

# Application of new approaches in the management system of Territorial Self-Government<sup>1</sup>

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## Abstract

*The territorial self-government has recently surpassed critical competencies and fiscal reform. These systemic changes have necessitated increasing of the quality and efficiency in the activities of territorial self-government and public service. New tasks and challenges tend to increasingly stronger and more flexible response to the ongoing qualitative deterioration in the community. They are subjected to a range of factors of internal and external nature (e.g. sustainable development, globalization trends, the modernization of public administration, the pressure to improve the quality of life, the concept of learning regions, integration processes in the European Union and EU regional policy, etc.). These factors affect the practical application of new approaches in the management system of territorial self-government. These approaches are applied abroad for several years, for example penetration of New Public Management, as well as other management methods (e.g. process management, the use of controlling in management, etc.). This fact aims to the correlation with the objective of this contribution, the analysis and evaluation of existing international experiences with the practical applications of new approaches in the management system of territorial self-government in selected countries in the intentions of the knowledge-based society. This would be particularly the analysis and evaluation of knowledge and experience based on their weight, which simultaneously brought the positive results and in correlation with this also the assessment of potential implications in terms of territorial self-government in Slovakia.*

**Keywords:** Territorial Self-government, New Public Management (NPM), Process Management, Controlling, Reengineering

**JEL Classification:** D89, H41, M19, R19, R59

## Introduction

In a globalized world, organizations are increasingly put more emphasis on flexibility and the ability to adequately respond to the many changes which are daily exposed. Public administration didn't avoid these trends. It is known that in OECD countries, the 80th 20th year century are linking in the public government with the idea of new public management. The entire public sector is adopting the method of performance management that the management process has been decentralized, and emphasized the requirement for personal responsibility. With a high degree of decentralization of structures where there is enforcement, there is a clear need to link strategic planning and management of annual planning, both in terms of financial resources and setting goals. These facts constitute a necessary assumption to making the management of public administration (and therefore local authorities) there was a shift from traditional management models for innovation management and process management people.

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To be able to successfully implement an innovative approach to managing all components of local authorities, is in relation to the reality as possible accept a methodological approach Rumpel, in which the relationship is breaking down the innovation<sup>2</sup> in management and development of local authorities defined as [1; 2, p.1-8; 5; 6]: “*a) institutional and organizational innovations (sometimes called “procedural” or just “organizational innovation”*)<sup>3</sup>, *b) product innovations*<sup>4</sup>, *c) technical and technological innovations*<sup>5</sup> and *d) innovations in financial management*”<sup>6</sup>. The specification of the relationship of innovation and local governments in content reflects the position of territorial self-government, based on knowledge and innovation linkages. Together shows a classification of research approaches for local authorities in the knowledge economy. Such a systemic view of innovation in management and development of local authorities is in our view very important, as has the possibility to find linkages between them and the context in intentions to achieve a higher quality of governance and social added value at all. Overall, these factors also represent a challenge for territorial self-government itself confronted with changing conditions in its external and internal environment. Application of new approaches to the issue management system in local authorities, including change management is also dedicated this contribution, which should become not only a stimulus for discussion on this issue, but also the starting point for further research (particularly empirical) in this area.

## **1. Management system of territorial government and the Quality Management System**

Public administration in Slovakia in the past nearly 20 years hit a number of changes, which had to settle up in a relatively short timeframe. At some changes hasn't been prepared especially internal environment of organizations of public administration. By the urgent need to solve an area of public administration in the changed conditions addressed a greater attention to solve the problem of structural changes. We must not forget that the successful implementation of the external changes also depends on how the internal environment of government organizations are able to cope with the changes, accept them, as well as prepared to effectively and efficiently manage them.

In this respect, the changes can be classified into three categories. The first category may represent changes in the structure (specialization of labor, chain of command, margin management, degree of centralization, formalization), the second category of changes in technology (working practices, methods and equipment, informatiozation, innovation) and the third category, people change (approaches, expectations, perceptions, behavior, motivation). This of course requires certain skills and assumptions of the managers who should be able to practically apply the management changes, and successfully work in the dynamics of the changing conditions of managerial work. We believe that, as can the principles and methods of change management use in the management of change in the private sector, it is appropriate to apply the approaches and changes in public administration. This application does not require any

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<sup>2</sup> The innovative approaches will be those that respond to changes such as globalization, information society, the pressure for efficiency, performance, pressure on the quality of life, respect for sustainable development, etc.

<sup>3</sup> Eg. NPM, quality management and performance, strategic planning method of Balanced Scorecard - BSC [3], Good Governance, Networking, regional innovation systems, Learning cities, villages or regions

<sup>4</sup> Eg. passages, the new multifunctional public spaces, new leisure infrastructure, and innovation in transport systems of cities and regions, new infrastructure such as industrial business zones, incubators, science and technology parks, centers for technology transfer, etc.

<sup>5</sup> Eg. Geographical Information System, electronization, informatization, etc.

<sup>6</sup> Eg. PPP, i.e. partnership of public and private sector in financing the projects in the public interest.

special treatment. Potential risks arising from a scheme in which government operates, they are overcome as obstacles to overcome in different situations in the private sphere.

If we should focus more on quality management system, is evident that this system includes a variety of management processes. Often these processes are divided into three main groups: quality planning, quality management and quality improvement. Quality Planning is a process of formulating objectives and development of quality resources to meet these goals. It is a design in time and space of the processes of development of a facility or system and the programming of sketching, displaying his future. Knowledge learned about the object of planning are also used for applying decisions to solve possible future problems. Output of the planning process is the process to achieve the defined objectives of product quality, service or process. In the course of quality management activities set out in the planning stage quality are implemented, evaluated and compared to the results actually achieved. Management activities within the quality improvement process focus on improving the existing situation. Its results should be to reach a higher quality levels than was originally planned as an essential attribute of the organization remain competitive. Establishing and maintaining quality management system should continuously improve performance while addressing the needs of all interested protagonists.

Gradually shaped a number of key quality management principles that can be used for managing the organization towards improved performance. In particular, focus on customer (citizen), leadership, worker involvement, process approach (the desired result is achieved more efficiently when activities and related resources are managed as a process), systemic approach to management (identification, understanding and managing interrelated processes as system contributes to the efficiency and effectiveness in achieving the objectives of the organization), continuous improvement (eg. continuous improvement of overall performance of the organization), effective decisions based on facts and mutually important relationships with suppliers. These principles of quality management standards also form the basis of a set of quality management system ISO 9000<sup>7</sup>, based on the procedural basis. From more analysis shows that an effective quality management leads to: a) to improve the economic performance of the organization, b) raising concern about the demands of customers (citizens), c) to develop a culture of the organization and management of people d) significant changes in personal development.

Because given the current conditions of local and regional authorities are increasingly exposed to greater pressure to improve their performance showing into higher quality and citizen satisfaction, we should more often (as before) to talk about the application of new management systems of organizations and their performance measurement. The biggest risk factor that appears here is just lack of understanding of the new current conditions. It is now emerging, so called. concept of a learning society, whose principles must translate into individual organizations and institutions throughout the government. In this respect, the professional community frequently uses the term so called Learning organization<sup>8</sup>, which is actually the result of long and active process

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<sup>7</sup> According to EN ISO 9000:2000 Quality management is defined as "coordinated action to guide and manage the organization with regard to quality." The standards of quality management system ISO 9000:2000 is a set of defined and documented smaller number of processes, with greater emphasis on people to understand the tasks they must perform, including greater emphasis on satisfying needs of the customer (citizen) or employees.

<sup>8</sup> The main assumptions of the learning organization ranks participatory and reflected explicitness. In the first case, direct and open negotiation of opinion in the latter case the ability of their minds are still subjected to scrutiny. In the case of a Learning organization plays an important prerequisite and decentralization (ie the transfer of decision-making from the top to the lowest cells), which promotes flexibility and adaptability of the changing conditions. Based on these assumptions, learning organization, we can also draw their gains, for example. nature of cooperation, open communication, delegating responsibilities to its members an environment of mutual respect, sharing environment, leadership and accountability, a supportive environment for individual and collective learning, openness to experiment, etc.

characterized by means of several characters: a) the common vision of the organization, that accept all its members, b) improvement of individuals in order to obtain the (relevant) information, c) separate decision-making and monitoring of learning outcomes from the experience, d) develop individual and team skills to learn, e) the application of the results of the learning process to achieve better results the organization f) the preference system and dynamic thinking, etc.

## 2. New Public Management

Today's public government is a highly complex system located in a changing environment with increasingly higher requirements for its effectiveness, flexibility and performance. That is the reason that it is constantly seeking the best methods and ways of governance, which should ensure a transition from management by rules on the management by objectives. In response to this ongoing trend in recent decades has become the most famous concept of "New Public Management" (NPM)<sup>9</sup>. In principle, we can say that this is a new perspective that has evolved in the 90's, 20th century and since then in many developed countries started to implement new approaches to public administration reform, based on the implementation of management procedures and tools applied in the private sector to replace the traditional model of public administration. Under NPM, in its papers an important sign authors like Pollitt [4; 5; 6], Hood [7, 8], Rhodes [9], Walsch [10] and many others. The beginning of constitution NPM while back at the end of 20th century, but the framework for the role of modern public government in the 21 century, which increasingly affects the rate of major private economy, and hence national competitiveness. OECD declares that *"all member states accept the improvement of public management as an integral part of the structural changes necessary to improve the economic performance in a changing global environment"* [11, p. 1].

The basic idea of NPM based primarily in proposing such tools, techniques and management practices through which government can effectively pursue its objectives in a changing environment of globalization, liberalization and privatization. NPM, therefore, represents a new philosophy of management in the public sector, inspired by a set of economic theories<sup>10</sup> and normative values. These are aimed at increasing efficiency and performance provided deregulation, decreasing the bureaucracy, economic autonomy and acceptance of private enterprise culture in the public sector. NPM as a global reform movement in public administration was established in the UK and Rhodes [9, p. 1] be considered *"determined efforts to implement the three E - economy, efficiency, effectiveness in all levels of government with emphasis on management and his style."* As stated Minogue [12, p. 3-5], *"NPM focus on critical evaluation of the size, functions and structures of the public sector, while excluding the three E considered significant phenomena NPM issues of responsibility, control, transparency and participation"*.

NPM is not just a certain philosophy, a certain style of thinking, but also some strategy containing a number of practical best practices (eg. Total Quality Management - TQM, Benchmarking, Value for money, Public Private Partnership - PPP Management by Objectives,

<sup>9</sup> It is widely acknowledged that the government (administration) is closer and more limited function than management. While government action is serving the public with a focus on processes, procedures and fairness, public management, in addition to the report focuses on the organization and achievement of objectives with maximum efficiency and accountability for results (Owen Hughes, 1994). (For more see [13, p. 59-61]).

<sup>10</sup> This is a "public choice theory" condemning the classical model of representative democracy with a focus on the relationship of internal and external organizations, as well as the "theory of neo-taylorism" which focuses on the internal organization of the bureaucracy. The protagonists of the NPM from taylorism adopted the idea of personal responsibility for specific performance, quantification of costs and performance, the link between pay and the work.

Balanced Scorecard - BSC , Controlling, etc..) which need to know the specific conditions and situations to choose those that are appropriate for given conditions. Therefore, issues on which NPM is based, are designed with an emphasis on management (not policy), ie. with emphasis on management skills in policy making, to evaluate work performance and effectiveness, the adoption of appropriate management styles and decision-making procedures (applied in the private sector), including adequate accountability, but also autonomy and decentralization, public sector, to establish standards for measuring performance for contracting and thus effective delivery of public goods and services, the method of participatory management that is flexible and autonomous, while the emphasis on financial incentives and setting targets for controlling the introduction of business and accounting, etc.. For all these aspects, which the NPM is currently based, this new modern management approach often used in discussions about the theoretical and practical issues of modernization and economization of government.

Broadly stated, that in practice local authorities should NPM aimed primarily to address such issues and problems such as. increasing citizen satisfaction with the services they provide to government, optimizing costs and pressure to streamline the activities of local authorities, adapting the organization and management with a focus on achieving specific objectives and results to follow them by applying a business-economic management tools, separate policy from administration (the strengthening of strategic focus, strategic competence separate of operational, executive and the delegation of executive authorities), etc. According to G. A. Larbiho [14, p. 15-16] are key components of NPM include: professional management in the public sector, explicit standards and performance indicators, output oriented budget, greater emphasis on output control, emphasis on discipline and parsimony in resource use, new forms of "corporate governance" (including the strengthening of Strategic Management), disaggregation of units in the public sector, decentralization of managerial authority, a shift to greater competition in the public sector or market, let us say quasi-market mechanism, the emphasis on private sector management practices (for greater flexibility in employment and pay, use public relations techniques), customer orientation, commitment to quality and changes in employee relations (eg remuneration linked to performance, the use of employment contracts of limited duration and below.).

The experience of many developed countries (for example UK, Germany<sup>11</sup>, Australia, Canada, New Zealand or Scandinavian countries) indicate that appropriate use of these approaches has brought efficiency gains and quality of functioning in the public sector. However Keraudren Mierlo and its work to come out that there is little empirical evidence that NPM actually leads to the desired result<sup>12</sup>. Later, Steiner [15, p. 18] the example of Switzerland shows that *"neither fair widespread deployment in Swiss NPM municipalities silent on the full success of reforms."*<sup>13</sup> General criticism addressed NPM also agreed that it is more focused on solving problems related to internal management processes, rather than linked to the environment in which public sector organizations operate. According Haque [16, p. 316] *"the dangers absolutizing management approaches in public administration are blurring the difference between the citizens and customers, which limits the application of the principles of representative democracy and undermines the legitimacy, integrity and identity of public administration."* Haque's another danger is that *"management officials will be oriented more*

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<sup>11</sup> Late 80th-ies in Germany began the process of modernization of the municipal public sector, which is known as "New models of governance". They focus on external or internal competition in public administration based on performance measurements.

<sup>12</sup> For more details see [17, 18, 19, 20].

<sup>13</sup> For more details see the Ritz [21].

*reflect the needs of influential citizens, citizens with low incomes.*” Particularly problematic in the context of the transformation will be limited the ability of NPM-type soften the impact of the unregulated market behavior. It is true that *"efforts to improve management methods is a reasonable choice until the introduction of Anglo-Saxon administrative culture, it seems simply impossible"* [22, p. 193]. Objective and scientific evaluation of the NPM in terms of its benefits and risks is very difficult because some of the objectives of reform are mutually strained relations. An example might be to reduce public spending or at least limit their growth while increasing the quality and efficiency of public services and the tightening of public responsibility.

The practical application of NPM to Slovak conditions can be in the process of public administration reform in Slovakia identified several critical steps that have dramatically changed its character. The most important we consider a move from centralization to decentralization, which led to the emergence of regional autonomy, the decentralization of competencies and then to fiscal decentralization. That decentralization tendencies are a manifestation of external reforms, although it is in conditions of Slovakia and forwarded to the effort to modernize the internal environment by informatization of public administration, training of workers in public administration and the emergence of new courses, strengthening client access by the authorities etc. On this basis, we can draw the finding that while the external (structural) reforms related to changes in its external relations, with the financing of its outputs, with competition and relations with citizens as customers of public organizations (ie lies in creating a strategy), changes in the internal structure of concern internal processes, particularly changes in public administration and organizational structure<sup>14</sup>. In other words, it would be appropriate to create such an organizational structure that allows for efficient implementation strategies. Currently, these issues are reviewed in the implementation of process management in government organizations, and thus constituting the process management. To better clarify it to say that the process-oriented management is inherently more general approach based on a combination of inputs in different variations in order to effectively achieve the objectives and framework of this analysis will then identify, describe and optimize current processes. In practice, this simply means that you first have to define all the tasks and paths that lead to the tasks, and on this basis, they assign adequate personnel, financial, information and technical resources. This should contribute to reducing the cost of increasing the quality of provision of public goods and services. Therefore, the territorial government entities seeking to optimize their management and organizational structure should be the relation of process management in achieving the intentions of the rule of MPM understand. Otherwise it will not lead to a desirable and optimal results.

### **3. Optimization of process management**

The philosophy of process management is currently the best appreciated approach to managing the organization. It allows transparent management of the organization through its governance processes with the possibility of applying a number of process-oriented management tools. Knowledge of the processes of the organization currently does not become the only competitive advantage but a necessity. Process management is also in the present context becomes the basis for efficient, high quality and efficient functioning of organizations that have chosen to apply the process approach. According to the CAF Manual (2006) *"running any well-functioning*

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<sup>14</sup> at changes of the internal environment of public administration and business units can use common principles and practices borrowed from the classical theory of management.

*organizations represent many processes, each process is a series of consecutive activities that transform inputs of resources and results, outcomes or impacts, thus creating added value".*

Since the process approach is based on the principle of management and interaction all processes in organizations, both for their efficient, effective and accountable governance, we should focus in particular on the causes that lead to desired results with the stated objectives. Therefore, the most common reason for the introduction of process management is to achieve such objectives in an environment changes with respect to environmental conditions mean increasing the efficiency and performance, but also increase the ability to adapt to the changing environment.

The introduction of process management should help to optimize the overall process towards achieving higher quality, efficiency, accountability and organizational dynamics. Processes that we can effectively manage and optimize, we should be able to categorize them. In this case, as we speak. the control, respectively managerial processes<sup>15</sup>, the main (key, value creating) and the supporting processes<sup>16</sup>, respectively secondary or ancillary processes<sup>17</sup>. All these processes are known to so called map process as a necessary basis for the permanent improvement and optimization of the process management system depending on the depth and intensity of changes in external and internal environment. In this respect, we rely on the overall reengineering<sup>18</sup> organizations using such tools and process models such as. BSC (Balanced Score Card), ISO, CAF, EFQM as a basis for obtaining quality certification and quality management, outsourcing of certain processes, benchmarking processes, but for example also develop the cost model based on a methodology ABC (Activity Based Costing), etc. This is necessary to define processes and activities for quality and efficient provision of specific services, while creating the conditions for a change in attitude of employees as a necessary condition.<sup>19</sup>

If an organization hasn't optimized its operations and processes, is unable to effectively use all their abilities and conditions to full development. Therefore, the operation occurs when the number of inefficient and sometimes even unnecessary operations. The solution is to implement the audit process, which identifies the inefficient processes in the organization, and also proposes a procedural model of pressed management organization. It should also form the basis for a system of performance evaluation organization. In this respect, we should focus on monitoring of key targets such as meeting the statutory role of citizens satisfaction, employee satisfaction, performance or achievement in the performance of individual tasks<sup>20</sup>. For system performance evaluation organization properly serve both as an analytical tool for identifying deficiencies, but also as a vehicle

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<sup>15</sup> For example organizational management of the municipal / local authority, guiding and training advice, monitoring and reporting, coordination of joint activities for common office strategy and preparation of projects Municipality / City etc.

<sup>16</sup> For example registrar, education and physical culture, taxes and fees, construction and development, entrepreneurship, culture, application of the Law on Administrative Procedure, offenses, placement and approval of construction, environment, communications, public-benefit activities, asset management, village / city, housing, elections, securing public order, transport, social care and health, information services and services for citizens, crisis management, etc.

<sup>17</sup> For example management of financial resources and accounting, human resources and payroll, ensuring the running of the organization, informatics, purchase and property management municipal / municipal office, materials, services and works, legal services and support services, etc.

<sup>18</sup> Reengineering processes in the organization is a fundamental rethinking and radical reconstruction processes in organizations so that they can achieve significant improvements in terms of critical performance indicators, especially the cost, quality, service and speed. At present, reflects so called second generation of re-engineering, which it conceived against the traditional, which focused on technology, the radical often insensitive and harsh cuts to staff rather balanced human-organizational and technological development aimed at co-workers and citizens and respecting "human pace" of change.

<sup>19</sup> Closer to the process management, see also [23].

<sup>20</sup> Since the final objectives (fulfillment of tasks, customer satisfaction, employee satisfaction) should be achieved through a cost (it means economical), it requires the accounts of the territorial authorities conduct cost accounting (or a system of cost centers).

for a quality management can be implemented to compare performance using benchmarking tools<sup>21</sup>. In this respect we mean the process of comparing the methods, processes, procedures, services of an organization with other organizations working in similar areas [24, p. 29].

In order to successfully and meaningfully manage the entire cycle of benchmarking is therefore in our view very important to determine in advance the specific criteria for comparison, and also opt for the territorial authorities that have similar characteristics, for example in terms of area size, number and structure of the population, etc. One of the more effective tools that can be effective in this respect is so called benchlearning, which represents an innovative concept in the development of the organization and its main task, trend, or direction, the field of human resources. The whole philosophy of benchlearning lies in learning from the knowledge of others who are experts in the field. So there is a co-operations within the team for improving the process. Method of benchlearning in public administration (and therefore the territorial government) aims to improve the implementation process, whether the processes within an organization or it is an improvement of citizen services. This concept should also be helpful to a better understanding of when the need arises to change things, but on the other hand, even to when things would not have changed. This concept has been successfully used in many countries such as. Sweden, Britain, Denmark, Finland, France, but also in many other countries.

#### **4. Some foreign experience in the application of selected methods of process management**

Previous results mainly from abroad indicate that the implementation of such processes such as modernization for example Total Quality Management - TQM<sup>22</sup>, Reengineering, or Continuous improvement processes reflect the positive and reflected not only in improving working practices and management practices, or organizations focused on building quality, but for example also in introduction of cost accounting and performance and determine accountability for the use of resources. Very inspiring and helpful in this respect for example German experience (for example for the implementation of reengineering in the city of Wuppertal in 1993, TQM implementation model in the city of Saarbrücken in 1993, or the gradual implementation of the concept of continuous improvement processes in the city of Hagen in 1994).

Inspiring experience using the methods of quality and performance in terms of local self-government can currently find already in the Czech Republic (hereinafter "ČR"). From this perspective, the most commonly used in the ČR is model CAF (Common Assessment

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<sup>21</sup> Benchmarking is a method of quality improvement and management tool that helps organization to identify its potential to improve and enhance for known vulnerabilities in order to increase productivity and efficiency. Its use helps to understand their own processes less effective practices and find them through the experience of other improvements. According Vacík [25, p. 27] can be applied to benchmarking as a strategic level - strategic benchmarking, as well as the operational level (process benchmarking), and simultaneously, these two variants also apply within the organization (the comparison between the disciplines). The most important for the successful application of the method is that evaluation criteria are not only the criteria that are well valued, but that these criteria provide improving services for the end customer - the citizen.

<sup>22</sup> In practice, the TQM principles implemented by the various models, while in Europe is one of the most recognized models and model EFQM Excellence Model, which was subsequently developed a specific model for the organization of government (and therefore local authorities) CAF (Common Assessment Framework). CAF model was developed based on analysis carried out by the European Foundation for Quality Management, Academy of Speyer in Germany and the European Institute of Public Administration in Maastricht.



Framework)<sup>23</sup>, which allows a comprehensive analysis of processes and activities taking place in organizations at all levels with the participation of all employees associated with identifying the various areas that need improvement. Since the CAF (CAF 2006) calls for greater modernization and innovation based on process approach (also in connection with reference to other methodologies based on a process approach, such as Balanced Scorecard, and others), its significance lies in the application that " *is a vector of the Quality Management System is internationally recognized and has the same weight as an ISO standard - ISO 9000* " [26, p. 14]. ČR in 2006 with more than 50 applications CAF belonged to some average of European countries. In the CAF ČR has also included environmental management. According Chaburský and Stejskal [27, p. 56] is a significant shift in the ČR quality of public administration in the European Union. In 2006, certified by ISO quality system was introduced in specific places, for example City Office Vsetín, Česká Lipa, Moravia and Borders town of Prague 10, and already at that time preparing the certification and other cities. The integrated system according to ISO 9001 and ISO 14001 obtained only if the Municipality of Vsetín<sup>24</sup>. In the area of improving the quality of services can city Vsetín<sup>25</sup> (in the Zlín region) may be considered a sort of "pioneer" in the ČR. Just for comparison, in conditions such as the SR<sup>26</sup>, CAF model implemented mainly by various government organizations. The government organization has offered to voluntary and was introduced only sporadically in the municipal / city offices where so interested. Pioneer in this field was Martin City office<sup>27</sup> (in 2003 won a national prize for quality). Also involved in Benchlearning Regional Project 2005 with its self-governing under the top representatives of Hungary, ČR and SR, who compared their results by the CAF<sup>28</sup>. In addition, City of Martin has implemented the CAF model municipal authority Levice, Trnava, Malacky and others<sup>29</sup> [26, p. 14-15].

Another interesting example is knowledge of for example results of research interest in modern methods of management of innovative regional and local administration to implement the Masaryk University in Brno. The research results showed the following detection [28, p. 199]: *"Most of the participants believes that the new methods, tools and approaches can be positively reflected in the revenue and expenditure side of the budget of territorial self-government units. Using this instrumentation can increase the revenue side of the budget of local self-government by 58,1 % of respondents and lead to savings in expenditure by 60,0% of respondents. In the case of the use of tools and methods outlined in the preparation of projects, grants and applications can be enhanced by their success 61,7% of respondents. Interested in learning more observation methods, tools and*

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<sup>23</sup> It was developed on the basis of analysis carried out by the European Foundation for Quality Management, Academy of Speyer in Germany and the European Institute of Public Administration in Maastricht. Inspired by a model of comprehensive quality management (TQM), respectively European model for quality (EFGM).

<sup>24</sup> For more details see: [www.mestovsetin.cz](http://www.mestovsetin.cz).

<sup>25</sup> City (City Office) Vsetin in improving the quality of services has gradually introduced a systems approach to measuring citizen satisfaction, and in 2005 received a prize for innovation in the territorial government. In 2003, built and introduced a quality management system in accordance with the requirements of EN ISO 9000: 2001 and in 2009 received a certificate of conformity of environmental management in accordance with the requirements of standard EN ISO 14 001: 2005. In 2008 Quality Award in public administration - organization of good public service. (please see: [www.mestovsetin.cz](http://www.mestovsetin.cz)).

<sup>26</sup> In Slovakia was used the version of model CAF 2002, but in 2006 the European level to create a new update called the CAF 2006, which redefined new procedures CAF 2002, and calls for greater modernization and innovations at the same time in connection with reference to other methodologies based on a process approach as the Balanced Scorecard (BSC) and others [29]. CAF model deals with the European Institute of Public Administration (EIPA) in one of his study, for example. "Study on the Use of the Common Assessment Framework in the European Public Administration" (please see [30]).

<sup>27</sup> For more details see: [www.martin.sk](http://www.martin.sk)

<sup>28</sup> From April 2005 to January 2006, the two-day meeting held Vsetín, Sopron and the Martin government [26, p. 15-15].

<sup>29</sup> Activities in this area should continue in Slovakia currently in line with implementing the National Program for Quality SR.

*approaches in its reply, 65,5% of respondents. The overall result, therefore, knows the benefit of interest on innovation management processes, management of regional and local administrations”.*

## **Conclusion**

The basic precondition for overcoming current problems of territorial self-government in Slovakia is to achieve the required level of quality of management and executive management. Since management control is not only effective but also innovative management systems (with the outlet into concrete practices) should be subject to some analysis and evaluation, to the gradual optimization. It is therefore necessary that research in this area focused on a realistic assessment of potential options for the selected application of innovative methods, approaches or tools that are used in a foreign government for several years. Using these innovative methods and tools for managing the development of local authorities, with the accent improve their quality, efficiency and performance in mind the knowledge economy, it is often motivated or justify such:

- effort to seek ways to effectively manage the office and develop local self-government, ie. efforts to increase efficiency, effectiveness, flexibility, transparency and overall quality of the work of the Office of territorial self-government,
- searching tools for improving quality of life and to get feedback, whether citizens are satisfied and all the principles of sustainable development,
- efforts to strengthen the credibility of municipal spending of EU funds and national public funds efforts to strengthen the credibility of municipal spending of EU funds and national public funds,
- need to develop a uncorruptive, partner and creative environment, etc.

Although by the application of changes in the managerial system of territorial self-government we have available a range of appropriate methods, tools, or innovative concepts and approaches, while they expect only the best results if not used properly, their effects are lost, and even may lead to the destruction of the entire management system.

Based on knowledge of the situation in the territorial government in Slovakia is the gradual implementation of new management methods that lead to economisation local authorities are fully justified and should constitute one of the cornerstones of the process of modernizing public administration. In practice this means that we should focus management and other staff to study economic principles (or principles) to ensure the production of public goods<sup>30</sup>. This in our view, the system requires a particular point of view:

- a) the application of cost accounting principles and follow the application of benchmarking methods (based on a single methodological guidelines),
- b) the synchronization of activities referred to in paragraph a) of the anticipated building a new generation of ICT,
- c) creative and proactive approach territorial self-interested workers, and therefore the emphasis on the implementation of educational activities involving the professionals who wish to apply new, innovative concepts, approaches, tools and methods in improving efficiency, quality and performance management system of local self-government.

Overall we can say, that the research in this area will require an interdisciplinary approach, and also search for possible links between individual integrated system of innovative concepts and approaches in the sub practical application of qualitative changes in the managerial

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<sup>30</sup> For example application of several variants in the application of new methods of management in organizations, local authorities in the context of tracking costs for each product defined in order to rationalize the services provided (it confirms for example the knowledge of several places in Germany).

system of local self-government, in order to increase particular quality, performance and efficiency in the development of local authorities in terms of the SR.<sup>31</sup>

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<sup>31</sup> Some aspects of the issue further, see for example [31; 32; 33; 34].

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