

PROCEDURAL MANAGEMENT IN SELF-GOVERNMENT

NORA ŠTANGOVÁ¹

ABSTRACT. This article introduces one of the modern approach to management of self-government – it is the process management in comparison with the functional management and its application's possibilities in practice.

The self-government whose performance is not based on profit but on the budget and the disposable resources are not applied in the way of maximising the profits but it is focused on meeting the demands of the client – citizen and the self-government is influenced by the political, judicial and economical environment in which it works. The managerial processes decide about the allocation of disposable resources and their input into the processes and the revenues and expenditures are assessed by them. The level of citizens' satisfaction having a textual reflection rather than a numerical representation is highlighted. An efficient method to be applied is the benchmarking which compares the different coefficients of different organisations or self-governments within the same processes.

Key words: process, transformation process, self-government, resources, procedural mapping.

JEL classification: H70, H83, H89

Introduction

The procedural management provides a new approach to performance and activities in organisations. Although the participants namely the employees of the organisations are not aware of the ongoing process nevertheless all the activities are governed by certain rules creating the processes. In the presented paper we compare two approaches, the procedural and functional ones in management of self-government and a short analysis on procedural approach in management of a selected self-government will be carried out.

The process and its identification in management of self-government

Characterisation of the process

The process contains a complex of interactive resp. interrelated activities indicating an added value to inputs and transforming them into outputs. (Grasseová, 2008, p. 7). The inputs always present a defined input value and the outputs are the

¹ Prof. Ing. Nora Štangová, CSc, School of Economics and Management in Public Administration in Bratislava
email: nora.stangova@vsemvs.sk

results of the activities. The output in the form of products and services is the final result of the process. The process development is illustrated in Figure 1.

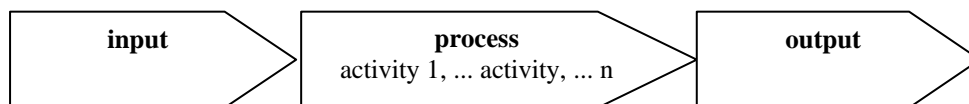


Figure 1. Process Development

Source: worked –out by the author

As it can be seen from the above figure, the process is a complete transformation of activities carried out within an organisational unit. It has a clearly defined starting point, ongoing activities and a conclusion of the process which represents the input of the following process.

In order to achieve the appropriate results and satisfaction of the clients – citizens it is necessary to manage these processes.

The process management consists of identification, visualisation, assessment, evaluation and systematic improvement of processes applying methods and principles due to procedural approach (Závadský, 2005, p. 6). It is an open dynamic system, the operations of which create the basic unit of the activity and all the operations are systematically interconnected into processes and, as a consequence, they create a subsystem.

The process is similarly defined by Šmída (2007, p. 30) stating that the system can be characterised as a continuous improvement of the processes. It is a periodic cycle which can be constantly improved as it is defined in Deming Cycle (Mateides & Závadský, 2005, p. 32). The Deming Cycle provides a method for improvement of processes repeating the 4 phases: Plan – Do – Study – Check (Evans & Lindsay, 2005, p. 636) and presents PDCA method which led to goals achievement as the whole cycle is repeated until the satisfaction is achieved in concordance with the planned results.

Comparison of procedural and functional approaches

There are two approaches which do not prove any antagonistic contradiction as the procedural approach is interconnected with the functional one.

The functional approach reflects the division of labour into functional units due to their specialisation (Grasseova, 2008, p. 40). According to this division of labour the organisation structure is created based on individual operations of the processes without assessing the complete transformation process. The organisation is managed mainly due to requirements of individual functional units (stated as horizontal management) and the transition from one unit into the other one can

prove the risk of waste of time, information and costs as well expended on final output. The functional approach focuses on simple operations – with a limited range of knowledge (skills) in interconnection with the complete functional unit and therefore the other managerial functions are required, e.g. coordination, multilevel control in order to achieve the final goal and as a consequence the number of workers will be increased without any added-value; furthermore the costs will be increased as well. As a result there can be, on one hand, a pyramidal – horizontal organisation with a redundant multilevel management, and, on the other hand, limited responsibility and competence. Furthermore the requirements of functional operations prevail those of the whole organisation. This situation, within the functional structure, influences the information system which has been developed based on a functional approach and more or less it can fulfil its requirements. As a consequence there is an unwillingness to modify the remuneration method for a new one according to measurable results of the processes.

The procedural approach delivers a modern management method and enables a continuous transition of operations within one organisation. There does not exist any contradiction between these two approaches as the procedural approach is interconnected with functional management and governs it due to its principles.

The basis of the process management is defined by its goal (Grasseová, 2008, p. 42) which means optimisation and development of organisational operations in order to react to requirements in an efficient and effective manner, and considers the labour operation as a process - presenting a complete system of operations ending with an output. It is necessary to define inputs, outputs and resources for each individual process with the aim to evaluate the effectiveness of the processes and the responsibility has to be unequivocally assessed. At the same time the quality and the effective application of available resources have to be maintained. If we want to apply the procedural approach successfully in practice, the top management will be required to act promptly and constantly and the whole process will become a logical consequence of interconnected labour operations.

Application of the procedural method requires a new approach to management and its individual functions. The historical development has brought about various approaches to management function which need to be provided by managers. We consider the managerial functions creating the content of the management.

The procedural approach to management has its origin in the theory of administrative management. (Štefkovičová, 2002, p. 57). The know-how of administrative management has become an important part of development of the theory on procedural approach. Currently the most widely applied classification of managerial functions is the followings: planning, organising, people's administration and controlling – the last one connects the supporting operations with the executive ones and these functions are defined as sequential (Vodáček, Vodáčková, 2006, p. 68). These are consistently executed in logical interconnections – sequences.

The parallel managerial functions are the continuous ones – analysing, decisionmaking, implementation. The relations between the sequential and parallel functions provide a complete systematic overview and the matrix mapping of managerial functions can be illustrated in the following Table 1.

Table 1.

Matrix Mapping of Managerial Functions

Sequential functions/ parallel functions	Analysis/ Assessment	Decision making	Implementation
planning organising people's administration and controlling			

Source: Vodáček, Vodáčková, 2006, p. 69

The advantage of this presentation, made by the author, is a simplification of the two types of processes enabling the application of procedural approach in organisation management. The basic differences between functional and procedural management are presented in Table 2 according to Grasseová (2008, p. 46) .

Table 2.

Basic Differences between Functional and Procedural Managements

Item	Functional approach	Procedural management
basic principle	division of labour	operation grouping
organisational structure	steep pyramid	flat, horizontal structure
organisation as a system	coordination of separated elements	synergic effect
competences and responsibility	for the department or operation	for the whole process (its integrated segment)
relation to subordinate	assignment, directives	people's administration, indirect support
coefficients	economical analysis	analysis of processes – coefficients according to the types
orientation	consequences	reasons
communication	vertical	horizontal

Source: modified version of Grasseová, 2008, p. 46

Self-government and procedural management

Basic principles of self-government

The local self-government as part of public administration is a local unit, geographically defined in which a community of residents is living and the basic level of it is the municipality. It has independent competences, is authorised and responsible for executing tasks which are in its charge (Peková, 2004, p. 31). To fulfil these tasks there have to exist certain prerequisites such as: judiciary - competent laws defining its autonomy, directives on asset management, economical prerequisites – a certain degree of self-sufficiency.

The local self-government provides three public services:

- social concerning the residents' life in the given community,
- territorial - technical – based on organisation and exploitation of self-governmental territory
- economic – focused on prosperity and development of self-government, processing of economical coefficients.

From the point of view of procedural management as mentioned above we will highlight the outputs which have different forms taking into consideration the process division; according to importance and purpose they can be divided into the following categories (Grasseová, 2008, p. 13):

- managerial processes – these are processes providing development and executive management of the organisation and they ensure its integrity and performance.
- main - key processes creating values – they are a complete set of added-value and they are the main reason for existence of the organisation
- supporting processes – providing conditions for organisation performance and for accomplishment of other processes which are necessary for the main processes.

Applying the principle of decentralisation of authority the self-government becomes a subject responsible for ongoing processes (Švantnerová – Kožiak, 2005, p.30) and the results of the processes are the outputs.

The output is the conclusion of the process and its tangible result is the product. The product is the final result of the self-government activities and the self-government possesses the business-related part of the product as a consequence of its competence pursuant to law, or it results from its own business activity. The product contains a complex of processes; it can be evaluated, and it is necessary to be managed. From the point of business-related basis the product can have the following forms:

- business-related service (social service)
- result of the administrative body – clerical (document, certificate, statement)
- tangible output (sewerage, waste disposal).

The output is influenced by many factors such as the managerial level of the processes, the exact managerial processes; these identify the structure and the logistics of the processes.

Procedural mapping

The key factor in understanding the flow of processes is their mapping. The procedural maps provide a better overview of the process and they highlight all interrelations that occur within the process.

The procedural mapping is the communication tool of procedural management (Fiala, Ministr, 2003, p. 89).

The procedural map introduces the description of processes, their inputs and outputs and their parameters as well, according to which the processes can be monitored. The procedural mapping is described by the relations which characterise the organisation of operations. The procedural mapping enables to analyse the purpose of the process, functions carried out by the process and to depict the mechanisms serving for accomplishment of the processes. The procedural mapping can be characterised by the following features:

- understanding the process by creating maps, graphical illustrations of the operations;
- highlighting the internal hierarchy and structure of division according to importance and purpose;
- allows regular evaluation and assessment of all decisions, furthermore the assessment costs and other financial aspects.

Application of procedural approach to management of a selected self-government

We will consider the competences of the city council of a selected self-government which carries out the following processes due to core and delegated competences. The processes will be divided by their purpose:

Table 3.

Processes due to their Purpose

PROCESSES		
MAIN	MANAGERIAL	SUPPORTING
communication	plan of economic and social development	judicial services
register office	quality management	personnel administration
residence and housing registration	strategy and organisation	purchase, storage
elections	project management	working environment
taxes and fees	coordination of activities	infrastructure
asset management	human resources and education	informatics
public services	project budgeting	operation and maintenance
land use planning	documentation and data management	data protection
transport		treasury
environment		accounting and budgeting
investment urban planning		financial control
education and sport		
culture		
social care		
housing support		
supervision of fire protection		
complaints		

Source: modified version of Grasseová (2008)

According to the table of process division, we will create the map of processes which clearly shows the interrelations among the processes from the point of transformation process of inputs and outputs.

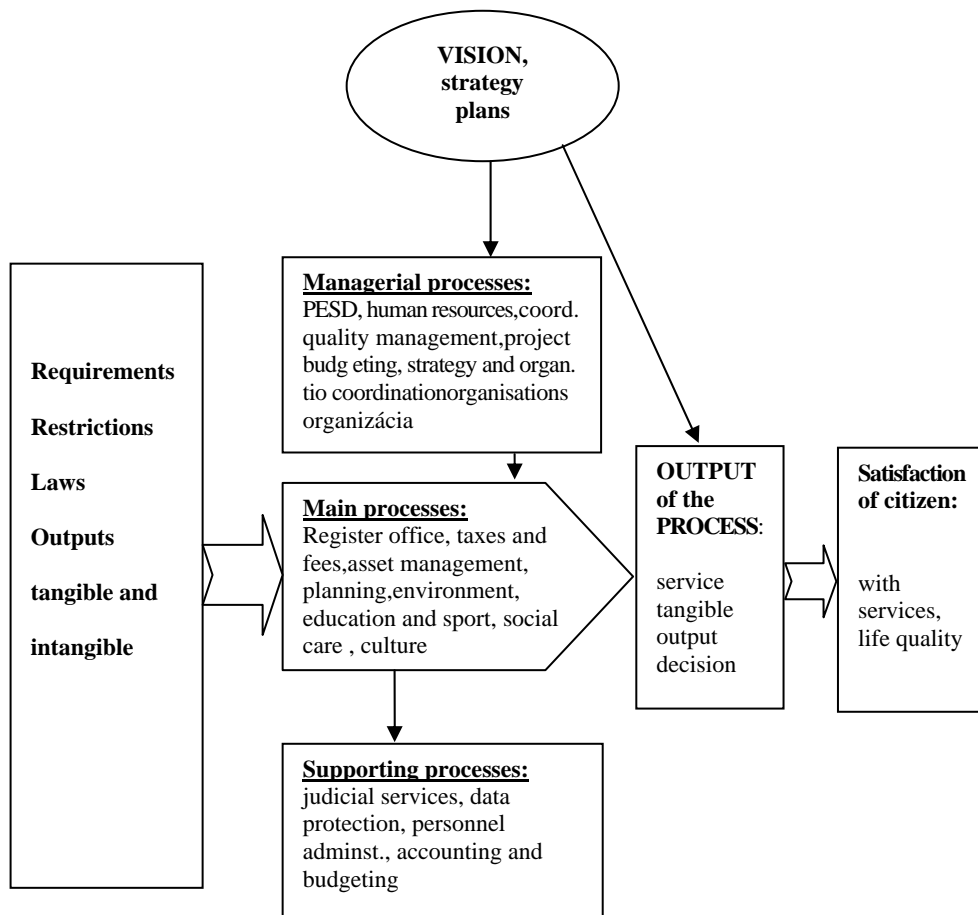
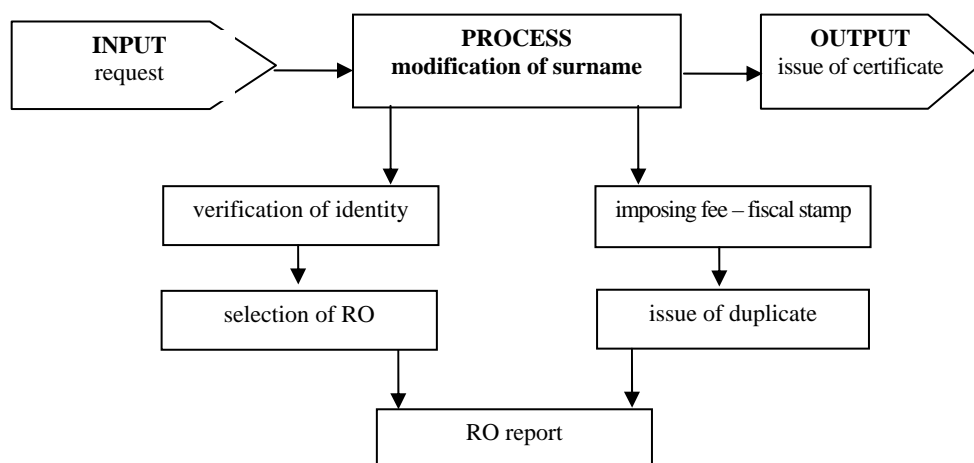


Figure 2. Map of Processes in the Model of Self-Government

Source: modified version of Půček 2005

PESD: Plan of Economic and Social Development

The further analysis deals with the main process – Register Office. Considering competences of the Register Office they are delegated ones and the outputs could have a tangible character (e.g. issue of birth or marriage certificates) or an administrative operation in the form of a service. To provide the operations of the main processes of the Register Office there are a lot of activities to be carried out which are logically interconnected and all of them are aimed at achieving the goal – the output. The example of the modification of surname is illustrated in the following simplified Figure 3.

**Figure 3.** Process of Modification of Surname

Source: Register Office

The input of this process is presented by the request of the client – citizen, the output is the required certificate issued by the Register Office, the process performer is the Register Office which monitors its own operations and the satisfaction of the client – citizen with the output.

The number of accomplished operations in individual processes has been constantly increasing (it is influenced by competences and increasing number of citizens). In the years 2007 – 2009 the self-government registered an increase from 42 147 operations to 50 076. The financial resources expended on process provision by the Register Office are quantified in the following structure showing that the expenditures are proportionally increasing with operations.

Table 4.

Structure of Expenditures on Register Office (000 EUR)

S.N.	Item	Expenditures in years	
		2008	2009
1	emoluments, salaries	54,77	59,75
2	insurance and other installments for insurance company	19,98	21,78
3	postal services, telecommunications	5,31	3,65
4	asset – facilities	1,99	0,33
5	material	1,99	0,32
6	computer technics	1,19	0,66
7	maintenance of hired technics	1,13	0,60
8	others	1,0	1,50
TOTAL EXPENDITURES		93,27	98,42

Source: Register Office

There is a substantial increase in expenditures mainly in the item of emoluments, salaries and as a consequence an increased value of installments for the insurance company. On the other hand there is a decreasing tendency in postal and telecommunication services due to informatisation in these fields.

Summary

As we have presented in our analysis there exists a real procedural management in the self-government which proves many advantages but nevertheless there are some issues due to above mentioned specialties of self-government. All the processes in the entrepreneurial field can be unequivocally quantified and assessed by the performance reflecting the economical results.

The self-government whose performance is not based on profit but on the budget and the disposable resources are not applied in the way of maximising the profits but it is focused on meeting the demands of the client – citizen and the self-government is influenced by the political, judicial and economical environment in which it works. The managerial processes decide about the allocation of disposable resources and their input into the processes and the revenues and expenditures are assessed by them. The level of citizens' satisfaction having a textual reflection rather than a numerical representation is highlighted. An efficient method to be applied is the benchmarking which compares the different coefficients of different organisations or self-governments within the same processes.

On the other hand the most important contributions of procedural management and process mapping can be seen in the following fields.:

- permanent monitoring of the achievement of both the processes and the organisation
- unequivocal definitions of main, managerial and supporting activities, it is important from the point of expended financial costs, organisation of work and meeting the demands of citizens.
- the ability to reveal the reasons for ineligible phenomena or narrow spaces in real time – i.e. during the process
- detailed description of the processes provides the possibility to prepare an accurate financial planning
- creating the procedural models leading to optimisation of logistic approaches and furthermore to reduction of costs.

Conclusion

If we want the organisation to perform in the most appropriate way we have to focus on its smallest activity units because the organisation is as successful as its smallest process. To achieve this goal the procedural approach is suitable having a lot of advantages and it is applicable in any organisation. As a result of choosing the convenient method of assessing the processes we can reveal the issues of inefficient activities. The methods of assessment will be dealt with in a next paper.

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