



Organizational and Process Improvements of Investment Processes Administered by Courts in the Czech Republic

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Abstract

The goal of this article is to identify gaps in the efficiency of infrastructure and Information Technology (IT) investment processes by courts in the Czech Republic and to propose a set of recommendations for improving these processes. The main origins of this research lie in a lack of similar investigations undertaken by the Ministry of Justice. Preliminary literature research also shows that this problem has not been addressed previously. The authors carried out a complete questionnaire survey among the directors of all regional and district courts of the Czech Republic. In addition, contextual interviews were conducted. The investment activity of the courts has also undergone a thorough process analysis. Results of the research clearly show that the effectiveness of investments processes in the Courts lag behind optimum performance. Any further continuation of existing practices would allow inefficiencies and wasting of funds. The current court administration still operates within the framework of a bureaucratic-administrative environment, the foundations of which were laid down during the later Austrian-Hungarian monarchy. Moreover, the fundamentals of a modern management approach, like process management or performance measurement, haven't been introduced. Based on this research, the authors suggest several organizational and process improvements in the investment department of the Ministry of Justice.

Keywords: Process improvement, organizational improvement, management of public administration, court administration.

1. Introduction

There are many support processes within the judiciary that allow for the efficient and speedy exercise of justice. One of these processes is investment in the maintenance of infrastructure and court operations. Courts need new buildings, modern IT infrastructure, or in some Courts, extensive renovation. A general issue is how investment processes are organised in order to effectively contribute to court operations. Preliminary research has shown that this problem has not been addressed within the Czech Republic.

This preliminary analysis was based on a request from the ministry of justices' new leadership in 2015. The aim of management, with the request, was to implement some principles of private sector governance in the state administration. At the same time, the ministry leadership emphasized increasing employee innovativeness. These tasks have been accepted by the courts with some reservations. However, some directors of the courts have been gradually coming to terms with the new program.

Court administration from an economic perspective is one of the underdeveloped areas of public management in the Czech Republic and they are now in the process of transformation into a modern judicial system. Although significant improvements have taken place in many European countries, the Czech Republic process of implementing changes is different in terms of overcoming specific obstacles. These originate not only from the past socialist regime, but also from the rigidity of the former Habsburg Empire (y. 1526-1918). Schelleová and Schelle (2004) argue that the system of Czech courts basically stems from a situation that has been in force since 1850. The fundamental, though not quite positive transformation of the Czechoslovak judicial system came into existence with the Communist coup in 1948 when the judiciary lost its autonomy, as court judgments were prepared in advance by prosecutors. This approach was to support the processes against so-called class enemies. Following the change to democracy in 1989, the autonomy and independence of the judiciary have been reinstated. Professional judges have begun to be appointed by the State President for an indefinite period. Yet, the system of court administration has not been changed in any way.

In this research, emphasis was placed on identifying areas of court administration with the greatest potential for improvement. Processes and court administration procedures are characterized by a different way of management and a varying degree of legal regulation. Some processes, such as budgeting, are very tightly bound to legal standards, others allow for a degree of creativity and the possibility of changes within the ministerial regulations. These less regulated processes have been given attention and the investment process has been subjected to process analysis. Moreover, the authors conducted a thorough questionnaire survey

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among the directors of all 94 regional and district courts of the Czech Republic. The survey was followed by contextual interviews with over twenty regional court managers.

This article is divided into the following sections:

Section 2 introduces the reader to the literature connected with the court administration; Section 3 describes the environment of the court administration of the Czech Republic and identifies problems to be resolved;

Section 4 describes methodology and research into possible solutions regarding investments in the courts;

Section 5 reports findings and discusses results;

Section 6 contains conclusions and recommendations.

2 Literature on changes in court administration

Management of change in the public sector as a phenomenon has existed for more than a century. The grounds of public sector improvements research were laid down by De Tocqueville as early as in 1835 (De Tocqueville, 1876). De Tocqueville conducted ethnographic research where he gathered and critically evaluated public sector change findings during his travel to the United States. He concluded that shifting towards a decentralized state administration led to improved performance. On the contrary Weber considered centralized bureaucracy to be a better technical instrument for the administration of public life (Weber, 2002). These pioneer works brought into light two basic ideas (Kattel et al., 2013): (i) Public sector improvements are in the most abstract sense related to public authority, (ii) Improvements lead to evolutionary changes in constraints and enablers that are intrinsic to public sector (rules, relationships, institutions). Since then, the debate on conceptualization and measurement of public sector improvements has continued, but not so intensively in the area of judicial administration.

It is still believed that courts are rigid institutions which look for a workable managerial model. The professionals who dominate the system must be respected and their roles defined, but organization and management must be brought to the courts or they will continue to lose ground in their effort to provide individual justice in individual cases (Friesen, 1971). Improvement in judicial systems is a critical success factor to achieving superior court performance. Bunjevac (2011) argues that radical changes in the way that the courts are managed internally are conditional for meeting today's ever-growing challenges. Similarly, the Council of Europe's Commission for the Efficiency of Justice (CEPEJ) sees the main deficiencies in existing management arrangements. In-depth redefinition of court organization and processes are necessary to overcome the traditional executive model. One of the ways to achieve this is to opt for integrating different fields of management which means that judicial, administrative, human resources and financial operations should be integrally managed by courts themselves. Integrated management allows the courts to strategically plan their operations and thus provides an effective answer to the identified structural deficiencies inherent in the traditional executive model (Bunjevac, 2011).

Piana (2012) considers organizational changes in judicial systems to be distinctive marks of the judicial policies enacted within all advanced democracies, at the different level of judicial governance. These types of improvements are instrumental in rectifying inefficiencies which affect the judicial sector. Basically, it deals with unreasonable time frames, inequitable access to courts, and a lack of confidence by the public to the bench etc, as opposed to previously, when change was preferably pushed through by a top-down approach. It is considered that the desired approach is that change is deployed often as a localized and contextualized process of organizational reshape based on a dominant stream of thought inspired by the new public management (Pauliat, 2007). Unfortunately, this improvement effort suffers from a lack of dynamic implementation. Moreover, neither scientists nor management professionals offered any theoretical model for steering the improvement process. Change may be effective in the improvement of judicial organization only to the extent within which it is under control of a permanent monitoring authority, which should be located within the innovating office (Piana, 2012). It was proven that malfunctioning systems of civil justice could produce unnecessary costs and cause a burden on the litigants (Edel, 2007). To be quite explicit about the role of change in judicial practice Piana (2013) examined an improvement process in the Prosecution Office in Naples. By means of a case study presented, she revealed that the office operated in quite a rigid and inflexible way, which impeded effective implementation of change. The impediment to effective implementation of change was emphasized if the improvement required collaboration of both judicial and administrative staff. Quite surprisingly, the office resorted to external expertise, such as a local university where a specialized organizational unit aiming to facilitate change was set up. This enabled the office to arrange for both managerial and monitoring capacities, which became a pre-condition for the refreshment of improvement process in the office. It enabled the creation of additional building blocks such as a work experience model, office improvements and a quality assurance mechanism. The main benefits of this program were the acceleration of motivation effort, improved operating knowledge management and a deeper engagement of employees in the improvement process.

Peyrache and Zago (2015) conducted research aimed at the examination of court inefficiencies. For the purpose of this paper, the authors divide total inefficiency into three sub-inefficiencies: technical, size and allocation. They found that the better part of court inefficiencies may be attributable to technical inefficiency (38 %). This type of inefficiency preferably refers to the lack of best practices. The remaining two efficiencies stand for size inefficiency (22-25 %) and reallocation inefficiency (30-40 %). The former represents an inappropriate size of the court while the latter originates in misallocation of inputs. The authors see the solution to

this problem as the execution of organizational change that may consist of either merging smaller courts to bigger ones or splitting rigid big courts to smaller and more operable units. These organizational provisions should be reinforced by using best practices.

Reasonable contributions to collecting best practices in court administration are provided by Cash Flow Management Net-project (CFMnet-project) (De Weers, 2016). The main objective of this project is to start creating a process for European cooperation in developing and sharing good practices for civil law. Within this project, researchers conducted several cross-country analyses, workshop seminars, literature reviews etc. to generalize findings and substantiate conclusions. The project properly addresses improvements, specifically organizational and process changes, as the main driving force for either simplifying processes or replacing obsolete administrative practices with new ones. As an example, paper-based administration is replaced by digitalization. The logic is to facilitate all activities, such as filing a claim or filing opposing party responses, in a digital way. If sufficiently disseminated the conclusions might be helpful to implement proven and efficient administration processes in the EU countries' courts.

Murillo and Zuniga (2013) presented the results of GICA-Justicia, Project (GPJ) carried out in Costa Rica which created a Quality Management Standard and Quality Management Model. The aim of the project was to explicitly formulate general rules defining and regulating activities in judicial practice. These approaches are quite similar to the ISO approaches to quality management in industry. The implementation of GJP is a typical process change which sets up metrics for judicial service performance as well as continuous improvement principles. GJP thus produces a formal managerial reform program which is combined with a monitoring mechanism or conformity assessment in accreditation or certification regimes. The GJP Standard has a minimum regulatory character within its description and consequences. It consists of several development stages that enable all stakeholders to adapt to new conditions. GJP Standard was validated during the validation workshops.

GJP is not a standalone approach to quality assurance in judicial practice. In parallel with GJP, several models focusing on user satisfaction measurements were developed. Unfortunately, many of them are criticised for their narrow focus on quality, and for other relevant aspects of judicial management being omitted. Other Standards which have been developed include those by the National Centre for State Courts in the mid-90s, Australian Justice Scoreboard, Rovaniemi's benchmark, RechtspraakQ in the Netherlands and the International Framework for Court Excellence (IFCE) (Murillo and Zuniga, 2013).

One of the few studies that deal with the economic processes in court is the work of the authors Viapiana and Fabri (2018). These authors explore various performance-based budgeting models in court administration in Finland, the Netherlands and France. Performance-based budgeting is the systematic use of information about the outputs, results and/or impacts of public policies in order to inform, influence and/or determine the level of public funds allocated towards those policies in the budgetary context. (OECD 2007). The authors emphasize the need for a connection of performance-based budgeting with the proper performance management system, which takes into account different values and indicators of quantitative and qualitative performance (i.e. independence of judges, speed of caseload).

From those analyses, it appears that the judiciary in the world context is gradually becoming the subject of procedural and organizational changes. However, the preliminary analyses carried out in the Czech Republic show that process and organizational improvements are implemented in the judiciary only locally and randomly. The most significant product change within the Czech judiciary is establishing the area of ICT (E-government). The process of technological change began after the collapse of the Communist regime in 1989. Government has entered into significant and long-term contracts with private entities in the emerging computing technology market. In the first stages of implementation of ICT technologies, significant improvement was made in the area of management of public administration. Government officials however, as evidenced by the internal documents of the ministries and by local periodicals, made some problematic decisions at the very beginning:

- IT companies own source codes, so any changes and other requirements have to be approved by the suppliers. Interventions and changes to the system are at the same time extremely expensive. Therefore, the state sector has ceased to innovate in this area.
- Contracts with private entities have been set up to make them practically unenforceable. The State has become the slave of private vendors.
- Contracts with suppliers have often been concluded on the basis of political will and personal relationships, not by competing with the best deals.

It is precisely because of the very rare cases of the implementation of changes in the Czech judiciary that we, the authors of this article, carried out extensive research into the potential for improvements in judicial administration.

3 Political influences in the state sector and the need for changes

One of the biggest problems of the modern Czech state over the past 30 years seems to be political interference into the system of state administration. Bekkers, Edelenbos and Steijn (2011, p.18) argue that *"the political nature of the public sector also affects its ability to innovate"*. This political influence has not been avoided by the judiciary. Several important reforms in the judiciary have been prematurely terminated for political reasons. One reform was terminated due to the transfer of funds from the state budget to outside of the judiciary. As stated by Špaček (2016, p.14), *"What is and is not in the public interest and where the resources from*

the state budget will be directed, is a political decision". Moreover, Rainey (2014) explains that management of the public sector is because of political influence rather more focused on elections, than on efficiency.

In such an environment, it is not easy to make any kind of improvements. How and to what extent changes will be implemented depends on progress of state administration reforms. Over the past thirty years, several government reforms have taken place in the Czech Republic. Unfortunately, the reform that reduced political influence on state administration took place only three years ago. Thanks to the Civil Service Act issued in 2015, separation of state administration from political power has taken place. However, the development of effective public management is still in the early stages due to both communist heritage and persisting mistrust of what is being ruled by the state sector.

Political influence is not avoided, even in the judicial environment. In order to understand the court environment, it is necessary to adequately describe the way in which the system of courts in the Czech Republic is managed. The Ministry of Justice is the central authority for state administration of courts. The role of the state administration of the courts is to create the conditions for the proper administration of justice. The state administration of the courts must not interfere with the independence of the courts. (Act No. 6/2002). The President of the Court and the Director of the court administration are the main bodies of the courts. The Director of the court administration ensures the daily base operation of the court and some other activities related to the performance of the state administration of the courts. The President of the court can delegate authority to the Director, in terms of decisions related to court administration. The Director of the court administration is appointed and dismissed by the President of the Court.

The political independence of justice is one of the pillars of the democratic system. However, political influences in the judicial system may be noticed primarily by budget resources constraints, budget allocation and the number of judges and workers in the judicial system. At present, the issue of politically motivated changes in the leadership of the Supreme Court and the erosion of the judicial system in Poland is very much discussed (Perez Bernardez, 2016). Such a situation has not yet occurred in the Czech Republic, but there are some uncertainties over the methodology of selecting the appropriate judges and Presidents of the regional courts. An important factor influencing improvements in the judiciary is the quantity and quality of implemented regulations and decrees. There may be a lot of regulations with unclear or ambiguous explanations. Moreover, these can be very bureaucratic and thus not allowing for innovative activity (Špaček, 2016). This issue should be the subject of further discussion in the literature and research.

One of the areas of the court administration where political influence is very strong is investment activity. Courts need new buildings and special technologies. This less regulated investment process has drawn a lot of public criticism in the context of public procurement. The area of public procurement is a long-term source of corrupt practices. Even some law enforcement officials have been prosecuted for violation of public procurement rules. The contract price is often increased disproportionately at the time of realisation. Therefore, identifying improvements in the investment process that currently suffers from a lack of ability to determine the cost of the investment was one of the research objectives.

A thorough search of topical literature has not identified any reference to the examination of investment process effectiveness in the judicial system. This shortcoming can be identified as the gap in current knowledge of court administration processes. This paper therefore aims to fill in this gap by the analysis of investment processes in the Czech judicial system and the suggestion of some rectification measures.

Disclosure of the gaps in previous research led to the formulation of the following research questions:

1. What are the main inefficiencies in managing the investment processes in court administration?
2. What qualitative impact have these inefficiencies had in managing the key judicial processes?
3. What managerial approaches and techniques can be used to eliminate deficiencies in the investment processes?

We responded to those research questions by means of qualitative and quantitative investigations at district and regional courts.

4 Methodology

Questionnaire survey

In the first phase of the research it was necessary to establish the degree of openness of the judicial environment to changes. Therefore, we carried out a complete questionnaire survey among the directors of all regional and district courts of the Czech Republic (94 courts). The directors responded anonymously to 43 closed questions. These questions have mapped the basic processes in court management and the potential to improve these processes. Directors could respond by using a Likert's scale 1-5, which makes it possible to identify not only the content of the attitude, but also its intensity. It was possible to choose one of these options: 1- I fully agree, 2- I rather agree, 3- I am undecided, 4- I rather disagree, and 5- I fully disagree. 9 questions out of these 43 were directly connected with investment process. These items were chosen as the most suitable for further investment activity research in court administration. The other questions related to other topics of court administration such as budgeting, accounting and property management.

Respondents could also comment in the additional space of the questionnaire on the effectiveness and meaningfulness of existing processes, respond to innovative designs in existing processes, or demonstrate the degree of alignment with brand-new processes and organizational changes.

Ethnographic research

While the questionnaire monitored the level of openness to changes, ethnographic research tried to describe in more depth the challenges of economic investment activity in the judiciary.

As stated by Bryman and Bell (2011, p.424) "*Ethnography is a simple process of joining a group, observing what goes on, making some notes, and writing it all up*". Ethnographic research for this paper was based on author field notes from hidden and open participation in the observed processes. The author of this article has been a staff member of the Justice Ministry for many years. In addition, **contextual interviews** were conducted. Basically, interviews came out of research questions mentioned in section 3 of this paper.

Research questions were processed into 35 detailed issues which mapped the specific problems of the investment process and their inefficiencies. The interviews were conducted with relevant court administration directors. Each director was given a structural framework of the interview in advance. The interview was then focused on the discussion, clarification and possible refinement of pre-answered questions. Each interview lasted approximately 1 hour. Information has been indexed into these areas:

- Ineffectiveness caused by vague accountability and low professionalism of court management.
- Inefficiency caused by duplicated processes in investment practices.
- Inefficiencies due to poor and unclear organizational practices.
- Inefficiencies caused by complicated set control activity.

Process modelling and analysis of the investment process

The investment activity of the courts has undergone a thorough analysis. Investments are carried out according to instruction by the Ministry of Justice. The instruction describes the procedure of the investment action. The aim of process modelling was the identification and characterization of investment processes in the court administration. The subsequent process analysis identified shortcomings impeding higher performance. Removing these inefficiencies should reduce the costs and accelerate the entire investment process.

5 Results and discussion

Research results can be divided into the following outputs: Questionnaire survey ethnographic research and process analysis. After linking the partial results of analyses, the proposals for process and organizational improvements in the investment area were formulated.

Questionnaire survey

Questionnaire items were generated in accordance with the literature that deals with scale development (DeVellis, 2003). The likert scale was used to evaluate the level of agreement to the questions with these options: 1- I fully agree, 2- I rather agree, 3- I am undecided, 4- I rather disagree, and 5- I fully disagree.

The nine questions of the survey relating to the investment activity of the court administration identified a strong contradiction: the respondents are satisfied with the current state, but the proposed changes are accepted (question number 8 on the table below). This suggests that more work should be done with people and management should initiate more discussion on improvements etc. In the second column the range is greater, between 0, 37-2, 27. The opinions on investment processes are more volatile, especially on the issue of the internal system of decision making in terms of priority.

TABLE 1 QUESTIONS ABOUT IMPROVEMENT POTENTIAL OF INVESTMENT PROCESS

IMPROVEMENT POTENTIAL OF INVESTMENT PROCESS QUESTIONS /N=94/	THE MOST FREQUENT ANSWER	RANGE
1/ The organization already has an internal system of decision making / binding instruction in terms of priorities for acquiring intangible assets, licenses, software, etc./	I rather agree	2,28
2/ The preparation phase of the investment process to the registration point is effective from the point of view of the management	I rather agree	1,31
3/ The division of the implementation of the investment plan into the working and final version is considered meaningful and effective	I rather agree	1,39
4/ Professional support and counselling by the regional middle management in the preparation of the investment plan is sufficient	I rather agree	1,97
5/ Certain types of investment plans could be processed by organization without the help of the regional level management	I rather agree	1,69
6/ The implementation phase of the investment process is effective and meaningful from the point of view of organization	I rather agree	1,13
7/ The final phase of the investment plan evaluation is effective from the point of view of the organization	I rather agree	1,02
IMPROVEMENT POTENTIAL OF INVESTMENT PROCESS QUESTIONS /N=94/	THE MOST FREQUENT ANSWER	RANGE
8/ Extending the possibilities of submitting an application for registration of an action at the same time as requesting the setting of expenses would significantly speed up the process of preparation of the investment plan	I fully agree	0,38
9/ The organizational unit of the state has prepared repairs, maintenance, use and renewal plan of its tangible assets	I rather agree	1,65

Data Source: Author's research

Ethnographic research and contextual interviews

The outcomes resulted from these findings:

Ineffectiveness caused by vague accountability of court management

- The court President as the governing body of a court has legal education in law. However, he is responsible for economic decisions, although does not usually have economic knowledge.
- The Director of the court Administration is in most cases an economist and he is not always familiar with the legal implications of his decisions, e.g. in tenders, investment projects.

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- The investments are managed by the Director of court administration. He is responsible for procurement processes, checks the timetable and the quality of the accomplished work. Invoices are usually signed by the President of the courts.

Following excerpts from interviews and field notes demonstrate the problems mentioned above:

- The problem of preparation of the investment plan lies in the lack of qualified employees, who would be able to prepare this investment plan, both in terms of negotiations with the building authority and the authorities concerned, and to carry out the most accurate price-budget calculation.
- Certainly, each regional court would welcome if it had the “corporate lawyer” and a “construction technician - a budgeter” who would provide methodological assistance in the field of awarding a public procurement.

Inefficiency caused by duplicated processes in investment practices

Investments undergo a two-step approval process. First, by the administration of the district and regional court and subsequently by the Ministry of Justice.

Excerpts from interview and field notes:

- Regional courts must approve all investments managed by district courts. These processes unnecessarily burden and prolong the implementation period of the investment action. If certain investments were to exclude regional courts from this system, it would certainly be beneficial.
- All investments approved by regional courts must undergo a re-examination of the Ministry of Justice.

Inefficiencies due to poor and unclear organizational practices

- There are no clear formalized procedures for different types of investments. Courts use different methods and procedures.

Inefficiencies caused by complicated set control activity

- The control activity of investment is not clearly defined methodically. There may be a conflict of interest between the court officials and supplier companies.
- There is no exact control of price calculations by independent experts. Courts do not have sufficient support staff.

Process modelling and analysis of the investment process

The following model shows the investment process. The model describes three phases of the investment process: (i) Preparation: linked to the application for registration, (ii) implementation and (iii) control. The part “registration of the event” means the decision of the Ministry of Justice, which stipulates:

- the technical-economic and financial parameters of the investment
- the purpose of the action and time frames
- the amount and form of participation of the state budget in financing the preparation and implementation of the action,

In the process of implementation, negotiations over the approval of investment expenditure are again taking place. The controlling part is carried out by the Ministry of Justice on the basis of the court procurement decision. In the final stage it is assured that the investment conditions have been met.

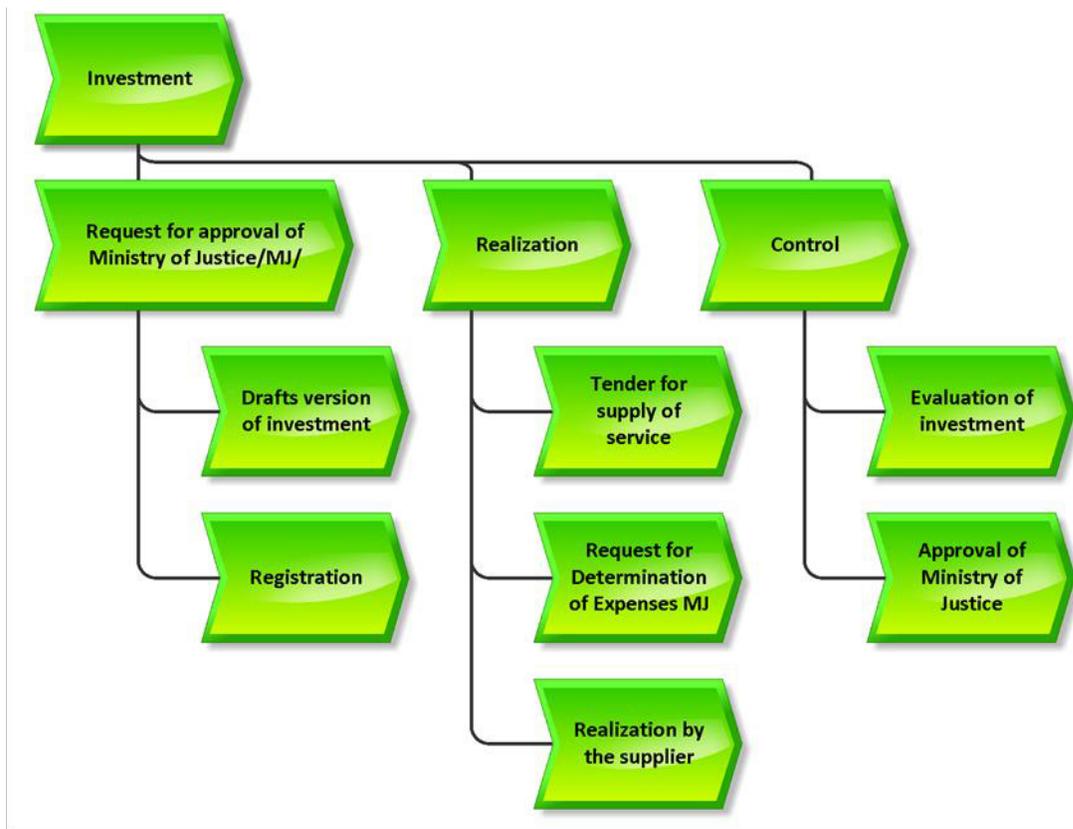


FIGURE 1 Research model of investment process Data source: Authors' research

The investment activity of the courts has undergone a thorough analysis. Investments are carried out according to the instruction of the Ministry of Justice. The instruction describes the procedure of the investment action, for example: new building, reconstruction of the courthouse, replacement of elevator, update of kitchen equipment, etc. Furthermore, this instruction applies to investments in intangible assets: software and hardware equipment etc. According to this directive, the investment must be higher than EUR 1500. Based on the process analysis, the following principle inefficiencies and barriers have been identified:

- Investments initiated by district courts undergo a two-stage registration process (Regional and Ministry). This process greatly prolongs the initial phase of the investment process, which usually takes 2-3 months.
- For the construction of a new building, the price is estimated in the initial phase only on the basis of unit prices per cubic meter. This procedure is inadequate. In the future, the price may be increased several times when creating a detailed budget.
- The investment is then registered by the Ministry of Justice. The detailed budgets for the construction work are mostly drawn up by suppliers and not by court staff. Construction companies often increase the price. The cost of construction may differ noticeably from the original calculations before registration. Statutory representatives may find themselves in difficulty, even being accused of violating the law.
- There is another potential risk in the process of planning of investment. Investment plans are being prepared by outsourced firms and not by court staff. Sensitive information may be leaked from the public sector to private entities. It would be better to utilize its own experts to assess the investment plan.
- There are not enough lawyers, construction technicians and IT experts in the court administration to assess investments. Salaries in the judicial administration are inadequate.

Investments and budgeting

From specific point of view is this paper continuation of the discussion on the differences between ongoing and strategic court funding. Viapiana and Fabri (2018) explored various performance-based budgeting models. Basically, these models address several approaches to budget formulation, which differentiate mainly in the links between performance information and funding. Viability of some of these models was endorsed by case studies taken from judiciary practices of three European countries (OECD 2007). Unfortunately, these models did not appropriately address the difference between operational expenditures (OPEX) and capital expenditures (CAPEX).

The paper submitted shows the complexity of managing investment processes in the judiciary system of the Czech Republic, part of which investment is budgeting. Long-term cycles of investments are in contradiction with the functional characteristics

of some budgeting models that are based on tight links between performance information and funding (e.g. formula funding or purchase-provider models). In general, investment funding is a strategic process which is tied with organizational strategic goals rather than actual performance. Proper allocation of capital budget should be tied to clearly defined and properly substantiated strategic goals. It is worth considering that the courts could manage this ambiguity by using different models for either creation of OPEX or CAPEX budget.

Proposals for improvement solutions in the Czech court administration

Based on all the above-mentioned research findings, the following organisational improvements were proposed to the representatives of Ministry of Justice/via figure 2/:

- The duplicate activity: registration and request for setting expenditure will be merged into one procedure. The detailed itemised budget for the investment must be ready at an early stage.
- Small investments will not be subject to regional court approval. Large investments will be managed only by regional courts with a sufficient number of experts. The request for approval will be sent directly to the staff of the Ministry of Justice. The upgraded model will be validated on a pilot sample of three courts.
- Moreover, it was recommended that regular innovative meetings be organised, using creative methods (brainstorming, design thinking).
- Project teams will be created to look for new ways to manage investment efficiently.
- Process management maps will be designed at all stages of the investment process and specific metrics for evaluation and control should be defined.

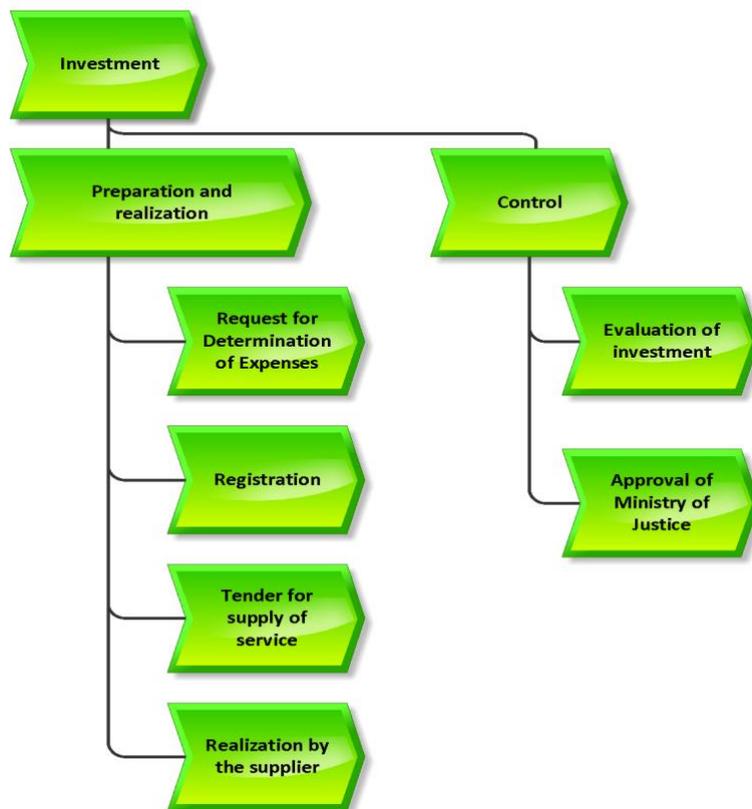


FIGURE 2 Innovative research model of investment process Data source: Authors' research

The use of research results by the Ministry of Justice

The results of this research will be partly used by the Ministry of Justice, to be applied in the proposed reform of the economic administration of courts. This reform consists of several phases: optimizing the structure of district and regional courts, centralizing the main activities from districts to regions and applying process management.

Small-scale investment actions will be organized by the courts themselves without the involvement of the ministry. Large-scale investment projects will be managed by special project teams, consisting of both court and ministry representatives. Project teams will also work closely with top private sector experts. The methodology for controlling investment actions will be implemented.

Major consultancy companies are involved in the preparation of the methodology at the moment. The control system prevents the unauthorized influence of public procurement and ensures that the most advantageous offer is made.

The ministry expects these improvements will effect substantial and measurable acceleration of all types of investments. This provision will also have a mediating effect on the performance of the courts and speed up the handling of court cases. Another important change will be the amendment to the Act on Courts and Judges. The accountability and competence of the court presidents and the director of the court administration will be more clearly defined.

6 Conclusions

The goal of this paper was to identify barriers in investment processes and organizational schemes in the courts of the Czech Republic, and further, to propose process and organizational improvements that would partially or completely address and eliminate the problems identified. In the academic literature we did not find any reference to the examination of investment process effectiveness in the judicial system. This gap was filled by the analysis of investment processes in the Czech judicial system and the proposal of some rectification measures.

The authors of the paper were enabled to formulate the following research questions:

- (i) What are the main inefficiencies in managing the investment process in court administration?
- (ii) What qualitative impact has these inefficiencies in managing the key judicial processes?
- (iii) What managerial approaches and techniques can be used to eliminate deficiencies in the investment processes?

Our findings show that investment activities are not process-driven. The Ministry of Justice issues methodological guidelines for investment planning, but according to the results of the analysis, they are very bureaucratic. They contain duplicated activities and do not clearly assign process owners. Investment activities are insufficiently secured by court staff. Based on a questionnaire survey it can be stated that the employees of the courts are more or less satisfied with the current style of investment management, yet they are open to the innovative workflow solutions.

The above-mentioned inefficiencies have financial implications for the budget of the judiciary. Judicial administration is more expensive, as the funds are allocated to the support activities of courts instead of the exercise of judicial agendas. This ineffectiveness also has an impact on the corporate culture of court employees and causes frustration.

The proposed improvements in the investment process have accelerated and simplified preparatory work on investment. To energize somewhat conservative court staff, creative working methods and new project teams for innovation have been proposed. Investment processes were upgraded, duplicated activities were eliminated. The heads of the Justice Ministry have been proposed to strengthen regional courts with specialist staff on public procurement issues.

Further research should be aimed at identifying the relationship between effective economic governance of courts and the exercise of judicial agendas. Research should be aimed at comparative studies among court administration in the EU countries.

Limitations

Our study has limitations. The research was not focused on all processes in investment activities of courts, due to time constraints and for organizational reasons. Our primary focus was on building construction and IT infrastructure.

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