

Innovation Potential to Increase the Management Effectiveness in Local Public Administration Conditions

¹Nadezda Jankelova, ²Dusan Masar, ³Galina V. Rokina,
⁴Miroslav Danis and ⁵Andrea Jankurova

¹Department of Management, Faculty of Business Management,
Economics University, Bratislava, Slovak Republic

²Faculty of Public Policy and Public Administration,
Danubius University, Sladkovieovo, Slovak Republic

³Faculty of History and Philology, Mari State University, Yoshkar-Ola, Russian Federation

⁴Faculty of Arts of Comenius University, Bratislava, Slovak Republic

⁵Faculty of Social Studies, Danubius University, Sladkovieovo, Slovak Republic

Abstract: An innovation potential to increase management effectiveness in the local public administration conditions is mostly being partially solved in professional literature according to respective managerial functions. In line with the overall quality assurance, a complex approach is necessary which together with driving forces in the society is the source of innovation activities not only at the macroeconomic level but also in the management process of particular organisations. The study studies the innovative potential in the management of the local public administration authorities with an attention paid to selected managerial functions in particular to strategic management, process management, customer orientation and human resources management. Established results draw attention to unsatisfactory situation in the field of strategic management and process management and partially also in the human resources management. The most satisfactory situation in innovations is related to the customer orientation.

Key words: Innovation potential, strategic management, public administration, human resources managerial functions, customer

INTRODUCTION

The aim of the public administration and thus also of public administration authorities is to increase the quality of life of citizens and respecting principles of the sustainable development and in parallel to increase performance and quality of provided public services. A citizen is interested in particular in an increased quality of life in his/her town, area or region. A customer of a particular public service is interested in the service quality with regard to his/her personal perception. To understand well the aim of the public administration is a precondition for both quality and effective management which is based on finding out and using its innovative potential. Organisations must ensure that innovations cause in the correctly identified situation framework, an appropriate response in the form of different categories of innovative activities of the organisation

Regarding the above-mentioned questions, the submitted study is focused on studying innovative activities and potential in the process of management of

organisations of the local public administration with the focus paid to selected managerial functions, e.g., strategic management, process management, customer orientation and human resources management. The mentioned management parameters are selected due to a complex approach to the quality assurance of public administration authorities including all mentioned perspective by the means of quality management models, i.e., EFQM Excellence Model, Common Assessment Framework (CAF) ISO standard or Total Quality Management (TQM).

Theoretical background: There are lots of both national and foreign authors dealing with questions of improving effectiveness of the public administration management and searching for innovative potential in different areas. There are studied either partial aspects of management and new applications trends in them or the management is understood in a system way in the context of socioeconomic and political development. The first group consists of experts from the strategic management field with application on the public administration (Boyne and

Walker, 2010; Hendrick, 2010). From the viewpoint of the process management, the topic is being studied by Hammer (2015), Brocke *et al.* (2014), Krumeich *et al.* (2014) and others. Within the process management, the researchers like Edmonson (2008), Davenport *et al.* (2011) and Osborne *et al.* (2015) and others deal with the topic of the customer orientation as a basis of the satisfied customer. An innovative potential in the human resources management is being presented by a wide range of researchers. We would like to mention for example Maket *et al.* (2015), Hongel and Congjie (2015), Rubio *et al.* (2015) and Jankurova (2014) and naturally many others. Juhaszova and Kollar and Eajka warn that current significant demographic decrease could easily affect employment policy. Kovaeova emphasizes the importance of a participatory aspect in a democratic society which is a guarantee of the development of local self-government. Within the second group, the topic is being dealt with by Hughes and Weiss (2007), Chouinard *et al.* (2011), Kaplan and Norton (2008), Barton (2011) and Kanter (2008) drawing attention to the fact that if a society shall function as a one whole in line with the sustainable development concept, the organisation functioning in it have to change their behaviour and ways of activity and co-operation. Fine tuning of dissonance, setting a certain equilibrium and reaching optimisation of the social benefit from implemented results of innovative projects is possible only by making use of innovative potential in management of respective organisations, providing for a high effectivity of beneficial innovative strategies implementation and constructing a reliable infrastructure for their arrangement. An innovative potential is important but the ability of its implementation is also necessary.

MATERIALS AND METHODS

Within the executed survey, we tried to study the innovative potential and efforts of selected towns and villages in Slovakia to develop innovative activities within the management process of respective authorities. There are lots of possibilities offered by theory and practise in the form of different tools and methods already applied. What is however a real situation in the given area, we tried to find out by a provided survey executed by the means of questionnaire using the sample of 60 public administration authorities that were willing to share with us their knowledge and experience in the area of innovation and management. Regarding our efforts to get as big file as possible and taking into account a low degree of willingness to participate in the executed survey, we did not make a selective choice of respondents pursuant to before hand selected criteria. The survey was

devoted to four selected management areas within which the respondents were asked closed questions with multiple choice answers but also open questions for more detailed penetration into the issue and getting knowledge of the respondents 'opinions not affected by our choices'.

RESULTS AND DISCUSSION

In this part of the study with regard to its limited scope, we will try to summarize main findings in making use of the innovative potential of management of town and villages according to respective studied areas.

Strategic planning: A common practise in the strategic planning is a formality of elaborated plans, their elaboration by external consultation firms without use of the great potential in the strategic thinking of involved participants. The up-to-date methods used at the moment in companies but also in the public administration abroad, e.g., balanced scorecard are used very little. As much as 87% of the respondents stated that they are not familiar with them. However, in many authorities there is introduced system of ISO standards which is a basis and a good input prior to the BSC introduction since one of the ISO principles is also focus on a customer/citizen and a process approach necessary for BSC. A shortcoming of the strategic management is also the implementation process and in particular an insufficient communication both with employees and citizens. The respondents identified as important factors on which depends the success of the entire strategic planning process the following ones (Fig. 1). The scale is from 1-unimportant factor up to 5-very important factor.

It followed from the answers that the respondents highly perceives importance of strategic plans implementation, however in the real life this phase of the strategic management process remains the biggest problem (answered 86% of the respondents). A strong political management of the process ranked on the second place. Strategies are created, e.g., at the beginning of the election period, it only concerns a political document, it is not dealt with in a systematic way or the strategy is being adapted to a short term goals of politicians or trends regardless the long term impact on the life of the town inhabitants. The important planning aspects include also incorporation of the public which is positively viewed because in creation of strategies and strategic plans, the interests of the public and their satisfaction are concerned. The less important is the methodology itself also with regard to the fact that when setting the plans the service of external counselling firms is used.

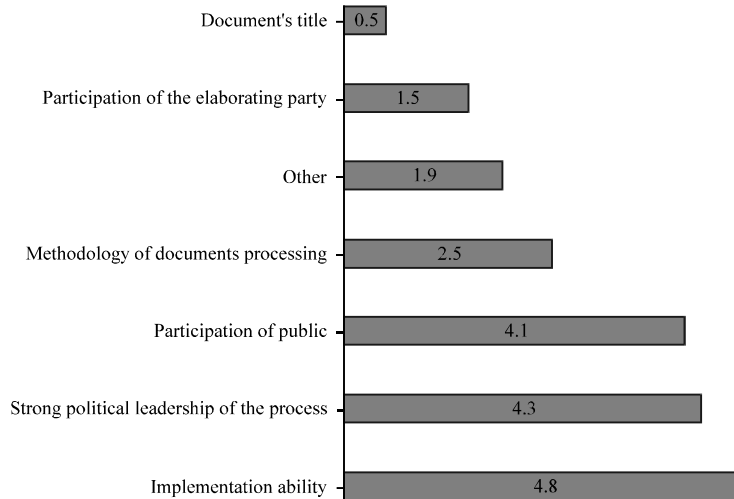


Fig. 1: Importance of strategic planning factors in studied authorities (own processing)

In the process of strategic planning, we can see a high innovative potential. A tangible tool can be the above-mentioned BSC method solving both the strategic and operative level of action in which we can see its major advantage and by the means of the set of balanced parameters it can direct the efforts of the organisation at the defined direction. There is however a few organisations in the public administration that are able to do that. In the common practise, there are often not clear priorities and strategies are in mutual contradiction. This is however a big problem in the public administration. BCS can provide support to strategies from all levels of the organisation.

Process management: Authorities have distorted impression about the subject matter of the process management. It is generally known, that in Slovakia we can find only a few companies (not mentioning the public sector) about which it can be said that they are genuinely managed by processes. The respondents in 81% of cases mentioned its use. Subsequently, by an open question we focused on specification what does the process management mean to them. We divided answers into three main homogenous groups: 35% of the authorities understood the electronisation process under the process management, 39% understand it as a quality assurance and remaining 26% do not have a clear impression about it as their answers were not corresponding with the process management.

The results draw attention to the fact that the process management and its perception in the studied authorities are being diverted from reality. The concept lays just in description of processes within introduction of the ISO quality system. The subject matter is not only in mentioning of the real status of processes but also in a

radical change and restructuring of all processes in their new definition, analysis, monitoring, assessment and continuous improvement. It concerns a change of functioning of the entire organisation including the change of the organisation culture and not only a formal naming of activities to processes and their supposed management.

Even though it seems easy to introduce the process management, the real life there appears many problems preventing its effective implementation. Within our analysis, we have been finding out what are the biggest barriers and problems perceived by the authorities' representatives regarding the process management introduction. The answers were as follows in Fig. 2.

The reasons of such situation are apart from not understanding the subject matter of the process management also an unclear strategy of organisations to which we drew attention in the above text. In the public administration conditions, there are also other problems, e.g., adoption of unprofessional solutions without previous analysis mostly impacted by political interests. Advisory and consultation companies are often selected according to other interests than the quality reference and professionalism and their work is being completed without bringing the work into the applicable solution. The big problem of many activities is their formal introduction, i.e., project elaborated by an external company is a well described set of processes and ends up in the drawer as a bunch of printed documentation. A significant problem likewise with every change is an organisation culture feature. Without its change, the process management cannot be introduced and we are all very well aware of the fact that in classical bureaucratic and formal structures of the public administration bodies such a change is very difficult.

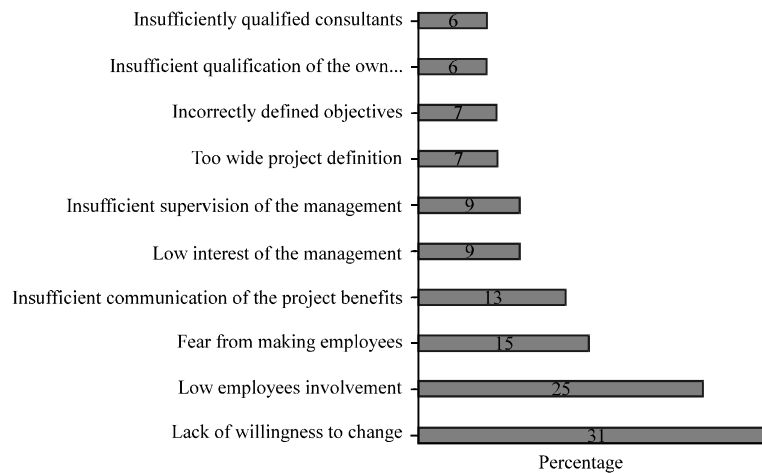


Fig. 2: The biggest barriers and problems of the process management introduction and implementation (own processing)

Customer orientation: The situation with regard to innovative trends is probably best in the field of the customer orientation. Open questions formed basis for this area in order to find out a wide range of activities performed by organisation. Obtained answers were summarised into certain compact groups according to details and common features. In behaviour and employees' approach, there are used classical tools in the form of requirements definition and determination of certain standards related to employees' behaviour and also satisfaction surveys using questionnaires. Competence models as well as other models, e.g., a mystery client were less used for incorporation of defined requirements. It followed from the respondents' answers that less importance is paid to results communication and to outputs from each survey in the form of action plans.

In the field of response to suggestions and complaints, the innovative trend is best reflected in electronisation of services-filing of complaints and motions electronically and also the efforts of authorities to define the process of handling both the complaints and suggestions.

The area of provisioning services beyond the standard is a wide one. Authorities try within their possibility to extend services and to make interaction between the client and the authority pleasant. We cannot see negatives in this area, we can only assess the situation that positively develops in the given area and to give in recommendations certain proposals or suggestions.

In order to improve in customer orientation, we can recommend to elaborate the methodology of behaviour and approach of employees to clients, process of complaints and suggestions handling and to publish it on

web sites, making appointments by the means of text messages or electronically which will increase the comfort for the client and decrease waiting periods and stress for the employees, improvement of the environment in the authority premises, e.g., cleanliness, bathrooms, offices, waiting premises for clients, improvement of information provided on web, clicking budget on web simplifying the orientation in budgets and active monitoring of decisions, broadcasting into the municipal radio by the means of e-mail, etc.

Human resources area: Also in this managerial function we focused on innovative management forms. Out of the innovative methods, the following are used in the authorities:

Management by objectives-was mentioned by 5% of authorities as one of the methods for the employees assessment.

The 360° feedback method is declared by 4% of the authorities where it is used for assessment of managers which is viewed negatively by us from the viewpoint of fairness and quality feedback.

Other mentioned methods are not used by the authorities it is the key events method, BARS method (assessment scale with anchors in the form of behaviour), mystery shopping representing a combination of the assessment form with the observation method which is an innovative method that can be used for employees in direct contact with clients and competence approach.

Use of know-how from senior colleagues is mentioned by 65% of authorities which is quite high number, managers are however not aware of the age management theory, they do not know it and it is not being executed in a conceptual manner.

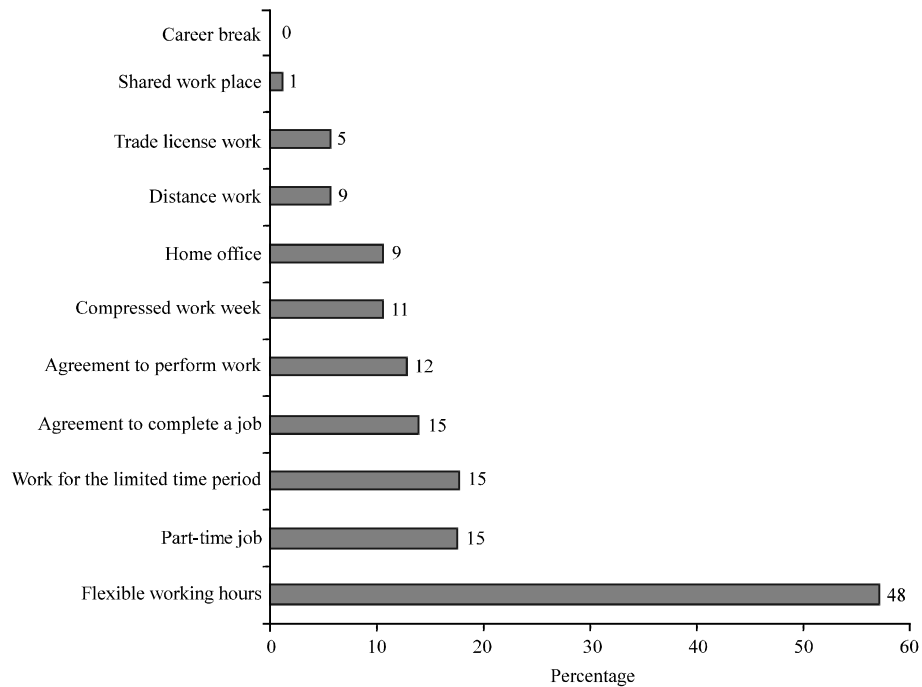


Fig. 3: Used alternative employment forms in studied authorities (own processing)

The issue of Y generation has not yet been solved in authorities (94%), however there is certainly awareness about difference of needs, demands or approaches within respective generations, targeted and proactive approach has not yet been used.

As many as 47% of respondents do not reflect the gender issue in their documents and there were not mentioned, e.g., any antidiscrimination measures in documents which is assessed by us negatively; a part of the gender issue is also an effort of authorities to arrange for harmony between the family and professional life and there are declared various tools in towns and villages which we view mostly in the social level and not in the level of the personal development of women in particular with regard to new tendencies in human resources management.

Flexibility in the form of alternative forms of employment (regarding the number of hours worked) is not significantly used in organisations. The only more often used form is flexible working hours (Fig. 3).

In this area, there is unused potential of authorities because in the private sphere, there are more and more used different alternative forms of work and they are getting gradual support in the legislation. However, practical implementation mainly in the public administration is clumsy. In human resource management in the public administration it is necessary to adapt more often such trends as a mystery shopping (client) which is suitable for assessment of the employees working in

services area and can be implemented in the entire authority or in selected departments or just for trouble making employees. The 360° feedback method is a quality assessment tool using assessment by several assessing persons (superordinated employee, colleagues, subordinated employees, for self-assessment or by other defined group) and thus removes subjective nature and bringing fairness into the assessment. Assessment according to competences is newly perceived not as assessment in the sense of powers but as a sum of knowledge, skills, capabilities, attitudes and values important for personal development and assertion. Despite of the fact the method requires a thorough preparation and demanding the first implementation phase, overall it is a great benefit. With coming of Y generation, the style of co-operation and communication in the relation between an employee-employer and employee-employee is being changed. In this framework, it is necessary to introduce changes in the content of entrance interviews, to adapt recruitment methods for Y generation in the education and development areas for this generation to focus significantly to continuous development, adjust goals setting introduce regular assessment and feedback provisioning from the superordinated employee. In the gender main streaming, it is important to support gender equality which increases reliability, supports economic growth, competitiveness and labour market performance, leads to better decision making and it is related to demographic growth. Regarding

flexibility of use of the alternative work forms, we recommend to perceive certain forms, e.g., home office as an employment benefit that is an advantage both for men and women and thus to be helpful to their employees in harmonizing both their personal and professional life. At the same type, this form of work decreases fixed costs, better use of the office area and enhancing quality of work conditions for the employees. Finally, it means increase of the employees' satisfaction leading to the loyalty towards an employer.

Use of methods of course depends on many factors. It concerns the size of the authority, quality of management, type of subordinated employees, financial, personal possibilities, etc. An important factor is also a personal strategy solving the mentioned area not only formally but also in the form of a real implementation. Anyhow, the authorities should think in the framework of new tendencies in personal management which the above-mentioned tools belong to, adjusted to requirements of not only an employer but also an employee and the last but not least of a citizen.

CONCLUSION

Local public administration has an irreplaceable place in care and general development of the administered area and needs of the citizens living on its territory. It has to be flexible enough in assuring development processes and it has to be able to respond in a flexible manner to impulses of continuously changing external environment. This however imposes increased demands and requirements to ensure productivity of internal environment of particular organisations by the means of implementing factors being part of the quality assurance models and which in this sense, are supposed to be in the centre of attention and innovative efforts of authorities. According to detected unsatisfactory real situation, the task of the management is not easy. It has to cope with harmonisation of meaningful use of source, socially responsible behaviour and compliance with the ethical principles. The key to such solution is continuous support of innovative potential at every level of the society, provisioning for creation of innovative project, their implementation and transformation into real public services.

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