of NGOs. NGOs have low independence and autonomy, and their daily operation is vulnerable to government intervention. In brother Leadership, the government should act as a brother (Yang et al., 2009^[9]), not interfere with the day-to-day work and normal operation of NGOs, build a communication platform for NGOs, and focus more on in-process and after-event supervision. Support NGOs to operate independently, provide services in good faith, fully embodies the professional role and service characteristics.

4.5. Staff: Strengthening the Professional Training of NGOS

In view of the large mobility of NGOs employees, the government and NGOs can adopt diversified incentives to attract and retain talents. Establish a normal salary growth mechanism for NGO employees to mobilize the enthusiasm of all members. In view of the lack of professionalism of NGO practitioners, learn from the successful experience and failure lessons of countries or regions where NGOs are more mature. Pay attention to the cultivation and introduction of more professional social workers to join NGOs, take the road of professional and professional development.

4.6. Skill: Improving NGOs’ Skills Through Inter-organizational Cooperation

In view of the lack of ability to find citizens' new public service needs, third-party professional investigation institutions can be entrusted to carry out social service needs investigation (Wang et al.,2021^[10]). It can also strengthen exchanges and cooperation with other NGOs to enhance the insight and prediction ability of social services in continuous exchanges.

4.7. Shared Values: Strengthening Shared Values of NGOS

Sociality, non-profit and public welfare are the core concepts guiding the development of NGOs. Firstly, it is necessary to continuously promote and cultivate the public welfare culture within the organization, and strengthen the construction of self-discipline and integrity. Secondly, it is necessary to cultivate the social responsibility of NGO staff, and promote the continuous recognition, understanding and efforts of NGO employees on the sense of mission and the work they are engaged in.

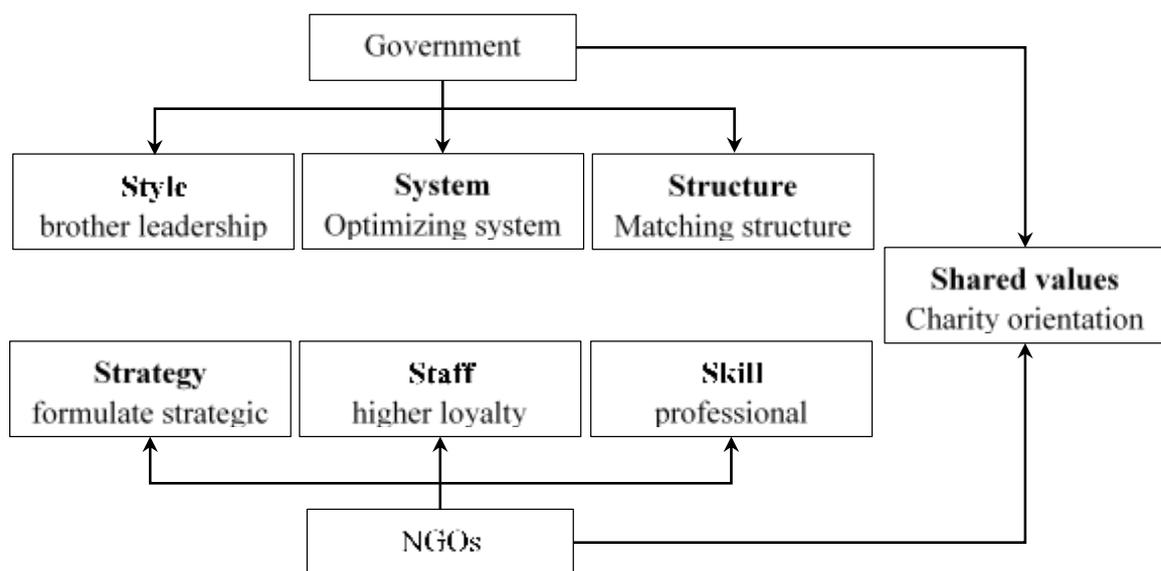


Figure 2. Measures to Improve the Capacity of NGOs to Undertake GPPS.

5. Conclusion

This paper uses the 7S model to analyze the problem of NGOs undertaking GPPS. NGOs are important subjects to improve public service quality, and GPPS is an opportunity to promote the capacity of NGOs. The main problems faced by NGOs in undertaking GPPS can be analyzed from internal and external NGOs. For example, insufficient skills of NGOs' practitioners, and government departments have loopholes in management. Under the background of increasingly complex and diversified public service needs of citizens, NGOs and the government need to work together to enhance the ability of NGOs to undertake GPPS from the aspects of Strategy, Structure, System, Style, Staff, Skill and Shared-Values.

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