

STRATEGIC MANAGEMENT – MODEL AND
TOOL FOR THE DEVELOPMENT OF THE
LOCAL COMMUNITIES MANAGEMENT, IN THE
STATE REFORM CONTEXT

Abstract

Ever since 2007, along with the completion of the EU accession process, but also before that, our country has constantly focused on improving local government standards either through a solid and sustained reform or through public system management renewal and enhancement.

In the actual context, of the permanent reform and modernisation of the Romanian state, which includes all its domains and levels: political, legal, administrative, economic – central and local level, the management development of the public local administration plays a crucial role in the successfully achievement of this major objective.

The development of the public local administration must rely on criteria such as efficiency, performance, competitiveness and quality, which have to assure the transformation of the local administration and the local communities into tools of maximum satisfaction for the citizens, satisfaction translated in quality public services, performed with the highest level of professionalism, in a high living standards, in safety and confidence in the local authorities.

All these issues encourage a new approach of the public management, an approach based on the implementation of the strategic management as model and tool for the development of the Romanian local communities.

Keywords: local public administration, local community, strategy, public management, strategic management.

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MANAGEMENTUL STRATEGIC – MODEL ȘI INSTRUMENT PENTRU DEZVOLTAREA MANAGEMENTULUI COMUNITĂȚILOR LOCALE, ÎN CONTEXTUL REFORMEI STATULUI

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Rezumat

Încă din anul 2007, odată cu finalizarea procesului de integrare în Uniunea Europeană dar și anterior acestei date, la nivelul țării noastre, s-a urmărit în mod permanent îmbunătățirea standardelor administrației publice atât printr-o reformă puternică și constantă cât și printr-o modernizare și perfecționare a managementului sistemului public.

În contextual actual, al permanentei reforme și modernizării a statului roman, care cuprinde toate domeniile și paliere sale: politic, juridic, administrativ, economic – central și local, dezvoltarea managementului la nivelul administrației publice locale joacă un rol esențial în realizarea cu succes a acestui obiectiv important.

Această dezvoltare a administrației publice locale trebuie să se bazeze pe criterii de eficiență, performanță, competitivitate și calitate, care trebuie să ducă la transformarea administrației publice locale și a comunităților locale în instrumente generatoare de maximă satisfacție din partea cetățenilor, satisfacție tradusă în servicii publice de calitate, prestate la cel mai înalt nivel de profesionalism, într-un standard de viață ridicat, în siguranță și încredere.

Toate aceste aspecte încurajează o nouă abordare a managementului din sectorul public bazată pe implementarea la nivelul comunităților locale din România a managementului strategic ca instrument și model pentru dezvoltarea acestora.

Cuvinte cheie: administrație publică locală, comunitate locală, strategie, management strategic, management public.



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1. INTRODUCTION

The integration of the new approaches of management in the public sector is imperative in the evolution of state governments in the world. Market dynamics have created challenges for public organizations, the emergence of the global economy and the advances in technology increased societal demands, and the need to provide more social services with fewer resources (Kernaghan, 1999, p.3).

In these sense, various key figures in management such like Peters Guy, Hal Rainey, Stewart Ranson, John Stewart, Barry Tool, Grant Jordan and David Rosenbloom demonstrated in their works that public management was prompted by need, is under constant development and may, according to its results, have a direct impact on improving the life style of country nationals.

Moreover, the presidents and heads of government in some developed countries came to an understanding that actually the managerial competence in central and local government has a substantial impact on the performance of the public sector and therefore built a number of partnerships to develop and extend the basic principles and values of modern management across the central and local public government: Al Gore – the report called 'Reinventing Government: Creating a Government that Works Better and Cost Less (Androniceanu, 2008, pp. 5-8).

Besides, participants at the European Congress of Local and Regional Authorities, the 2002 Global Summit of Prime Ministers in Barcelona and the meeting of Heads of States held in Washington in the spring of the same year, asserted the need to make severe changes in the administration systems of countries and to develop another vision of how the public sector should be managed that must focus on values having at its core the citizen, the citizen's safety and security and the improvement of people's wealth.

It is worth saying at this point that modern management tools have already been implemented within the international and hence European local public government, among which the promotion of the strategic management, managerial methodology, professionalization of public managers and management, operationalization of performance management and managerial, administrative and economic decentralization.

2. STRATEGIC MANAGEMENT AND THE PUBLIC SECTOR

Regarding the development and the implementation of the strategic management in the public sector there have been numerous international authors that criticised the issue that the traditional model of

public administration relies more on the insides element of the organisation and on the short term perspective. They sustained the requirement of the strategic management implementation and the elaboration of a long term strategy at the level of public organisations.

However, in the same manner as in the private sector, the first stages of the strategic approach represented more planning and less management. The mains models of strategic planning in the public sector are:

- a) In 1980's, Olsen and Eadie draw up a model of strategic planning in the public sector which mixed up with the business strategic planning;
- b) Osborne and Gaebler also draw up a model of strategic planning in the public sector, their model mixing up with the strategic planning of the organisation as a whole and being a manufacture of Bryson's model;
- c) Bryson draw up his own model in 1988 which includes the next elements: the initiatory and the consent on the strategic planning process; the identification of the organization mandates' according with the law (the elucidation of the organisation mission and the values); the elucidation of the mission that makes as people from the organisation to know with certainty what to do and what to stop doing; the evaluation of the external environment; the evaluation of the internal environment; the identification of strategic issues which the organisation is confronting and the wording of strategies of approach strategic issues; the establishment of some efficient visions regarding the future of the organisation;
- d) Bozeman and Straussman sustain that the strategic management guides on 4 principles: the preoccupation for the what happens on long term; the integration of the purposes and objectives into a coherent hierarchy; the acknowledgement that the planning and the strategic management can't be auto-implemented; an external perspective which has the role not to adapt at the environment but to anticipate and model the environment changes;
- e) Hughes considers that, after analysing different perspectives of strategic planning, we can draw the conclusion that the transition from the planning to strategic management relies on two elements: A. a greater attention pay to plan and its' meaning; B. a greater importance given to the implementation.

This is currently the main aim of Romanian public government as well, since the modernization of public government management through use of strategic management tools is increasingly and clearly concerning researchers and practitioners from our country (university professors of Public Management

and Administration Faculties, central and local state representatives and different power and interests centers).

3. ASSUMPTIONS REGARDING THE IMPLEMENTATION OF THE STRATEGIC MANAGEMENT AT THE LOCAL COMMUNITIES LEVEL

Before drawing up and put into practice a model of strategic management, at the level of local communities, is crucial to give several answers at two important questions:

Which are the main impediments in the development and the implementation of modern strategic management tools at the level of the Romanian local communities?

Which are the rules and the key principles that rely on the implementation of the strategic management as model and tool, used in the development of Romanian local communities' management?

The issues presented and analysed as a result of the given answers will represent the bases for:

The presentation of the strategic management model which can be put into practice at the level of Romanian local public administrations.

The draw up of the work methodology that makes references to the manner in which to will be built the model of strategic management for the Romanian local public administration, with the expressed goal of shaping an efficient strategy or a long term agenda, according with the principles of durable development and state reform.

4. THE IMPEDIMENT IN THE DEVELOPMENT AND THE IMPLEMENTATION OF MODERN STRATEGIC MANAGEMENT TOOLS AT THE LEVEL OF THE ROMANIAN LOCAL COMMUNITIES

The local public administrations from our country present several particularities that make it to distinguish from the other more competitive public administration of the west European states. These particularities can be considered real impediments in reform and the improvement of the Romanian public sector, impediments which obstruct the implementation of a competitive management, at the level of the local communities, management that is typical for the private entities. These impediments and deficiencies are the following:

- a) The lack of a long term vision and the lack of perspective regarding the establishment of strategic objectives of the public local administration.

The lack of long term vision is due in principal to the influence and interference of the political factor at the level of public local administration. Therefore, the leaders of the local communities, respective the mayors, the presidents of county councils and the members of local councils are focusing more on the setting out and the accomplishment of specific goals, which represents the tools for gaining the electoral competition and a new political mandate, and less on the establishment of strategic goals, far-reaching objectives, which can be accomplished sometimes in several mandates.

b) The lack of integrated and global vision at the level of local communities.

On the one side, this integrated vision refers to the adhesiveness of decision factors from the local level for setting up a unique strategy, and on the other side the union of all the partial strategies of public interest institutions into a global strategy which these institutions are in the order and coordination of the local communities (institutions, directions and public companies).

c) The lack of continuity of the strategies at the level of local communities.

At the central administrative level and also at the local level, the politic factor that leads the public sector, respective the governments, representatives of the government in territory, the mayors and the local councilors don't have the political will and the interest of keeping, maintaining and developing the projects initiated by their predecessors.

d) Lack of an efficient legislation at the level of the public local administration, which put the emphasis more on the acquiring of the performance and efficiency at the local level and less on the bureaucratic issues.

The permanent change of legislation at the level of the public local administration, according with the interests of the public factor that has the power in his hands lead to the existence of legislative framework full of ambiguities and errors, which represents a handbrake in acquiring the performance at the level of local communities (Law 215/2001 concerning local public government, Law 326/2001 concerning community management public services, Law 350/2001 regarding territorial arrangement and urbanism, etc).

e) The lack of resources for the development of local projects and the maladministration of the existing resources at the level of local public administration:

- Human resources characterised by a low level of qualifications, due to the low level of wage system in the public local administration and due also to the employments which don't pursue the competitiveness and efficiency criteria;

- Maladministration of material resources;
 - A low level of financial resource due to the lack of vision regarding the development of local projects in public-private partnership and the pursuing of European funds;
 - Also, the money straighten from the central level (e.g. subsidies) to the local administrations is established on political criteria, according with the political orientation of respective local community leadership;
 - The informational resources are characterised by the lack of an integrated informational system at the level of public local administrations;
 - Regarding the managerial resources, it can be observed a deficit of well prepared and competitive leadership personnel.
- f) The existence of an inefficient leadership at level of local public administrations

Mostly, the leadership and the key positions at the level of local communities (mayor, local councilor, president of county council) are occupied by the representatives of the political party that win the elections at the level of the respective local community. They appoint at the management functions of the institutions, directions and public companies from their order, more reliable persons from their staff and political members and less professionals that can bring in the public organization the expertise from the private or academic environment.

- g) The ignorance of the influences that came from the external environment, the interests of the stakeholders, and also the ignorance of the inquiries and expectations of the community citizens.

These lead to bad quality public services, inadequate of the citizens' inquiries and expectations and also lead to a lack of attractivity for the private environments and private investors to develop partnership with the respective public administration and to contribute to social welfare of the community.

Obviously, there are also other deficiencies at the level of public local administration, but we have to say that the pressure of the political factor, the lack of strategic vision and the lack of flexible and efficient legislative framework are the principals impediments for the development and the implementation, at the local level, of models and modern tools of strategic management.

5. RULES AND KEY PRINCIPLES FOR THE IMPLEMENTATION OF STRATEGIC MANAGEMENT AS MODEL AND TOOL USED IN THE DEVELOPMENT OF THE LOCAL COMMUNITIES MANAGEMENT

For the successful implementation of the strategic management at the level of local communities from our country and to surpass the impediments above presented it is necessary that the leaders of the local communities to observe several rules and key principles:

- a) The setting up of a mission and the strategic goals at the level of local communities: districts, cities, villages

The mission of a public local administration is not in an essential way different from the mission of a private company but has to put the emphasis on:

- The consensus of the members of community: citizens, local councilors, political factors, stakeholders, etc;
- An unitary manner of resource allocations: the establishment of a clear mission and strategic objectives at the level of the entire local community will allow rational and efficient resource administration and allocation.

- b) A perspective and long term vision in shaping the strategies and agenda of local communities

This principle makes reference to the issue that is crucial for acquiring concrete results, characterised by performance, efficiency, quality, welfare, social security and safety, the elaboration of a long term strategy (more than 10 years), which has to include strategic objectives (the development and improvement of urban infrastructure, the territory landscape, social protection and assistance, education, public transport, etc) which accomplishment must be done using over-annuals programs and projects with over-annual budgets based on substantiation and feasibility studies.

- c) Integrated and global vision at the level of local communities

Mostly the institutions which are in order of the public local administrations (directions, departments, authorities and public companies) develop one or several particular strategies, in order to assure a good functioning or to achieve European funds, strategies that sometimes contradict global strategy of the respective local community, in the case that such a global strategy exists.

In consequence, it is necessary the existence of a global strategy at the level of the local public administration, strategies which can incorporate all the strategies of the institutions from its order. These

partial strategies once integrated will be transformed in functional strategies, and their functional objectives will be accomplished using operational plans and programs.

- d) Continuous development and implementation of strategies at the local communities

Thanks to numerous strategic goals, the strategy of a local community must have continuity in its implementation and development. It must not shape a new strategy, dropping up at the objectives settled by the previous strategy, which are in course of accomplishment, if the local leadership of a community changes, when another political party wins a new mandate.

- e) Permanent control, evaluation, putting-up-to-day and correction of strategy, programs and policies improved at the level of the local communities

The management of the public local administration must permanent control the manner in which the strategic and functional objectives are achieved and also to evaluate and correct the local performance.

- f) The efficient administration and allocation of scarce resources by developing public-private partnership, by accessing European funds and by promoting professional and competitive human resources
- g) The development of strategic management based on leadership at the local level

This issue can be accomplished by the appointment of the managers and leaders of the public institutions and of the institutions that perform public interests services, from the order and coordination of local councils, based on an competitions or a management contract and by setting up the city/county manager function at the level of villages, cities and districts at the proposal of the mayor and the county council president.

- h) The permanent consult and analysis of the external environment, taking into consideration the citizens demands and expectations and the stakeholders' interests
- i) A concrete, flexible and efficient legal framework which can regulate the administrative-territorial organisation, the manner of institutional organization and leadership at the local level and also other manner of performing local public services.
- j) The existence and the development of different competitive advantages, which can differentiate the respective local community based on guarantee of quality public services (infrastructure, transport, social assistance, environment protection, education, social security and safety).

These types of competitive advantages will lead at a social and economic development of the respective local community, assuring to it national and international recognition, materialized in the attraction of foreign tourist and foreign investors, the increase of the number of work places, etc. Very closed with this key principle is the development of a city or district brand.

6. THE STRATEGIC MANAGEMENT MODEL WHICH CAN BE PUT INTO PRACTICE AT THE LEVEL OF ROMANIAN PUBLIC LOCAL ADMINISTRATIONS

Taking into consideration that „the difficulty in strategic management is the challenge of laying a foundation for success in the future while meeting today’s challenges” (Fahey and Randall, 1994. p. 81), the primary tools available for understanding, implementing, delivering and managing of a strategic management model are outlined in following graphic:

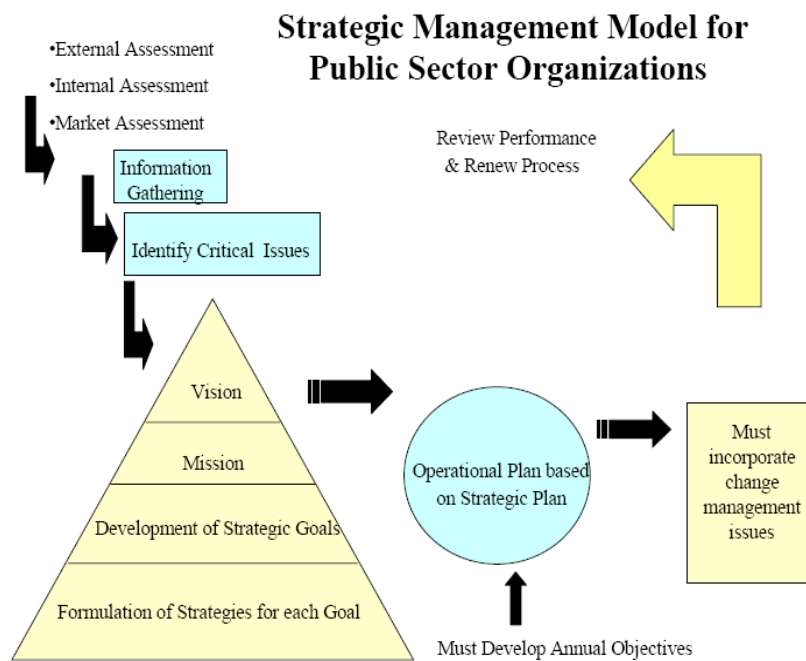


FIGURE 1 - STRATEGIC MANAGEMENT MODEL FOR PUBLIC SECTOR ORGANIZATIONS

Source: Sections of the diagram taken from Bryson, John M. Strategic Planning for Public and Nonprofit Organizations. San Francisco: Jossey-Bass Publishers, 1988.

This diagram is a brief overview of a common public sector strategic management model (with the addition of change management tools) used in the strategic planning process. This provides a dynamic method - not just a planning model - for evaluating the success of public sector organizations in meeting customer demands in the new public management.

The application of this model helps to identify the components for success and the capabilities of an organization in its strategic management planning. As illustrated, the first step is information gathering, which identifies key market, industry and internal organizational trends and opportunities that will impact the organization. Where "market", in the public sector context, refers to all relevant stakeholders. The organization's ability to respond to these critical strategic issues and challenges is manifest in their vision and the mission statement describing what they do, with/for whom they do it, their distinctive competence and why they do it. The strategic goals and specific strategies for achieving these goals should be formulated in an operational plan that also addresses change management issues. From this point, a review of this process and performance should be ongoing (McInerney and Barrows, 2002, p. 2).

6. THE WORK METHODOLOGY REGARDING THE MANNER IN WHICH WILL BE BUILT THE MODEL OF STRATEGIC MANAGEMENT FOR THE ROMANIAN LOCAL PUBLIC ADMINISTRATIONS

For drawing up an efficient global strategy at the level of a local community (city or district), strategy which can be materialized into a Local Plan of Durable Development we must cover the following stages:

First Stage: Data gathering and analysis with the scope of drawing up the durable development strategy

- The stage of data gathering must include issue that refers to the community as a whole: capacity of the local institutions of manage and initiate local development projects and strategies, with the support of the entire community.
- The data gathering must include important information regarding: o short presentation of the geographical area, physical-geographical data, general characteristic of the local economy, social domain, the cultural domain, the situation of the urban infrastructure, the environment status.

Second Stage: The analysis of the gathered data which includes:

- The examination of threats and opportunities;
- The examination and evaluation of the local administrations capacity;

Starting from the data gathering from the first stage, the next step for the draw up the strategy is the SWOT analysis. The SWOT analysis specific is that it studies simultaneously the internal characteristic and the influences of the external environment, taking into consideration all the positive and negative factors: the anthropique capital, the structure of the economic sector, the commerce, the industry, the constructions, the information technology, the transports and urban infrastructure, the social capital, the demography, the labour force, the unemployment and the pensioners, the health system, the social assistance, the residences ant the residence issue, the rroma people, the culture, the cultural infrastructure, the cultural events, the personalities of the cultural life.

The SWOT analysis if made in a collective manner by many factors involved in the drawing up and implementation of the local strategy.

Third Stage: The settle of development objectives and criteria – the development of the local strategy based on operational and functional objectives.

SWOT analysis allows the identification of local development directions. In drawing up a strategy the strategic development goals and also the operational objectives are essential.

Fourth Stage: Draw up an Actions Plan, with the purpose of put into practice the settled objectives: measures of strengthen the institutional capacity, measures to develop the economic, environment, social and cultural domains.

The proposed measures must be associated with projects that could be supported through Structural Funds, which have an Operational Program dedicated to development of the administrative capacity, which implementation will contribute to achieve the general goal, the durable development of the community, and also associated with monitoring and evaluation structures. The use of evaluation, especially in the current crisis context, could have important influence from at least two perspectives: first, given the restricted resources, evaluation could contribute to a more efficient spending of the resources to programs. Another benefit is the accountability of public institutions, creating a better communication between the political class, government and citizens regarding the public interventions, generating also the necessary constituency support for the government actions (Nica, 2011, p.11).

7. CONCLUSIONS

The development of the public local administration must be rely on criteria such as efficiency, performance, competitiveness and quality, which have to assure the transformation of the local administration and the local communities into tools of maximum satisfaction for the citizens, satisfaction

translated in quality public services, performed with the highest level of professionalism, in a high level of life, in safety and confidence in the local authorities.

All these issues encourage a new approach of the public management, an approach based on the implementation of the strategic management as model and tool for the development of the Romanian local communities.

Before drawing up and put into practice a model of strategic management, at the level of local communities, it is crucial to identify and analyse which are the main impediments and which are the rules and the key principles that relies on the implementation of the strategic management as model and tool, used in the development of Romanian local communities management.

We have to say that the pressure of the political factor, the lack of strategic vision and the lack of flexible and efficient legislative framework are the most important impediments for the development and the implementation of models and modern tools of strategic management, at the local level.

Also, for the successfully implementation of the strategic management at the level of local communities from our country and to surpass the impediments mentioned before it is necessary that the leaders of the local communities to observe several rules and key principles: the setting up of the mission and of the strategic goals; a integrated, global and long term vision in shaping the strategies and agenda of local communities; continuous development and implementation of strategies at the local communities; permanent control, evaluation and correction of strategy; the efficient administration and allocation of scarce resources; the development of strategic management based on leadership at the local level; a concrete, flexible and efficient legal framework; the existence and the development of different competitive advantages at local level.

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