

Schwarczová Loreta
Valach Maroš
Cifranič Michal
Kvitkovská Monika

Public Administration Management



SUA·FESRD
Faculty
of European Studies
and Regional Development

Authors: doc. Ing. Loreta Schwarczová, PhD. (3.14 AQ)
Institute of European Politics and Public Administration
FESRR, SUA in Nitra

Ing. Maroš Valach, PhD. (2.80 AQ)
Institute of European Politics and Public Administration
FESRR, SUA in Nitra

Ing. Michal Cifranič, PhD. (2.49 AQ)
Institute of European Politics and Public Administration
FESRR, SUA in Nitra

Ing. Monika Kvitkovská, PhD. (1.63 AQ)
Institute of European Politics and Public Administration
FESRR, SUA in Nitra

Reviewers: doc. PhDr. et Mgr. Ing. Ladislav Mura, PhD., MSc.
University of Economics in Bratislava, Faculty of Commerce

PROFESSOR JUDr. Lucia Palšová, PhD.
Institute of Law, FESRR, SUA in Nitra

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Introduction

Public administration organisations provide a variety of services on a daily basis. The "customers" of public administration (citizens, organisations) create the demand for these services, coming with different needs. The aim of each 'customer' is to have their needs met in an appropriate, timely manner within the legal framework. The level of satisfaction is often based on the direct experience of the public administration employee who is the provider of the service in question. Although 'public administration customers' have the right and opportunity to express their satisfaction with the quality of the service provided, many times they do not take advantage of this opportunity. This is often due to the fact that certain areas of public administration are characterised by irregularity and specificity. Based on the specific nature of public administration, the area of its management is a key element that is a prerequisite for the successful management of this cross-cutting issue.

The university textbook is conceived in nine chapters, they provide an overview of the basic theoretical background of management in general, through a gradual introduction of state administration and local government in the system of public administration of the Slovak Republic, up to the specifics of management in public administration organizations.

The university textbook is aimed at the target group of undergraduate students of study programmes related to EU policies and public administration, regional development and rural development.

Authors

1. Theoretical foundations of management

The issue of managing people's activities has been of interest to many thinkers since the time when people began to form organized groups in order to accomplish their common and individual, economic and power goals that they could not achieve as individuals. Thus, management became a necessary means of ensuring the coordination of individual efforts. The origins of current trends in management thinking are very often associated with the first theoretical works of practical managers of industrial enterprises from the late 19th and early 20th centuries.

1.1 Definition and definition of management, definition of basic terms

The term "management" comes from the English word "manage", which means to manage, to lead, to administer, but also to manage, to cope with something. From the basic meaning of the word "manage" are derived related terms such as "management" or "manager".

Management and governance – terms whose meanings are sometimes confused. Management is considered to be a more modern term for governance. In general, management involves the process of action of the subject of management on the object being managed. However, the term 'management' is also used in a narrower sense, as direct management, as the implementation of regulatory measures, as guiding, monitoring, or as controlling the course of the process being monitored. The term 'management' generally refers to the process of managing and administering social systems. Management is primarily a process of leading people (Míka, 2006).

Management can also be interpreted as an organized set of knowledge according to certain aspects, usually observed from practice, which are elaborated in the form of guidelines for action or are set out as principles. It relies on knowledge (theories and methods) from scientific disciplines (such as economics, sociology, cybernetics, system theory, mathematics, psychology, etc.), which it applies and develops to the conditions of management. It is the process of organizing, planning, decision making, communicating, motivating and controlling in order to set and achieve the goals of the enterprise using all its resources (Záruba et al., 1991). Originally, the term management was defined as "the art of directing corporate activity through people". It was seen as a process beginning with anticipation, continuing with organising, commanding and coordinating, and ending with control. Later, it was seen as 'the art of achieving the stated goals of the enterprise'. Management can also be defined as "the process of co-ordinating the activities of a group of workers by an individual or group of people for the purpose of achieving certain results which cannot be achieved by individual practice."

Management is the process of achieving set goals through people and the effective integration and coordination of resources. Management means working with human, financial and material resources in order to achieve the goals of the organization, through the process of planning, organizing, managing human resources, leading and controlling (Valach et al., 2019). Management can also be defined as a system of basic functions that are also the content of managerial work (planning, organizing, decision-making, leading people, motivating, coordinating, controlling and other activities).

In terms of the activities of managing an organisation, management can also be defined as:

- **process,**
- **profession,**
- **scientific discipline,**
- **art.**

1)Management as a process expresses the fact that management is the practical activity of a manager, which is a set of activities to achieve a goal. In this sense, it is a dynamic process, beginning with the definition of objectives and continuing through their implementation to control.

2)Management as a profession has been around since the 1940s and this process has been associated with the emergence of professional staff in managerial roles in economic organisations. Effective management requires specific content, structure and level of knowledge, skills, abilities and practical experience.

3)Management as a scientific discipline integrates knowledge from social disciplines (psychology, sociology, economics, etc.), as well as natural and technical disciplines. The main task is to create a management methodology, the application of which will allow to increase the efficiency of the functioning of organizations.

4)Management as an art is associated with Japanese management, it means "knowing how" i.e. finding and placing the right people in the right places, communicating with them, motivating and stimulating them in a realistic way, both individually and as members of a team.

1.2 Development of management theory

The theoretical forerunners of classical management theories were philosophers focused on the problem of managing society, as well as other representatives influenced mainly by the Industrial Revolution in Europe. Many ideas from management theories can be found from the fields of management of mass processes in the history of mankind (waging wars, construction activities, but also state management).

Pre-capitalist views on the management of society present various insights and opinions that are based on the recognition of contradictions in the organization and management of society, and are mainly aimed at the rational management of the state, the development of education, and a more equitable distribution of wealth. These include the theoretical background on the management of the state, attempts to manage society (*Th. Moore, Machiavelli, Comenius*), utopian socialism (*R. Owen*), the views of mathematicians interested in the efficient use of machines (*Ch. Babbage*), and many others. The gradual development from manufactures to factory production and the development of entrepreneurship, the impact of the industrial revolution, the need to manage new production processes, the need for efficient organization of work and use of resources – all these created the conditions for the emergence of the first theories of efficient business management. The development of technical and economic sciences also played an important role in the 19th century.

Classical management theories emphasize the beginnings of managerial practice in terms of the separation of business management (manufactures) from ownership. The first important theoretical works appear at the beginning of the 20th century. They emerge in the conditions of the development of industry, railway transport and communication technology.

Among the classical management theories we include:

- School of Scientific Management in the USA,
- theories of administrative and bureaucratic management (European School of Management of the 1920s),
- school of "human relations" as the beginning of behavioral approaches.

The school of "scientific management" – brings to industrial production the idea that subjectively burdened individual estimates in the organization of work, especially in performance assessment, should be replaced by scientifically based procedures. Among the best known exponents of this approach to management are *H. Emerson*, *H. Gantt*, the *Gilbreths*, and especially *Frederick Winslow Taylor*, after whom the approach was named (Taylorism). His most famous follower was Henry Ford, known for introducing three innovations in automobile production (standardisation, belt production, standardisation).

The school of scientific management (Taylorism) – significantly contributed to the change of the existing approach to the organization of work, created the foundations of the scientific investigation of management. The characteristic features of Taylorism were:

- engineering approach to rationalization of work, the pursuit of rational organising and planning,
- Efforts to record costs against results,
- Considerations on increasing motivation to perform and emphasis on the selection and training of people,
- (training, training),
- the need for staff specialisation and training.

The shortcomings of this approach were:

- one-sided focus on the production process and its technical side,
- exaggerated determinism towards man, man was only a tool to task performance,
- overestimation of experiment, blind respect for derived rules, without a deeper understanding of meaning, significance and wider context,
- untested assumptions about employee motivation, narrowed down to the relationship performance and remuneration,
- strict separation of managerial and executive work (and thus of the leading from the workers).

The school of scientific management also had a great influence on the development of business management in interwar Czechoslovakia. Tomáš Bat'a was of considerable importance for the spread of the Czechoslovak form of scientific management, especially in Moravia and Slovakia.

European management in the 1920s – represents the pursuit of a holistic approach to managing an organisation. This trend is presented in the works of *Henri Fayol* and *Max Weber*. Both of them examined the organisation in terms of the process of activities that take place in it, defined the basic functions of management and set out the principles of effective management of the organisation.

H. Fayol focused on the management of the enterprise as a whole (i.e. management as governance). He did not rely on experiments, but on his long-standing knowledge and experience, with an emphasis on the subject of management, the person at the head of the enterprise, the manager, and is therefore rightly considered the creator of traditional management theory. He sees business management as the purposeful efficient use of resources

for a predetermined goal. Such management consists of aligning the core activities (activities or functions) of the enterprise, which are considered to be:

- technical (technological, production) activity,
- business (buying, selling),
- financial (raising and using capital),
- accounting (inventory, balancing, statistics),
- Protective,
- administrative activity, administration, the core of all the above activities (functions) in the enterprise, taking care of the harmony of internal and external conditions of functioning of the organization.

H. Fayol defines several basic functions of management, which are variously varied, modified or expanded by many contemporary representatives of management

- Planning (forecasting),
- Organizing,
- Commanding,
- Coordination,
- Control.

H. Fayol also stressed that successful administrative actions can be achieved by adhering to experience-tested principles (principles), many of which have endured to this day as *principles of scientific management*:

- division of labour (organisation, division of labour between workplaces and job positions),
- balance of authority and responsibility,
- Discipline,
- leadership from a single place (single supervisor principle),
- unity of leadership (subordination to a plan, to a single goal),
- the subordination of individual interests to the interests of the organisation,
- fair remuneration,
- centralisation of management and control,
- rank scale (hierarchy of senior positions),
- Order,
- equality of behaviour, tact towards subordinates,
- stability at work and in function,
- Encouraging initiative,
- corporate spirit in working groups.

Despite the use of a lot of personal experience in managing a large enterprise, the weakness of this theory remains the lack of a scientific basis – too much empiricism. The psychological and sociological contexts of human behaviour in organisations have also remained underestimated.

The theory of bureaucratic management presents a summary of the views of the German sociologist *Max Weber* on the management of the organization. M. Weber dealt with the organization in terms of economic structure and exercised power, examining the relationship between the nature of power and the stability of the organization. He developed the bureaucratic model as an ideal type of organization, understanding bureaucracy in a positive sense, as an elite with a specific distribution of power, as the ideal way of rational functioning of an organization. Respect for the basic principles was a prerequisite for success:

- the division of activities into individual operations and the precise definition of tasks,
- the organisation is built on a hierarchy of authority, and corresponding responsibilities,
- defined rules and regulations for the actions and behaviour of staff,
- Functional authority based on qualifications, selection, compliance with rules, service relationships without personal influences and without emotions,
- Matching qualifications with the requirements of the job, a high degree of loyalty to the organization and a cooperative spirit,
- An efficient administration whose high performance is ensured by constancy, accuracy, firm discipline and reliability.

Despite the positive benefits of this approach, weaknesses can also be identified, such as an overly static view of the organisation, which brought about rigid elements by the way it strongly promoted permanence, precision, and the importance of rules and norms in the organisation.

The "human relations" school is a theoretical approach that responded to the overly economic approach of Taylorism. Some authors see it as one of the classical approaches to management, others see it as the beginning of the emergence of a broader group of behavioural approaches. Within this theoretical approach, psychological and social factors, such as social needs, the needs of human relationships, etc., have come to the forefront of investigation. Representatives of the human relations school are *George Elton Mayo* and *Mary Parker Follet*, who defined management as "*the art of getting things done through people*". The above theoretical approach emphasizes that the work itself, the conditions of the production process as well as the physical needs of people have less influence on the results of work than social and psychological factors. The most significant conclusions of the theoretical approach include:

- A person in a company is first and foremost a social being and as such wants to live, work and be recognised,
- The nature of man suits a certain working autonomy and a feeling of active creative activity,
- Managers should consider subordinate employees as co-workers, appreciate indirect methods of their management, motivate them properly.

The theoretical approach based on the importance of human relationships in the context of the functioning of organisations has had a significant impact on the further development of management thinking. Nevertheless, it has been very difficult to promote in management practice. It gained more space only after World War II, when a new wave of "behaviourists" (*A. Maslow, C. Alderfer, F. Herzberg, later F. Skinner, E. H. Schein, V. Vroom, L. Porter* and others).

Theoretical foundations and practice of management in the 20th

The theoretical approaches of management presented so far are the initial base for the following theories, which on the one hand generalize new knowledge in the management of enterprises, on the other hand respond to new challenges brought by the development of production, the application of new scientific knowledge, as well as the development of the economy in general.

Behaviourist theories focus on the study of people in work relationships, their work behaviour, with a focus on the effectiveness of leading people, the study of effective management styles, and an emphasis on work motivation. These theories have contributed significantly to the emergence of various theories of motivation and to their assertion in managerial practice.

Systems approaches, applied particularly in American management, emphasize the identification and use of general, universally valid practices and methods to develop a theory of managerial thinking and behaviour. They emphasize the need for a comprehensive understanding of phenomena and processes in and around the organization – that is, in their internal and external contexts. The essence of the systems approach is the assumption that a set of interrelated elements (elements) form the totality of an object and determine its behaviour. The emergence of the systems approach is linked to the development of several sciences, in particular mathematics, cybernetics and general systems theory. Representatives of the above theoretical approach were mainly *Chester Irving Barnard*, *Herbert Alexander Simon*, *James E. Rosenzweig* and others. Their contribution consisted mainly in the fact that they understood an organization as a system of internal and external relations, as a consciously coordinated activity of groups of persons. They emphasized the importance of the human factor, the orderliness of employee and workplace relationships, and the coordination of individual activities.

With the gradual development of theoretical approaches to management, it is possible to observe the considerable influence of different disciplines and new experiences on this sphere, which is also defined as the **modern school of management**. Representatives of the above theoretical direction consider "decision-making processes" as the basis of management, which they have dealt with in detail in their works. The greatest contribution to the deepening of the significance of decision theory in management has been made by *Herbert A. Simon* (winner of the Nobel Prize in Economics). The development of mathematics and cybernetics has also enabled the original scientific approaches to be developed to a new level. The development of mathematical methods and, in particular, the development of operational research and the need to make decision-making processes more efficient are finding their application in mathematical or quantitative management theories. Their representatives include *Philip McCord Morse*, *George Elbert Kimball*, *Paul Anthony Samuelson* and others.

In terms of theoretical approaches, **Japanese management** came to the fore at a time when "Western management" was in something of a crisis (the 1970s). Japanese managers responded to the challenges and changes in the economic and political environment by using their own socio-cultural peculiarities and by consistently respecting what the results of management theory and practice had brought so far. The specificities of the Japanese school of management were manifested in the relationship of employees to the enterprise, in the system of personnel work based on lifelong employment, career progression and the system of remuneration. Among the most famous methods applied in Japanese management were:

- **Ringi – sei** – a bottom-up decision-making system based on everyone having a say in the solution, the outcome is then based on consensus.
- **Kaizen** – based on adherence to standards and continuous improvement, it is a system aimed at increasing productivity, quality control, promoting employee initiative for continuous continuous quality improvement of all processes. This approach made Toyota and many other car companies famous, in Europe it started to be implemented first in Swedish companies, gradually it became a tool for quality improvement in most companies.
- **Just – in – time** is a tool for streamlining the production process and reducing costs in terms of inventory management.
- **Comprehensive emphasis on quality** through *TQM (Total Quality Management)*.

Some of the methods and experiences of Japanese management work have enriched management theory and practice and have become indispensable tools for effective

management in Europe and the USA. The further development of management is characterised by the combination of approaches, the extension and use of experience and the attempt to respond as effectively as possible to changes in the world environment.

1.3 Organisation management (organisation, organisational structure)

Organisational structure

The organizational structure (OS) is the mechanism used to coordinate and manage the activities of the members of an organization. The purpose of the organizational structure of an enterprise is to divide work among the members of the organization and to coordinate activities so that they are directed toward the achievement of organizational goals.

An organizational chart is a diagram that shows the structure of an organization and the relationships and different levels between different job positions. We can read from it the importance of different roles, the management structure and also the employees themselves who occupy these roles. Its selection is essential for the creation of the company culture and the way information is distributed in the company.

The organisational structure allows:

- the efficient operation of the organisation and the use of resources,
- monitoring the activities of the organisation,
- adapting to changes in the environment,
- the assignment of responsibility for different areas of the organisation's activities to members and groups of members,
- coordinating the activities of the different parts of the organisation and the different areas of activity,
- social satisfaction of the members who work in the organisation.

There are 2 issues that are addressed in the development of the OS:

organizational differentiation of activities – it consists in dividing the overall task of the organization into departments. We know:

- **Vertical differentiation** – vertical division of labour, number of levels and grades of management.
- **Horizontal differentiation** – horizontal division of labour with one leader – span of control.
- **organizational integration** – means alignment, unified coordination of individual departments of the organization.

Types of organisational structures

Organizing is done with the help of an organizational structure. Sedlak (2012) specifies two basic types of organizational structures depending on the number of management levels and the number of subordinate units, namely:

- a broad or flat organisational structure,
- high organisational structure.

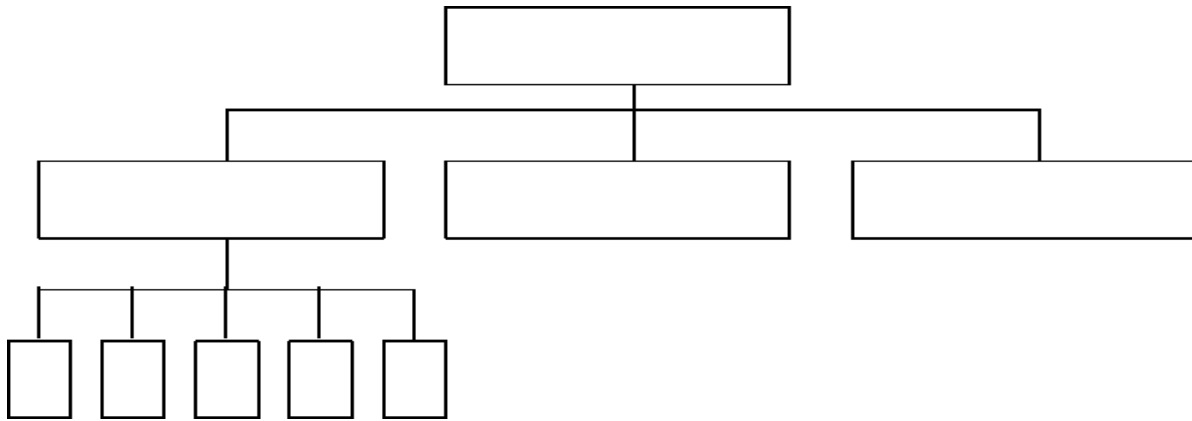


Fig. 1.1 Broad (flat) organisational structure

Source: Sedlák (2012)

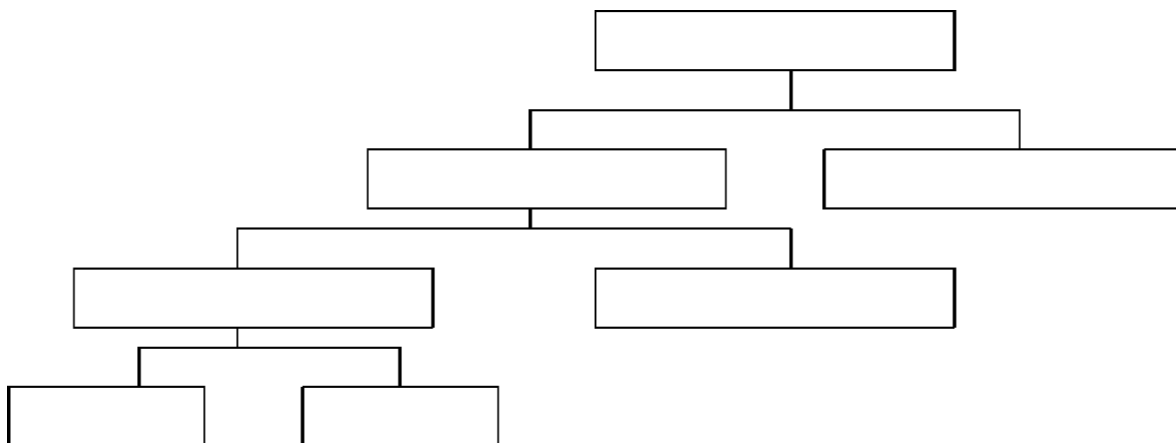


Fig. 1.2 High organisational structure

Source: Sedlák (2012)

The advantage of a broad organisational structure is that there are fewer levels of management, which means that the management of the organisation is closer to the executive departments. An organisation with such an organisational structure reduces the cost of its own management. On the other hand, however, the richer horizontal structure may be a disadvantage, which brings a larger number of staff reporting to a single manager. As a result, this number of subordinates may exceed the manager's capabilities and management becomes ineffective. Various factors influence the number of management levels and vertical segmentation, for example:

- number of employees,
- territorial concentration,
- diversity or variety of services.

Based on the criterion of the degree of centralisation and decentralisation of decision-making powers, we can divide the organisational structure into centralised and decentralised. The degree of centralization and decentralization is judged by the depth of delegation of authority in the organization. The lower the levels of management, the higher the degree of decentralisation. The process of delegation includes:

- Determining the results that are expected in a particular position,
- determining the tasks for the position,
- delegation of authority for the accomplishment of given tasks,
- designating the person responsible for the tasks of the post.

The advantages of centralising the organisation include:

- promoting the common goals of the organisation,
- more effective coordination of processes,
- better assessment of staff skills by senior management,
- Eliminating and reducing duplication of functional positions, which means reducing costs.

The disadvantages include the demand for information and administration, the reduction of employee autonomy, creativity and initiative, and the frequent bureaucratic approach of managers to the performance of tasks.

According to Zavorska (2006), organizational structures are divided into traditional and flexible. Traditional organizational structures include:

- **line organizational structure** – is characterized by multiple subordination along the line. An employee in an executive position, e.g. in the payroll accounting department, reports to the finance manager as a line manager at a lower management level, but also to the CEO as the highest line manager. Individual line managers manage subordinates along the line,
- **Functional organisational structure** – differs from the line structure in that an employee in an executive department is subordinate to several line managers of individual specialised departments,
- **Line-Staff Organisational Structure** – this is a line structure supplemented by staffs that serve as advisory bodies. The staffs prepare the basis for decision-making. This type of organizational structure is typical for medium and large organizations.

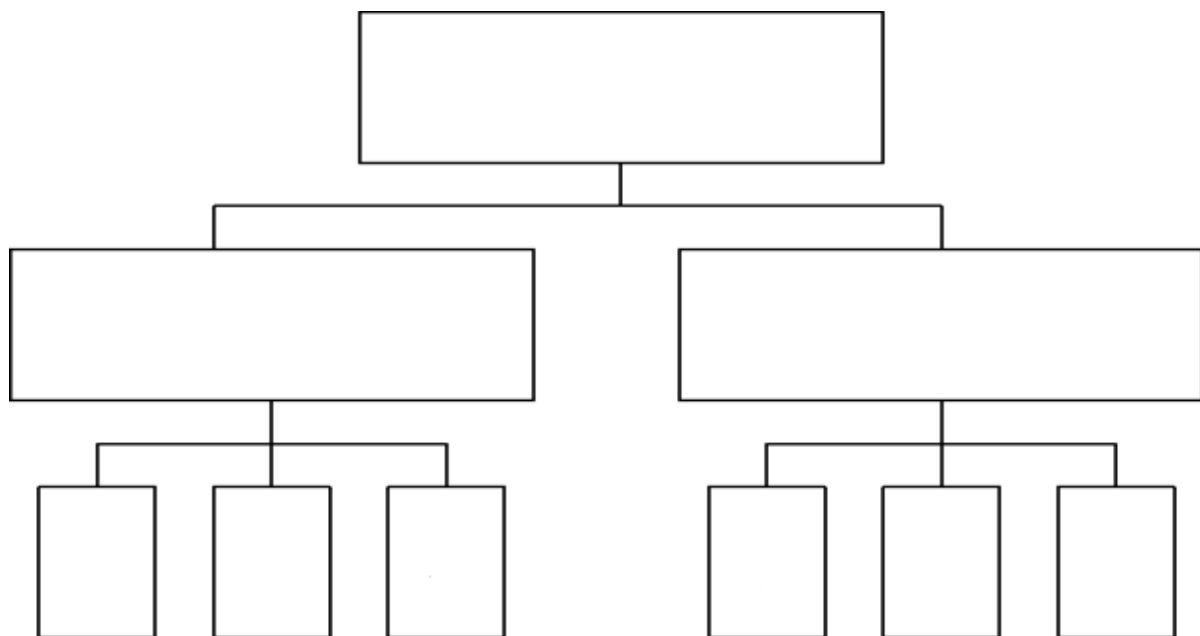


Fig. 1.3 Linear organisational structure

Source: Sedlák (2012)

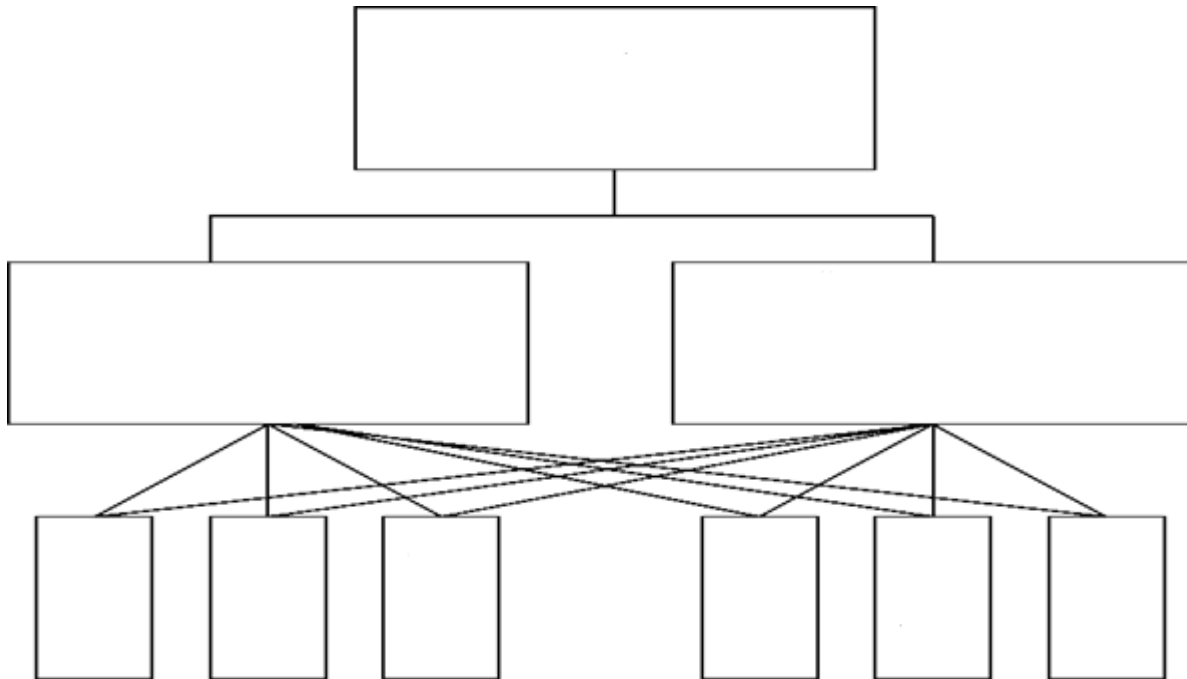


Fig. 1.4 Functional organisational structure

Source: Sedlák (2012)

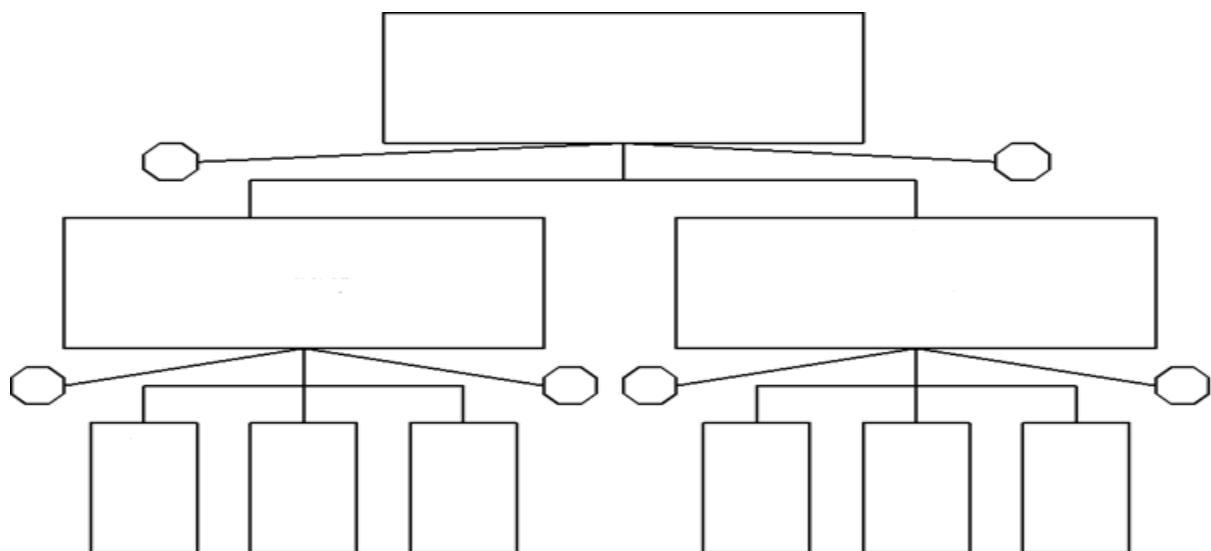


Fig. 1.5 The line-staff organisational structure

Source: Sedlák (2012)

Flexible organizational structures are characterized by dynamic and flexible adaptation of the organization's potential to address new challenges. A common feature is the creation of a temporary unit (team, collective) within the basic unit structure to solve a certain significant, challenging, time-limited task. The task must have a predetermined objective and involve staff from different departments and specialisations, regardless of their focus. The flexible concept cannot be applied in an organisation where individual sub-operations must be precisely and unambiguously aligned into a technically and technologically organised whole. However, they play a very important role in the organisation and management of individual tasks in the case of innovative processes or in unpredictable situations. The basic types of flexible organizational structures include:

- matrix organisational structure,
- project coordination and project layout.

The matrix organisational structure consists of line, staff and project units. Employees involved in project work report to their line or staff managers and also report to their project manager. The project manager coordinates, supervises the professional work of the project.

Project coordination is an organisational structure in which, in addition to the traditionally organised departments, there is a project coordinator (an employee or unit) whose main task is to ensure that the departments work together on the project, to monitor the progress of the work and to remove possible obstacles. In project coordination, double subordination of staff is almost eliminated. The project organisational structure is characterised by the existence of a large and internally structured team dedicated to a specific task. The team is made up of specialists, experts who are completely removed from the parent departments for the entire duration of the project. Once the project work is completed, the team is disbanded. The team members work only on the project and are subordinate only to the project leader. Other staff units are not involved in the project work.

10 tips to help you create an organisational structure

1. You should create an organizational structure when you first feel the need to define the specific competencies of team members (e.g. with as few as five or ten employees).
2. Always fit the basic organisational structure on no more than one A4. For larger organisations, create subsets for different departments.
3. The organizational structure should definitely include first name, last name and job title, optimally also a phone contact, photos and possibly a link to more details.
4. Create an online version of the organizational structure where employees can click through to more details, different departments, etc.
5. Stick to basic visual principles of chart creation (e.g. chart boxes should be the same size and have enough space between them).
6. Make the job titles in the organisational structure, as well as in the employment contracts, as general as possible. Group similar activities under the same more general title. There is no need to know too much detail when looking at the organisational structure or the employment contract (e.g. Quality Engineer, not Customer/Supplier Quality Engineer).
7. Use job titles that are familiar in the market and don't invent new ones. Besides the fact that your company may look ridiculous to outsiders, this will also help you in salary surveys in the market, for example, when you compare comparable (e.g., Sales Representative rather than Customer Relationship Development and Coordination Specialist).
8. Conversely, avoid old-fashioned or overly clerical position titles (e.g., Unit Director, Confidant, etc.). Take inspiration from common and used position titles.
9. Don't overdo it with control functions. Don't call someone a manager, leader or director who is not directly responsible for their own team (e.g. an Office Manager who doesn't manage people but is only responsible for the office).
10. Having outlined the organisational structure, it is now time to deal with the creation of job descriptions.

1.4 Management functions

The management system of any organisation requires the provision of a series of activities, the implementation of which will ensure the achievement of the stated objective. This system must be properly arranged, organised and controlled.

1.4.1 basic functions (planning, organising, leading people, controlling)

An organization's management system is made up of management activities that we define as "*core management functions*", which include:

- **planning,**
- **organizing,**
- **leading people,**
- **control.**

Planning

By planning we mean a decision-making process that is based on the long-term intention of the organisation, at the same time taking into account the influences of the factors of the internal and external environment of the organisation, analysing them, anticipating their development, setting specific objectives (both long-term and short-term) and procedures for their achievement

Every organization exists for a purpose (the mission of the organization). **The plan** is a programme for fulfilling this purpose, so it can be defined as a programme of action drawn up by managers as a sequence of interrelated activities leading to the achievement of the stated objectives in the time and to the required quality. Managerial decision-making is then a set of activities linking the purpose and mission of the organisation and its long-term plan (strategy) with the objectives and plans of action, with the organisation of the tasks of the individual managed entities and their activities.

Planning is a process that influences the efficiency of an organization. Its importance increases with the hierarchical level of management. It is beneficial to the organisation when managers at all levels of management are involved in the planning process, as this allows the coordination of efforts between the different elements of the organisation and the reduction of potential risks. The main meanings of planning include:

- Identification of objectives, activities and resources needed for implementation, creation of organisational prerequisites for implementation of the objectives in the activities of individual components,
- Identifying future opportunities, anticipating and defining risks, avoiding them,
- determination of the scope of tasks, ensuring their interconnection according to the management level and according to individual departments, possibility of their elaboration into sub-tasks, orientation to further decision-making processes,
- unifying the efforts of managers and the groups they manage, coordinating staff at different levels and workplaces,
- the opportunity to develop the intellectual activity of managers and other creative workers, the development of systematic thinking and the ability to work with information,
- the ability to evaluate employee performance according to clearly defined criteria and to motivate employees appropriately.

Plans can be classified according to a number of criteria:

(a) according to the extent or breadth of complexity

- mission of the company, strategic plans,
- race plans,
- operation plans, workshops,

(b) by time, length of planning period

- Long-term: 3-5 years (longer for a long-term plan, but current the tendency tends rather towards shortening the distant horizon of the plan),
- medium-term: 1-3 years (currently usually for one year with a view to the second and third year),
- short-term: as a rule, these are weekly, monthly implementation plans, or the planning of irregular specific activities,

(c) by level of management

- a strategic plan at senior management level,
- an operational plan at middle management level,
- a tactical action plan at the lowest level of management,

(d) by functional area (by subject matter content)

- development and research plan, production plan, marketing plan,
- financial plan, human resources development plan, etc.

Since the basis of all planning is the alignment of the **objectives** set with the provision of **resources** and the necessary **activities and procedures** to ensure that these objectives are realised – it is important to further characterise these **essential elements of the plan**.

Objectives can be defined as future desired states, for which *priorities* can be distinguished (at a given time, individual objectives may have different importance), *time frame* (means the date of completion and the time for which the activity will be carried out), *conflicts of objectives* (they are mainly caused by conflicts between their bearers or between priorities – e.g. between shareholders and management, management and unions, between maintaining profit growth and the need to invest in development, etc.).

When developing management objectives in an organization, it is advisable to respect the following requirements for the characteristics of objectives ("SMART"):

- **S (Specify)** – specified, well-defined, clear, understandable at all levels of management and especially to implementers,
- **M (Measurable)** – measurable – not only at the end of the planning period, but also on an ongoing basis,
- **A (Agreed)** – acceptable, achievable – conditions and prerequisites must exist in the organization to meet them,
- **R (Realistic)** – realistic, feasible, based on an objective assessment of options,
- **T (Trackable, Timed)** – traceable, timed – traceable in time.

Resources can be specified in the context of an organization as: own, foreign – tangible, intangible (licenses, patents, know-how), material, financial, human (abilities, skills and motivation of employees), they also represent a constraint that must be respected by managers

when planning. Their thoughtful provision and appropriate allocation is a guarantee for the effective functioning of the organisation.

Activities and procedures are specific activities, procedures, methods and measures aimed at achieving the planned objectives.

Depending on the complexity of the specific conditions of the organisation, the different **stages of the planning process** can be defined:

1. ***defining goals*** – means expressing what we want to achieve. When defining the objectives it is necessary to respect the above requirements, the starting point is the analysis of the situation and the prediction of the future development of the external environment,
2. ***Generation and evaluation of options*** – this is a decision-making process in which the best, most appropriate possible paths and procedures are sought, and different options are assessed according to a number of criteria (cost, complexity, time, impact on other activities or objectives, wider context, etc.),
3. ***identification of activities*** – the definition and description of individual activities,
4. ***sequencing of activities, design of procedures*** – it consists of creating the most advantageous sequence of activities, their interconnection, time and material sequence,
5. ***identification and method of securing resources*** – means defining the resources needed, determining how to secure them and how to use them effectively,
6. ***evaluation of the draft plan*** – refers to the evaluation of previous steps in terms of feasibility, the result may be a return to previous steps, possibly even to a reassessment of the objectives,
7. ***Preparation of the action plan and timetables*** – after a comprehensive assessment, a timetable (time sequence of activities) and the organisation of the necessary supporting measures to ensure the implementation of the plan will be prepared,
8. ***monitoring and control*** – means monitoring the process of plan preparation and its gradual implementation into the organization's activities, it allows to continuously and timely react to changes and to correct the planning process or to adjust the final form of the plan.

The planning process in organizations does not always produce the desired results; in practice, the planning process may fail. There may be several reasons for this, but the most common ones include:

- **unclearly formulated** objectives that do not respect the "SMART" principles, or poorly elaborated at lower levels so that they are incomprehensible to implementers,
- **lack of information** – the availability of information that provides insight into those factors of the internal and external environment that are key to implementation is important,
- **lack of knowledge of the organisation** – lack of insight into the capabilities, objectives and roles of the different organisational units and the resulting lack of understanding of the planned tasks,
- **resistance to change** – every plan implies some change, especially major changes in objectives that are planned and not understood can cause resistance among implementers. This can lead to underestimation, avoidance, loss of motivation,
- **lack of time** – for effective planning it is desirable to involve several actors, to ensure their cooperation, which can be organizationally complex and time-consuming. There

may also be situations (urgency, time constraints) where it is not possible to follow all the principles of effective planning,

- **disproportionate** costs – improper planning of sequential activities can cause costs to rise, negatively affecting subsequent planning processes,
- **change of conditions** – practically often there are changes in internal and especially external conditions, which negatively affect the existing plans, reducing their functionality. Therefore, good plans should anticipate certain phenomena or contain certain alternative solutions.

For planning to be effective, a number of principles need to be respected – especially when developing long-term strategic plans:

- *communication with all those affected by the planned action,*
- *participation of individual actors,*
- *coordination of interrelated activities,*
- *when setting objectives and finding the necessary procedures, it is advisable to consider a number of possible options,*
- *the plan must be flexible, allowing for some possible adjustments,*
- *the plan should be complete: it should thus be able to respond to all foreseeable events,*
- *The plan should be clearly articulated so that it is properly understood at the levels where it is implemented,*
- *applying ethical principles both within the organisation and to the public,*
- *clarity (of interests, methods, activities, level of commitment).*

Organizing

The term "organizing" (organization, to organize) comes from the Greek word "organon", which originally expressed an instrument, especially an instrument of research, thinking. it is understood as a tool for cognition, a tool for realizing a goal, a path to the goal, to orderliness. Similarly, organization is not a goal, but is a tool, one of the conditions for effectively achieving a goal. The concept of organization is associated with processes such as – the arrangement of a system for a particular purpose, order, subdivision, unification and integration, a certain interconnectedness of the elements.

We most often understand the term "organization" in the context of the following meanings:

- **Organization as a process** – an orderly progression of processes, human activity as a process of organizing (e.g. organization of rescue work),
- **Organization as an internal arrangement** – the result of human activity aimed at the purposefully optimal arrangement of the structure of elements, relationships and functions,
- **Organization as a real object** – a system of social elements, relations and goals in institutional form (enterprise, school, interest organization, political party, etc.).

Organisation is the result of a creative process, a process leading to the elimination of chaos and the establishment of order, a process of creating a certain harmony. Organizing in an enterprise or other organization is a process of division of labour among individuals, among specialized groups among levels of management. It is a process that is closely related to other managerial functions, it is concerned with the arrangement of resources and activities in order to realise long-term goals and objectives. **Organizing** can thus be seen as the **process of**

arranging tasks, resources and relationships between them. It is the process of specifying and coordinating activities and relationships in a system for the purpose of efficiently transforming resources into set goals (for the purpose of goal-directed behaviour).

Organizing as a process leading to the establishment of a certain degree of orderliness of the social system presupposes a certain idea (plan), based on two possible situations:

- a. ***the arrangement of elements, resources, tasks and activities*** in the creation of a new organisation (establishment of a company, creation of a new element of public administration, establishment of a non-profit organisation, etc.),
- b. ***partial (overall) organisational change*** – a situation where the original organisational set-up does not suit the new conditions, tasks and objectives, so a change has to be made.

For both of these situations, it is useful to know and use certain principles or tenets that are the result of the generalization of long experience. Most experts and authors agree on the following principles:

- ***Goal*** orientation – is a general principle of management, the goal is the main reason for the creation of the organization, the basic main goal is the starting point for the sub-goals. It is important to reconcile the defined objectives of the organization with the function of the various structures and the definition of the formal relationships between them.
- ***Specialization and coordination*** – means that specialized workplaces are created in the organization with demands for special readiness, but also for professional flexibility, flexibility. The organisation's layout must allow for cooperation and coordination of specialised structures.
- ***Integrity and uniqueness*** – means that each organization acts towards the environment, towards the public, as a single entity (legal subjectivity), uniqueness lies in the specificity, in the internal composition, in the relationships, in the culture of the organization, but also in the quality of the products, etc.
- ***Communication*** – means that the organization must enable to fulfil the communication needs of the organization, must enable the functioning of the necessary information flows, must ensure the fulfilment of the information needs of the management (to receive and transmit selected information).
- ***Delegation*** – means to allow the task and responsibility for its completion to be shifted to the lower ranks, to the employee who is most capable of doing it.

The result of the organising process is the organisational structure. Organizational structure can be understood as a form of arrangement of the process of division of labour for rational provision of a certain necessary number of management and executive activities. The organizational structure determines:

- tasks and responsibility for their performance, i.e. job duties,
- definition of formal working relationships (horizontal and vertical),
- structure of the information system, communication channels.

Organizational structure is a form of arrangement of the process of division of labour for rational provision of a certain number of managerial and implementation activities, it is therefore a certain orderly environment that allows to plan, organize, direct and control the implementation of tasks, creates conditions for the implementation of objectives, for the

application of other managerial tools. Each type of organizational structure is characterized by certain specifics, characteristics that distinguish individual structures from each other:

- **Power, authority** – competence, decision-making capacity, equipped with the tools to exercise power with well-defined responsibilities – the starting point should be respect for the unity of authority and responsibility
- **Scope of management** – *the* number of staff or organisational elements directly reporting to (manager, director)
- Hierarchy – arrangement of management levels into tiers, according to this criterion it is possible to identify *high organizations* (more management tiers) and *flat organizations* (small number of management tiers),
- **Centralization and decentralization** – *a* process to keep control over decisions
- **Specialization**: is determined by the need for specification of a given task, the pressure for the increase of specialists has been growing recently, it is related to the processes of change in organizations (the growth of requirements for the development of education, acquisition of new knowledge and skills, abilities and willingness to change their qualifications),
- **The definition of the job** – (job description) must be sufficiently precise and responsive to the needs of the organisation, it should also be sufficiently flexible in case of possible change or in case of substitution (especially in smaller organisations),
- **Subordination to one leader** – is respect for the classical principle of unity of command, specifically manifested in modern structures,
- **Communication** – enables understanding between the elements of the structure, the functioning of the various mainly formal communication networks in order to effectively manage the organization.

Leading people

Leadership is the process of one person influencing another to act or behave in accordance with requirements, goals, or desires. The result of this process is the target behaviour of the object of management. In practice, it is a process of interaction.

The subject of management chooses the method of leadership according to the goals and according to the perception of the subject being led. Thus, the way of leading is largely influenced by the personality of the leader, his or her need to be a leader, but also by the general primary purpose – the need to fulfil the goal. In fact, **the object of management** is not merely a passive recipient of commands. Although his purpose in the relationship is to be led, to be controlled, as long as he has his own goal (and this is almost always the case with exceptions), he seeks to be more or less an active element in the relationship. This means that he chooses not only the goal itself, or the process of getting there, but to some extent he also chooses who will be his leader. In practically every interpersonal relationship we find elements of submission and leadership. Man is a social creature - he does not live in a relationship with just one person; he is part of the social relationships of larger groups. The problem of leadership is not only a problem of the relationship between the leader and the led, but also of the relationship between the leader and the group. Thus the process of leadership is also a process of cementing or reconciling different, usually complementary, goals.

An organization (company, enterprise) has its purpose, its goals. Leaders (leaders, managers) direct the efforts of members, co-workers, employees to the realization of the set goal.

Leadership can then be characterized as the **effective use of the abilities, skills and art of managers to lead, guide, stimulate and motivate their co-workers to the quality, active, or creative fulfilment of the objectives of their work.**

Managing people in an organization performs essential functions that include:

- *stimulating, incentivising* (setting and refining objectives, setting conditions for their fulfilment),
- *regulating and guiding* (monitoring objectives, influencing the direction and efficiency of activities,
- *informing and instructing* (providing the necessary information from the internal and external environment),
- *Support* (creating the right climate, maintaining group relationships, encouragement),
- *Evaluation* (of objectives, procedures, etc.).

However, leadership can be conceived as a more complex process by which a leader (supervisor, manager) influences the performance of an employee. This means that leadership also involves influencing the development of employees, their motivation, as well as creating the right conditions for desirable performance.

As Adair (2005) states, effective leadership encompasses the following critical functions:

- Define the task – define the goal, the team must accomplish a common task,
- planning – respect for objectives,
- briefing – task clarification,
- control – to keep an overview of what is happening in the team,
- evaluation – measuring, assessing, evaluating in a team,
- Motivating – knowing motives, rewards,
- organizing – creating a suitable structure, dividing the group into sub-workplaces,
- setting an example, being an example yourself.

The behaviour of the leader (team leader) has an impact on morale, on cohesion, on loyalty. Adair (2005) argues that most leaders differ from others mainly in intelligence, education, reliability, activity, social involvement, and socioeconomic status, but that there is no direct correlation between these characteristics and leadership ability. Views on what makes a leader have evolved and changed over the centuries. It is clear that the authority (power and influence) that leaders have had or have at their disposal has different sources in different cases and in different situations:

- power from a position, from a functional position
- power from the force of personality – charisma, natural ability to win and lead,
- the power of knowledge,
- power from the ability to make decisions, communicate and lead,
- power from the ability to influence the course of events (political status),
- power from property, from economic status (the ability to assert one's interests).

The important factors that belong to leading people include ***motivation*** and ***stimulation***:

- ***motivation*** - is an internal process of creating goals, attitudes, behavior of a person. It manifests itself as an inner impulse to act of a person leading to the set goal. *The motive* (one's own inner drive) activates a person until the fulfilment of the set goal. Motivation includes concepts such as expectation, desire, wish, striving, interest, goal. We distinguish between positive motivation (based on a person's motivational profile) and negative motivation.
- ***Stimulation*** - is a set of external stimuli that guide the actions of workers and that act on their motivation. Stimulation is intended to stimulate or dampen a particular motive. It always leads to a certain response, but it may not lead to a fundamental and lasting change in behaviour. If it does not have a deeper motivational meaning, it will only generate short-term interest.

Abraham Maslow and **Chester Barnard**, in particular, were important exponents of motivational theories:

- **Abraham Maslow (1908 - 1970)** - formulated a hierarchy of human needs, which is the main motivator of our actions. When moving from one motivational level to a higher level, it is necessary to sufficiently satisfy the needs of the lower level, otherwise the motivational effect is lost.

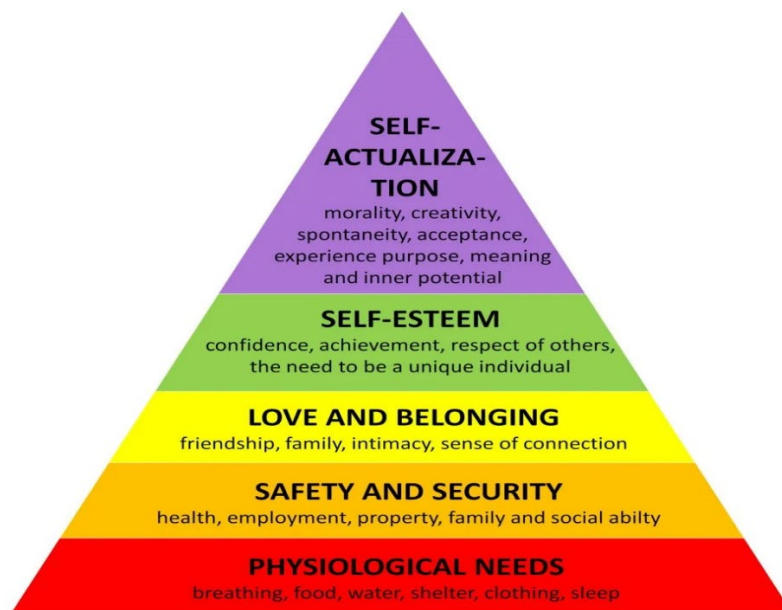


Fig. 1.6 Maslow's hierarchy of needs

Source: Valach et al., 2019

- **Chester Barnard (1886 - 1961)** - defined the following motivational stimuli:
 - ***Material***: money, material rewards, promotion with higher pay
 - ***Intangibles***: improved position, increased rights, prestige
 - ***Improving physical working conditions***: workplace location and equipment, working hours
 - ***Mental***: satisfaction from a good job, belonging to a brand, to a good work team.

Control

Control, as a function of management, is aimed at monitoring and evaluating phenomena and processes that have taken place, are taking place or are yet to take place in the organisation. The results of control are used by managers in decision making along the entire management process. The essence of control lies in the challenging, critical and objective evaluation of the phenomena under control.

The term "control" comes from the English equivalent "control", which means *supervision, oversight, control, management, control; to monitor, supervise, control, directly manage, regulate, direct*, etc. The main mission of the control process is the timely and cost-effective identification of deviations that arise in the controlled process and that characterize the difference between the intention (plan) and its implementation, their analysis and the adoption of the necessary measures. Control can also be understood in different contexts:

- ***In*** strategic – evaluating the starting points in strategy development, may lead to strategy change,
- ***tactical*** – reaction to a specific situation in a defined competitive environment,
- ***in operational*** – monitoring of routine activities in the transformation process.

Thus, **control** can be defined as a process of systematic and continuous acquisition and analysis of information on the course and result of the controlled process and taking measures to regulate it on the basis of detecting deviations characterizing the difference between the intention (plan) and the result of its implementation. The importance of control lies in several aspects:

- focuses the company's energy on critical objectives,
- monitors, analyses and influences the behaviour of the organisation,
- Ensures the coordination of all employees of the organization according to established standards, norms, policies, budgets, communication methods, etc,
- Reduces uncertainty – sets out principles and procedures to deal with recurring situations in the transition process,
- provides feedback to managers, enabling them to make better decisions about the future.

The output of the control process is the identified deviations, not all of which are equally significant to the management concerned. The identified deviations may be of different nature or degree of significance. They can be characterised from several perspectives:

1. ***in terms of objective*** – positive, negative, partly positive and partly negative
2. ***in terms of their impact on the course of the controlled process*** – into significant, insignificant (the specification of "significance" and "insignificance" should be determined in advance and should be updated in the light of changing conditions). Significant deviations identified require an appropriate response or action.

Types of controls

There are several classifications in management theory, the most common include different types of controls according to:

- **management levels** – strategic, managerial, operational,
- **stages of the controlled process** – preventive, intermediate, final, follow-up.
- **content** – quality control, financial control, production process control,

- **regularity** – regular, irregular, random,
- **origin of the controller** – internal, external,
- **the width of the controlled objects** – general (comprehensive), partial, specific.

Stages of the control process

In general, the control process can be carried out according to individual steps (phases):

1. Developing and setting standards for expected outcomes (performance).
2. Selection of appropriate measurement tools and methods.
3. Measurement of actual performance.
4. Evaluation of measured performance, comparison with standard or plan.
5. Selection of corrective action and implementation of the correction.

The specific content of the individual steps will depend on the nature of the process to be controlled, the type of control and, in particular, its objectives.

In order for the control process to be effective, a number of prerequisites need to be taken into account:

- sufficient relevant information,
- the existence of standards (criteria) and their hierarchy,
- knowledge of methods and techniques, proficiency in their use,
- observe the purpose and objective of the control,
- there must be options for corrective action (in terms of feasibility, and in terms of having the responsibility and authority to take them),
- integration – relationship to organizational structure, interrelatedness of goals and procedures,
- proportionality – to pursue only what is essential,
- cost-effectiveness – so that the cost of detecting deviations is not greater than their consequences,
- future-oriented (e.g. anticipating possible deviations),
- clarity for both implementers and auditees,
- flexibility (ability to respond to unexpected changes),
- Motivation (e.g. participation in the audit will reinforce ownership).

The most common control issues include:

- underestimating the importance of control,
- focusing control only on the outcome,
- Prioritising the pursuit of precise procedures where it is more important to follow a path towards a goal,
- overestimation of control, unnecessary breadth and depth of control, going into irrelevant phenomena, elevating control to an objective (overestimation of the form of control, too detailed, or too broad content can hinder a prompt response to change).

1.4.2 Ongoing management functions (decision-making, coordination, regulation, communication)

In relation to the basic managerial functions, it is also necessary to mention the so-called intermediate managerial functions (they intersect with the other managerial functions of the enterprise), which include:

- **Decision-making,**
- **Coordination,**
- **Regulating,**
- **Communication.**

Decision-making is a demanding activity, especially in terms of the mental capacity of the decision-maker. The decision-making process is the selection of one or several options from a list of potentially feasible options in a given situation. The general requirement is that the final decision leads to the optimal option. The content of the decision-making process is a set of the following activities:

- setting the decision problem and objectives,
- description and analysis of the initial decision situation,
- choice of decision criteria,
- the development of a set of options leading to the achievement of the set objectives,
- Determining the consequences of the choice of options under different possible changes in external conditions,
- Evaluating the implications of the decision options given a set of criteria,
- selection of the variant(s) required for implementation.

The basic types of decision problems include:

- *well-structured problems* – simple, iterative, programmed, algorithmized,
- *poorly structured problems* –
 - always to some extent new and unrepeatable,
 - a greater number of factors influencing the solution are present,
 - the uncertainty of future developments of factors,
 - imprecisely known factors.

Decision-making processes can also be characterised in terms of certainty, risk and uncertainty as follows:

- ***Decision making under certainty*** – a situation where full information is available, we know the consequences of options and we know what the state of affairs may be,
- ***decision making under risk*** – the future possible situations that may occur and thus the consequences of the variations are known, and at the same time the probability of these states is known,
- ***Decision making under uncertainty*** – neither the situations nor the probabilities of the states that may occur are known.

Each decision-making process consists of elements that can be identified as follows:

1. The objective of decision-making

It represents a certain future state of the system to be achieved by the implementation of some options.

2. Decision maker

The subject of decision-making is the decision-maker, who may be an individual (individual decision-making) or a group of people (collective decision-making).

3. Object of decision-making

It represents a part of the objective reality within which the problem has been formulated, as well as the goal of its solution.

4. Decision-making criteria

They represent the decision-maker's chosen considerations against which the suitability of each option is judged. The individual criteria can be divided into 2 types according to their implications:

- Yield type: the higher the value of the criterion, the better (e.g. profit, lifetime, performance),
- type of cost: the lower the value of the criterion, the better (e.g. loss, operating costs).

According to the number of criteria present in the decision-making process, we distinguish "single-criteria" and "multi-criteria" decision-making.

5. Option

It represents a possible course of action by the decision maker that is intended to lead to a solution of the problem.

Coordination

It is a process that ensures consistency (in terms of subject matter, time, space) between the different objectives of the enterprise, departments, activities and functions. It is implemented in all management functions. It is mainly carried out through meetings and direct personal contact in accordance with the internal and external rules of the enterprise.

Regulating

By regulation we mean guidance, action (informational, power), by which the manager acts on subordinates in order to induce the desired behaviour in order to achieve the set goals. In the management process, in addition to regulation, feedback is also important, by which the manager learns about the need to regulate processes, performers, etc. Without such feedback, the manager would not know where potential deviations are occurring and where regulatory intervention is needed. In the process of regulation, it is usually indirect control, in which a guidance system – a *regulator* – is incorporated between the controlling entity and the executor, which blocks unwanted influence of the environment, so that the control process is not violated and possible deviations from the target behaviour do not occur.

Communication

The term communication comes from the Latin term "*communicare*", meaning "*to make something common, to share something, agreement, connection, transmission of information*". Communication is the basis of human social intercourse (interpersonal relations), when we speak of "social communication". Social communication can take several forms:

- Interpersonal communication (between persons).
- Intrapersonal communication (communication with oneself).
- Mediated communication through means of communication (communication media).

Another aspect of the definition of the different types of communication is whether the communication is "verbal" or "extra-verbal". On this basis, we distinguish:

- verbal communication (communication through linguistic means: speech, word, language),
- non-verbal communication (communication through non-linguistic means – mimicry, gestures, proxemics, haptics, kinesics, image of the communicant, etc.).

In addition, several types of communication processes can be identified:

- communication in small groups (family, work teams...etc.),
- professional communication (taking place in a particular professional environment),
- mass communication (conveying information to the public by means of mass communication),
- Intra-enterprise communication (communication within the enterprise taking place in different directions, formal and informal flows),
- marketing communication (its purpose is to inform the public, promote products, support the activities of the organisation by creating a good reputation, etc.)

In the context of management, we define **communication** as a social process, a social intercourse that enables mutual perception, the transfer of meanings through the exchange of information, as well as mutual response to each other, mutual influence of attitudes and actions.

Managerial communication is a type of social communication that takes place in the internal and partly also in the external environment of a given organization (enterprise). Its content is focused on ensuring the functioning of the organisation, on supporting the fulfilment of the set objectives. This is also reflected in the use of specific means of expression, communication tools and in the nature of the entire information system of the organisation. Its carrier is the manager (team of managers) who fulfils his/her managerial roles (informational, interpersonal, decision-making, organisational and motivational) through communication.

The basic elements of the communication model in any organisation are:

- message sender (issuer) (E) – communication intent, message encoding,
- message sent (K),
- transmission, channel, noise, reception,
- message receiver (recipient) (R) – message received (S) – message understood (PS) – response, action(R),
- result (V), feedback, possible correction.

Managerial communication is one type of professional communication. Communication in an organization – in the internal environment- can be formal and informal. *Formal communication* is determined by the function of the official information system, the need to obtain information about the course of managed processes and the organizational structure of the enterprise and formal hierarchical relationships. A decisive part consists of pre-prepared structured information, reports, orders, etc. In terms of direction, this is mainly a vertical direction of communication. *Informal communication* takes place vertically, but more often horizontally, and may be of a working nature (exchange of views, ideas, consultation) or may take the form of a non-binding private conversation. There is a gradual tendency towards team-building, team responsibility, where managers are advisors, coordinators rather than supervisors in the original sense. This also requires a different approach to communication with co-workers.

A common content of workplace communication is:

- discussing strategy, agreeing on objectives, procedures and operations,
- monitoring the progress of managed operations, searching for the most effective procedures,
- evaluating performance, giving and receiving feedback,
- Sending and receiving unpleasant messages, discussing solutions to problems.

Successful communication in an organization requires, in addition to understanding the laws of the communication process and its peculiarities in the organization, the creation of a supportive communication atmosphere, the appropriate use of communication tools and means, respect for the principles of effective communication and the improvement of managers' communication skills. Several means, tools and techniques are used for effective communication in an organisation. Among the most common are various verbal spoken tools:

- Interview, instruction, verbal commands, evaluations,
- verbal written means- minutes, company reports, analytical materials, internal company standards, leaflets, circulars, newsletters, information boards, etc.

In particular, the sphere of technical means of information is experiencing dynamic development. The advent of modern information technology is speeding up the process of information exchange. The possibilities of telephone, fax, radio and other means are being replaced by the Internet, electronic mail, intra-company information networks, etc.

1.5 The manager and his/her competencies (managerial roles and functions)

Like the term management, the term manager is also very richly interpreted. We have selected five definitions from different authors to bring the concept closer to us.

Majtán (2007) defines the term manager as "Manager is primarily a profession – its holder directs the activities of an organizational unit to achieve set goals by means of managerial functions."

Mikuš and Droppa (2006) state, "Managers are those whose primary mission is to purposefully direct the work of others with the application of managerial functions indirectly, i.e., through their subordinates, to ensure the achievement of organizational goals."

Mikuš, Droppa and Budaj (2006) write, "A manager is one who works with people and coordinates their activities so that the goals of the organization are met."

Characteristics of a manager according to Donnelly, Gibson, and Ivancevich (2002), "Managers are responsible for achieving results through the dedicated efforts of other people, individually, in groups, or in organizations."

Imrichová and Hangoni (2010) characterize a manager as: "a manager operating in a particular field who exercises vision, has a strategic perspective, works with ideas and a forward-looking view."

The comparison of the above statements makes it possible to see the common elements of persons holding the post of manager, which are: coordination of resources, performing basic and overlapping managerial functions and supervising one or more people, as well as effective management of the enterprise (i.e. achieving profit and profit as a result of their activities). A manager is an employee who is not directly involved in services or production.

A manager is a person who deploys human and material resources and directs operations in an organization, plans, organizes, leads people, controls and coordinates individual activities to achieve the organization's goals. A manager is a worker in an organization who directs the activities of other workers in the organization.

Characteristics of the manager

A good manager should possess, in addition to professional skills, certain qualities that are necessary to perform the function of a manager. These include intelligence, initiative, self-confidence, goal-orientation, responsibility, experience and others.

Manager vs. leader

Every manager possesses a combination of certain management and leadership skills, but each individually prefers a particular aspect – either leadership or management. On the one hand, there is a leader who has charisma; on the other hand, there is a leader who does not. It is not possible to clearly identify which of the two personalities is more beneficial to the organisation. The manager represents a more structured, controlled, cost-effective approach. He or she is an analyst, does a lot of calculating and presenting in his or her work, saving taxes, structuring problems. The leader or leader represents a more creative and experimental approach. He is a visionary, highly flexible.

Manager and management

Management is one of the most essential human activities. It is carried out by professional managers, called managers, who act on resources (physical, human, financial and information). Using a combination of these resources, they seek to ensure their effective conversion into desired outputs. In any enterprise, managers act as important management actors. What makes managers different from others is their ability to communicate with people (Hangoň – Imrichová, 2010).

Organisational levels of management

A manager represents a profession through which he or she has a variety of authority, a certain level of responsibility, handles significant resources, and usually has junior staff. According to the level of management in the enterprise, the manager carries out his/her activities at a specific hierarchical level:

- **Top managers** – they are responsible for decision making, making plans, setting goals (e.g. vice presidents, presidents, directors),
- **Middle managers** – have a position between top managers and first-line managers (e.g. project managers, department managers, plant managers),
- **Line managers** – they occupy the lowest position in the company, they manage the work of employees of production departments (production line manager, foreman) (Mikuš – Droppa, 2010).

Management roles, competencies and functions

In the literature we find two approaches to managerial work. One group of authors describes managerial roles, while the other one talks about managerial functions. It cannot be said that these two approaches are mutually exclusive; rather, they are different perspectives on the job description of a manager who performs a large number of activities in the course of his or her work.

The role that a manager occupies serves to characterize his or her work and define what he or she does. The definition given by Mikuš, Droppa and Budaj (2006) is: "The managerial role represents a specific category of managerial behaviour in work activities." The prerequisite for the success of a manager's work is brought about by the right choice of roles and their application in the enterprise. Mikuš and Droppa (2010) state that there are generally three known categories of managerial roles:

1. **Interpersonal roles** (interpersonal relationships) – this is the constant contact of the manager with his workers.

- A manager with authority,
- Leader,
- relationship builder,
- Representative.

2. **Information roles** (information transfer) – the basis of these roles is working with information.

- Recipient information,
- disseminator of information,
- Spokesman.

3. **Decision-making roles** (decision-making) – initiating change, protecting the business, allocating resources, negotiating terms and conditions, etc.

- Entrepreneur,
- Crisis Manager,
- Resource allocator,
- Negotiator.

The managerial roles overlap in part. On this basis, it is not advisable to separate them. Through these roles, the manager performs management functions that address issues focused on what the manager does. The managerial role provides the answer to how the manager does these activities (Maytan, 2007).

Management competences

In order to perform at their best, managers should have certain competencies. Different competences are important for each level of management. There are three basic competences:

- Technical competencies (directly linked to what goes on in the business – engineering, accounting,...),
- Human competences (focus on working with people and mastering psychology, communication, sociology, ethics and etiquette),
- conceptual competences (they enable a comprehensive view of the enterprise and thus influence its future).

Managerial functions

The concept of managerial functions represents the activities that a manager should perform meaningfully and effectively to ensure the success of his or her managerial work. The French economist Henri Fayol is considered to be the founder of the concept of managerial functions, who first developed the concept of the Administration Industrielle et Générale theory of management function in 1916 by identifying and describing the elements/functions involved in

managerial work. He referred to these elements as planning – looking ahead, anticipating the future and devising plans to realise goals), organising – building a structure, ensuring that material and staffing are in line with set objectives, requirements), command – the main activity amongst employees, knowing how to get optimum results from employees), coordination (coordination – togetherness, unity and consistency of all activities so that the work is both easier and successful) and control (checking – checking that everything is going according to plan, requirements and instructions, identify any errors and correct them). From the Czech authors the classification of manager functions by J. Veber is well known, but it is necessary to mention another well-known classification by L. Vodáček and O. Vodáčková, because their division and designation corresponds to one of the most widely used classifications of managerial functions, on which the interpretation of their classic management textbook was based by the Americans Harold Koontz and Heinz Weihrich.

1. **Sequential management functions** (implemented sequentially, in a logical sequence)

- **planning** – the information process of setting objectives and the expected procedures for achieving them (identification of the initial situation, estimation of options, setting objectives, their arrangement and interrelations, elaboration of proposals and analyses for achieving the considered objectives, selection of the plan scenario, determination of the procedure for implementation of the selected plan and possible adaptation to changing conditions.
- **organizing** – this function involves the determination and spatial and temporal arrangement of the tasks to be accomplished, their assignment to individual staff members, including the allocation of resources, competencies and responsibilities. It is about creating the structure of relationships – the organisational structure and coordinating the activities of individual workers. The main objective of organising is to determine what needs to be done, how it is to be done and who is to do it.
- **selection and deployment of co-workers** (staffing) – emphasis is placed on the professional and qualification prerequisites of available co-workers, their abilities, knowledge, skills, habits. They are selected, deployed and distributed, including the recruitment of new employees or the use of retraining.
- **leading** – the ability to lead *people* (often referred to as leadership), drawing attention to the direct and indirect influence on the activities of subordinate workers and their motivation so that they effectively perform the necessary tasks.
- **controlling** – these are information processes for evaluation, measurement of quantity and quality of intermediate and final results in management activities. The intention is to compare objectives, plans, standards, norms with achieved results. Control is an important feedback loop.

2. **Parallel management functions** (ongoing)

- **analysing the problems to be solved** (analysis) – it is a partial information process, which is necessary to correctly understand and express the purpose of planning, to form an opinion on the criteria for its effective implementation, thus creating the necessary information basis for further functions, which are decision-making and implementation. From the manager's side, it is necessary to pay attention to this function, because if he underestimates it, he may, with insufficient attention to the analysis of the conditions, create incorrect assignments of the procedure of the next solution or have insufficient and inappropriate data.

- **decision making** – it is a choice between two (at least two) acceptable solution options. It means checking whether the objectives can be realised within the conditions that have been set or identified. The result of this process is not the actual solution to the problem, but the decision, i.e. the choice between the decision options and the subsequent procedure for their implementation.
- **implementation** – the stage of translating the decision into reality. It is a complex enforcement of the objectives and procedures of a difficult decision, in which different staff and workplaces are involved. In more complex cases, the ongoing managerial function of implementation and coordination of sub-works and their implementers comes to the fore. It is then a question of the temporal, spatial and material alignment of the individual activities and their resourcing, which as a whole lead to the accomplishment of the set task or the decision on the procedure for their accomplishment.

There are many recommendations for daily managerial work in the management literature, and a snapshot of a manager's working day reveals that short-term and varied activities (most of which are not planned) dominate the manager's work during the day, making it very difficult to identify universal commonalities in managerial work. However, the general features can be summarized as:

- **classical functions** – controlling, planning, organizing form the main activity of the manager. A manager should focus more on influencing than on commanding.
- **working with people** – the manager will increasingly play the role of a leader and must rely on charisma, the art of captivation and persuasion to exert power.
- **be a visionary** – he or she must be forward-looking, have a conceptual mindset and be open to change.
- **increasing efficiency** – much more than in the past, they have to work on improving and adding to their knowledge and expertise.

2. Governance, public administration, private administration

2.1 Definition of public administration

In defining the concept of public administration and describing its components, representatives, basic structure, functions and activities carried out through it, it is necessary to understand the meaning of administration as such.

Governance and its importance

The starting point for characterizing public administration is the word "administration," which Žárska, E. et al. (2016) defines as a set of activities aimed at taking care of certain things. In doing so, what is particularly important is "who" administers and "what" is administered. On this basis, we divide governance into public and private.

Governance is the functional totality of organisations, institutions and other social entities that, through a variety of purposeful and organised activities, within the framework of specifically established relationships, ensure the stability of conditions, opportunities for the further development of the coordination of the activities and behaviour of social entities. Governance can also be defined as the totality of functions and multifaceted activities aimed at sustainable creative development and ensuring the operation of things of common interest. Governance can

take place in pursuit of societal, public, socially defined, but also private interests. Societal interests are pursued through the public administration system, private individual or group interests through private administration. Public administration is a legally defined, internally complex hierarchically structured system of bodies, organisations and institutions that plan, provide, organise, implement, coordinate and control activities ensuring the running of society as a whole and the functioning of its individual areas (Kosorín F., Labaj J., 1995).

This is followed by Tej, J., (2006) who defines governance simplistically as the totality of functions and multifaceted activities aimed at the sustainable and creative development and ensuring the running of things of a common nature. The functions of governance include goal selection, motivation, organizing, leading and controlling. Another function of governance is the permanent reproduction of the stability of the internal and external balance of the system, maintaining and ensuring the function of the elements at the input and output, in feedback and regulation.

The management of social, economic and social activities in the state leads to the concept of governance Kosorín, F., (1999). He further states that by governance we mean the systematic and purposeful organized procurement of matters that bring about life. With its component of the executive power of the state and local territorial authorities, public administration directly affects every citizen. Public administration has a rich structure, which basically comprises the executive power of the State, which is divided into central and local government, local government, public corporations and advisory councils.

The development of governance is closely linked to state power and law. Thus, we are talking about activities carried out by state bodies and authorities, both public and private, which are bound by standards, orders and regulations. Governance is a special kind of management activity in which one element of the system acts on another, with the taskmaster having a position outside the system. The performance of governance functions depends, among other things, on the optimal organizational and managerial arrangement of the activity. It promotes sound decision-making and the exercise of rights and duties at all levels, in all directions and in all subjects of governance

Public administration

It is not easy to define public administration in general terms because of its diversity and the specific relationships that form within it. On closer examination, we come across a number of divergent views from different experts and authors dealing with this issue in the field of administrative science.

There are several theories that deal with the issue of public institutions and public administration. Public administration as a concept has been used in our legislation since 1945. After 1948, in connection with the state system of the socialist type, the term was used only sporadically, since in such a state the organs of state administration are collectively the links of a unified system, and their ordering activity is state administration. The concept of public administration is now associated in the field of administrative law with the administration of public affairs as a manifestation of executive power in the State. This executive power is characterised by the fact that it is a public power which is not vested exclusively in the State, but also in non-state entities which carry out the administration of public affairs. Kútik, L. et al. (2006).

The concept of public administration is understood differently in different literatures. Most authors agree that public administration represents the affairs of the public conducted by the state as an expression of its executive power. This definition is based on the fact that public administration is understood as the activity of administering the state. It is necessary to add that the executive body of public administration is the public administration bodies, that is, specific institutions. These institutions include local government bodies, interest self-government bodies, state bodies and public law institutions. They are responsible for carrying out the tasks for which the State and other public administration bodies are responsible, but mainly for providing public services. In other words, public administration is the management of public affairs in civil society. According to the author, the differentiation of public administration is divided into public and private from the basic point of view. Public administration must be understood as a service to the citizen, that is, not only as the prescriptive power of the state. Thus, understood in a modern way, public administration is performed as a socially useful service, as a way of realizing the public interest. Private administration is all the management of certain affairs in addition to the exercise of public power. In the framework of private administration, it is not possible to act authoritatively towards third parties Vrabko, M., (2012).

These and many other authors are inclined to define public administration in legal terms, while not denying but not describing its link with economic policy. The simplest definition might describe public administration as 'an administration which has as its object the management of public affairs and their conduct in the public interest'.

The term public administration includes issues of organisation and management of public affairs. Public administration occupies an important place in the system of all components of the development of society. The public sector is an essential part of the economic system and the countries differ only in its scope, its organisation and the quality of its functioning. This is determined, among other things, by the system of functioning of public administration and public finance, as well as by the system of economic policy and the instruments of its implementation. Marišová, E. et al., (2016).

From an economic perspective, public administration is characterised as the set of methods, measures, ways and procedures that set the machinery of economic policy in motion, thereby ensuring its objectives, development and regulation. Šimák, L., (2016) Economic policy is an orderly set of relations, institutions and instruments that form a socio-economic mechanism, functioning for the purpose of creation, distribution and use of the wealth of the state. Public administration and economic policy are closely intertwined and cannot exist without each other. Economic policy is implemented through the organisation and management of public administration, which in turn cannot be implemented without economic policy. Public administration is financed through public finances. As in the private sector, public authorities seek to streamline and rationalise the processes of the organisations they manage.

In understanding the terminology of public administration, it is still necessary to understand and identify state power. It is a form of public authority organized in the form of a state. But public authority is a broader term. It is currently divided into the legislative, executive and judicial branches, which are interlinked by ties of control and cooperation. A closer understanding allows us to describe it as a power that authoritatively decides on the rights and duties of subjects. The legislative power is represented by the parliament, the judicial power by a system of independent courts and the executive power is represented by the public administration.

The importance of public administration

Public administration can be understood in its three basic forms. It is most often presented as a particular set of offices, institutions, bodies or agencies which, through their activities and tasks, provide for the administration of public affairs. Alongside this, it can also be seen as a scientific discipline or field of study. On the basis of these facts, public administration is a multi-sensory concept that includes three basic meaning dimensions, which are described in more detail by Klimovsky, D. (2008).

Firstly, public administration can be understood as an *object of scientific inquiry*, that is, as a set of some bodies between which relations and links arise that affect the everyday life of the inhabitants of a certain, well-defined territory. Public administration is a system of such bodies regulating the reciprocal relationship between the inhabitants of a certain territory and the system of bodies created by them (this is mostly represented by the state), which is entrusted with administrative tasks, while in as a result of the differentiation of social resources there is not only their mutual cooperation, but also the differentiation of their positions and the creation of relations of subordination.

The second importance of public administration is related to the *educational sphere*. Here, public administration acts as a field of study which, on the one hand, has an internationally recognised and standardised structure, but on the other hand, due to the specificities of individual countries, has a differentiated form in different countries.

Third, public administration can also be seen as a *scientific discipline*. At this point, however, it should be stressed that there are still doubts or controversies about its identity (especially in terms of defining its object of study). Nevertheless, it is generally accepted that this scientific discipline is a social science.

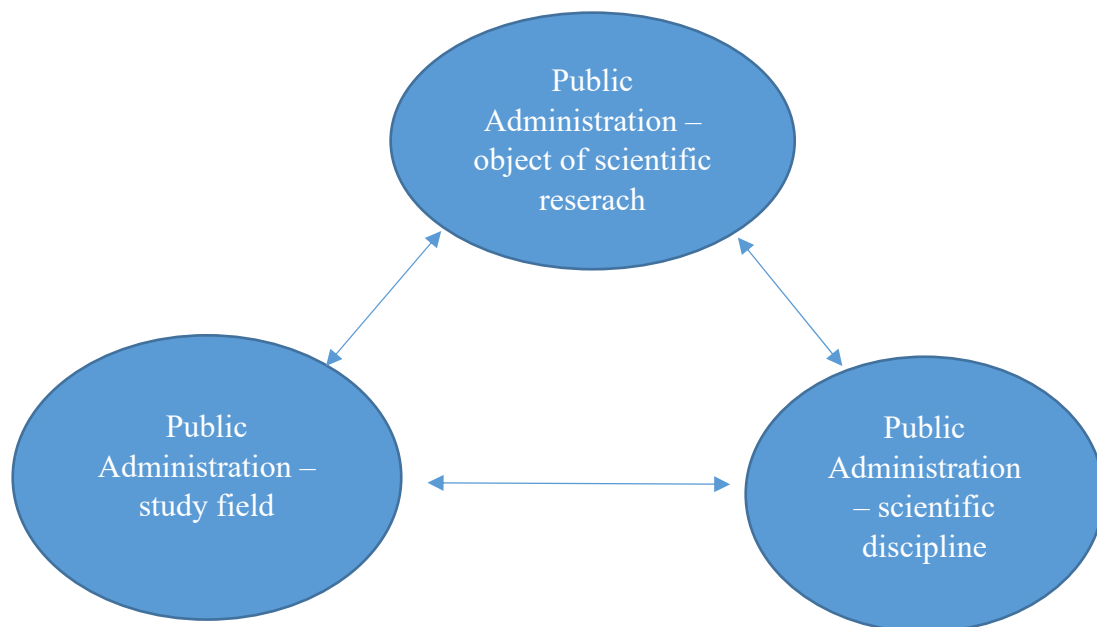


Fig. 2.1 Basic meaning dimensions of public administration

Source: own elaboration

Breakdown of public administration

From a general perspective, public administration is divided into two basic subsystems, namely state administration and local government. Some authors also include a third subsystem in this division, which is most commonly referred to as other public administration, public institutions, or public corporations. Since the criteria for subdividing public administration are not uniform, the basic division of public administration may vary from one source to another.

Public administration is the management of public affairs in society. From the above-mentioned division of public administration it follows that its main carriers consist of state administration bodies, self-government bodies and public institutions, but at the same time we can also assign to them other carriers of public administration to which the exercise of certain competences has been delegated Kútik, J., Karbach, R., (2011).

- **State administration bodies** – as state bodies, they have their budgets linked to the state budget and have the power to impose sanctions for breaches of the law. These are specific institutions at central (state) and local level.
- **Self-government bodies** – in the case of self-government bodies, a distinction is made between interest-based (associations, chambers, political parties, university self-government ...) and territorial (regional and local), whose bodies are financed from public budgets, i.e. from the budgets of municipalities and towns or self-governing regions.
- **Public institutions** – their activities support the activities of the state, while these activities do not necessarily have to be carried out by state authorities. Their budgets are part of the public budget system. They were established by law and to fulfil the state interest as independent institutions of the state, state organisations, state funds, national agencies.
- **Other carriers** – represented by certain natural and legal persons to whom the state has delegated the performance of certain public tasks. They are established by law and are mostly subject to registration, as a result of which they are recognised by the State. They are not linked to the system of public budgets, but their public-law nature is reflected in the fact that they do not charge prices for their services by agreement, but according to established general binding rules.

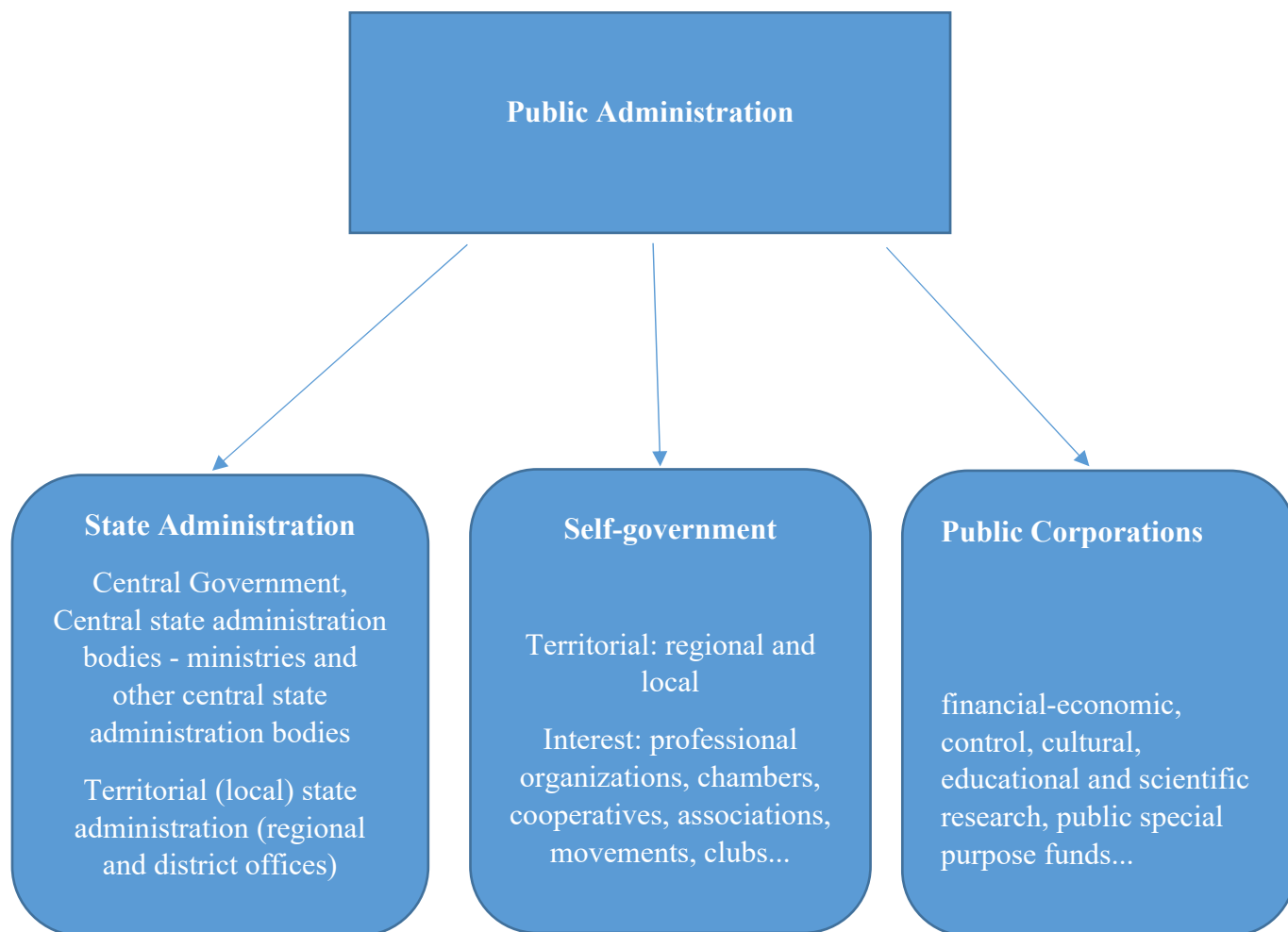


Fig. 2.2 Basic breakdown of public administration

Source: own elaboration

Škultéty, P. (2008) defines public administration as the administration of a public affairs matter, the implementing entities of which have a legally imposed obligation (resulting from their status) to carry it out from the position of a public entity. Public administration is defined in both organizational and functional terms. Public administration in the organisational sense is represented by its own public bodies and authorities. It is the totality of institutions that administer public goods directly or indirectly. The organisational system also allows for the emergence of non-governmental organisations. Non-governmental organisations are considered to be institutions created by the organisational system of public administration without the nature of self-governing corporations. From a functional point of view, they are the totality of purposeful activities and tasks that are provided at different governmental levels in the public interest (state and local government levels). We are talking about the tasks that are the responsibility of the State and other public administration entities that provide public services through their activities and direction. This means that the basic structure of public administration is made up of two components: the state administration and the local government. Public corporations constitute a separate component.

He also adds that the organisation of public administration implies a certain order, an organisation of activities in public administration. It is a method or process that leads to the fulfilment of certain stated objectives. Such organisation is currently used in all spheres of public as well as private life. Organisation can be understood as a certain system which is

internally structured, its quality is determined by the quality of its internal elements and the way they are arranged. It can be said that it is an activity of arranging elements, or it is an institution composed of human and material resources, elements. Logically, the term public administration organization refers to the organizational structure and set of public administration entities. In the functional understanding of public administration, we speak of the executive activity of the state, as the basic public entity provided by its bodies, as well as of the entities that administer public affairs. In the organisational sense, it is the state activity carried out by its own organs in addition to the judiciary and the legislature.

At the same time, public administration is a system for which it is important that the various institutions that are part of the administration of public affairs are also functionally linked and that the conditions for cooperation are in place.

Functionally, these bodies are divided into:

- **the activities of the executive branches of government**, which includes the activities of the state administration and its bodies from the highest level down to the local level,
- **local government activity** (territorial – local and regional, interest-based and other),
- **the activities of public and non-state institutions**.

From the *institutional* (organisational) point of view, they are further subdivided into

- **State authorities** – central government authorities (central government and ministries), other central government authorities, local authorities,
- **self-governing bodies** – territorial self-government, interest self-government, (professional, national, economic, social, political, mixed) and other self-governing bodies,
- **public corporations** – financial-economic public corporations, controlling public corporations, cultural public corporations, educational and research public corporations, public purpose funds, other public corporations. (Cifranič. M., 2020).

2.2 Public administration vs. private administration

At the outset, it is important to note that the meaning of public administration is not quite the same as the meaning of governance per se. The general notion of governance includes activities directed not only towards the fulfilment of public but also private objectives Hendrych, D., (2003). Thus, governance can be broadly defined as any deliberate activity that is directed towards the fulfilment of certain goals and needs Machajová, J. et al, (2007).

Differences between public and private administration

In classifying the concept of governance, it is necessary to distinguish between whether it is the administration of public affairs or private affairs. Based on certain factors, according to Kútík and Karbach (2011), we can point out the differences between public and private administration. These main aspects distinguishing public and private administration are:

1. ***The purpose aspect*** emphasises the public interest in public administration and the private interest in private administration.
2. ***The organisational aspect*** defines public administration as the activities carried out by the bodies belonging to its different components and characterises private administration as the private activities of a natural or legal person who has the right to do business.

3. **The power aspect** depicts public administration as the implementer of decisions of public power and especially of state power as its highest form and, on the contrary, private administration is characterized by individual decision-making.

4. **The functional aspect** states that the exercise of public administration is framed by the legal order, and in private administration its exercise is constrained by private aims and objectives.

At present, it is not very easy to draw a dividing line between these reports, despite the definition of the distinguishing features mentioned above. As a result, attempts to define governance as a form of management have proliferated in recent times, and in many cases it is being replaced by the term 'management', which comes from economic theory and is more closely associated with the private sector. The key factor that could be used to make the distinction between public and private governance clearer is the public interest. However, this increases the vagueness of the concept, as there is a proliferation of public services provided by both public and private entities.

The public interest can generally be described as the defining feature of public administration, which is also the counterpart of the private interest. The private interest is linked to activities and intentions typical of the individual which lead to his personal benefit. The public interest, on the other hand, is characterised by a general benefit, which is both generated and enjoyed, ideally, by all or at least the majority of the members of society. Klimovsky, D., (2008).

The public interest can also be defined as the highest level of satisfaction of the widest possible number of citizens in a state. As far as the elementary difference between the public and private spheres is concerned, it can be identified in the objective it seeks to achieve. The private sphere determines its own goals and objectives, together with the procedures for achieving them. In the case of the public sphere, it is the implementation of tasks determined by various legal provisions or resolutions issued by superior authorities. Another difference is the exclusive position of the public sector in the provision of certain essential public services. From a material point of view, the essential feature in defining governance is the type of activity, by which we mean the various forms of governance carried out by different entities. From a formal point of view, what is significant is the nature of the organisation and the tasks it has to perform within the framework of the separation of powers. In formal terms, governance is thus seen not as an activity but as a structure which is responsible for carrying out public tasks, unless those tasks fall within the remit of other bodies. Hendrych, D., (2003).

There is no uniform system of organising and organising public administration in the Member States of the European Union. The different systems are mainly traditional structures that have undergone various reforms and changes in recent years. However, what remains fundamental is the perception, strengthening and importance of the role of local government, which is the most influential factor in public administration decisions, and which should be taken at a level as close to the people as possible.

Public administration is the administration of public affairs carried out as an expression of the executive power of the state. The system of public administration bodies consists of:

- State administration bodies
- Self-government bodies (territorial and interest)
- Bodies of public corporations (e.g. public funds) Klimovský, D., (2008).

The basic economic instrument of the state's financial policy is the state budget, through which funds are created, allocated and used, and the financial management of the state is managed. It takes the form of a balance sheet, which tracks revenue and expenditure organised into budget chapters, each chapter having its own administrator. The state budget also includes a deficit (or surplus) in the event of an imbalance between its revenue and expenditure.

In the private sector, the commonly used indicator is profit, which is used to evaluate previous decisions: successful decisions are those that produce a profit. Tresch, R., (2008). Thus, the private sector does not know the problem of expressing its own efficiency, since it works with the profit category through the market. The appropriate use of funds is decided by individual preferences -consumers, households, entrepreneurs. It is up to the individual to decide whether or not to invest these funds correctly. If not, only he has a loss, not the whole society.

As already mentioned, from a general point of view, governance is divided into two basic forms, namely public governance and private governance. The difference between them lies primarily in the legal binding nature of the administration and in the objectives to be achieved by the exercise of administration. This means that the essential difference is that public administration is more legally bound than private administration. Public administration is absolutely bound to the legal order in the State, is dominated by elements of normative behaviour and is carried out in the public interest (public welfare). It can administer and implement only what is determined and prescribed by law. Private governance must of course be carried out according to legal norms and laws, but not in an absolute sense, and its objective is private interest (profit-making). In other words, public entities are to do exactly what the law and norms tell them to do, while private entities can do everything within the law, but also what the law does not prohibit them from doing. Cifranic, M. et al. (2020).

Administration is a field in which several sub-aspects can be found that allow to distinguish between its public and private nature. These are shown in Table 2.1.

Table 2.1 Differences between private and public governance

Comparative criteria	Private administration	Public administration
Implementers (administrators)	Private law entities	Public entities
Interest pursued	Private (individual interest)	Public (interest of the political community)
Legal limits	anything not prohibited by law	Only what the legislation commands
Position of the entities	Equivalence	Superiority/subordination
Baseline (target)	Profit or other gain	Other values (not profit)

Source: Klimkovský D., 2008

Other differences between public and private administration described in more detail are:

- Public administration primarily focuses on the systematic and important planned management of the affairs of the state, through which the objectives set by the government and state or local government bodies are achieved. Private administration focuses primarily on the operation, management and organisation of activities related to the business environment.
- Public administration is seen as a political process of the ruling parties. Private administration, on the other hand, is a business activity of legal and natural persons.
- Public administration takes place in a government structure (state-run), while private administration operates in a non-state structure (non-state and private settings).
- Public administration follows a bureaucratic approach based on the organisation of its components, while private administration has an egalitarian approach of all its participants.

- Decision-making in the public administration is mainly pluralistic; in the private administration, monopolistic decisions are more often taken.
- Public administration uses mainly revenue from taxes, fees, duties, charges, penalties and other charges paid by the general public (public resources). In private administration, it is mainly profits from operating activities that are the main source of revenue (but other sources may also be used).
- The accountability of public officials is a commitment to the public at large. In a private government environment, employees are accountable to the governing body or owners.
- Public administration is oriented towards the public good (public benefit for all) and operates with a so-called service motive. In contrast, private administration is profit-oriented (personal gain), which is also its underlying motive.

Differences between public and private administration

Although public administration is interpreted as the administration of public affairs, is an administration in the public interest, and is carried out by the entities that carry it out as a legally imposed obligation by virtue of their status as public entities, private administration is, on the contrary, interpreted as the administration of private affairs, carried out in the private interest, by private persons pursuing their own objective on the basis of their own will.

However, several theories, functions as well as processes dealing with and found in both public and private administration are similar in many ways. Both administrations are carried out on the basis of a necessary and thorough knowledge of administrative theories and legal principles. Both are oriented towards making the best use of the available, yet limited, resources at their disposal. Both public and private administrations are fundamentally concerned with making their processes as efficient and effective as possible, which implies that both are concerned with achieving the best possible objectives of their constituent organisations. Despite many similarities and similarities, it is possible to identify a number of areas in which these forms of governance differ to some extent. A more detailed description of these differences is given below:

Differences in defining public and private administration – Public administration deals with public policy, state affairs, government functions, and the provision of various services to the general public; private administration, however, deals with the administration and activities of private organizations, usually business entities.

Differences in the scope of public and private administration – Public administration operates in a governmental set-up through specific bodies and institutions, while private administration operates in a non-governmental set-up made up of various business entities.

Differences in the nature of public and private administration – public administration is closely linked to the political process and often behaves as part of the wider political process, while private administration focuses on business activities.

Differences in territorial coverage – public administration generally covers the whole territory according to the grouping of the state and the arrangement of state institutions and local government bodies, in contrast, private administration may focus on activities in several countries organized in several national jurisdictions or only in local and spatial coverage.

Differences in time – public administration is usually carried out on a continuous basis (given its nature), whereas private administration is in principle carried out on a more regular basis (depending on the importance of the person carrying it out).

Differences in the approach of public and private administration – public administration is based on a bureaucratic approach, but private administration generally has an egalitarian approach.

Differences in the type of activities – public administration consists of many activities represented by public services and government activities that are reserved by competencies and regulations, whereas private administration involves a rather limited set of activities, whereas private organizations operate on the basis of a division of labour or core competency.

Differences in basic orientation and objective – public administration is oriented towards public welfare and operates with a service motive, while private administration is usually oriented towards personal gain, in other words profit.

Differences in objectivity – the aim of public administration is to provide the best and most objective service to the general public. The goal of private governance is to maximize shareholder wealth, so it is more subjective in nature.

Differences in identifying scope – the overall scope of public administration is determined by government laws, standards, regulations or rules, while the scope of private administration is determined by the specific management of a given organization, thus it may be different in each organization.

Differences in legal status and environment – public administration is subject to specific laws and regulations and focuses on transparency, openness and equal treatment. Private administration is subject to fewer laws where client and employee rights are available for consideration and differential treatment.

3. Status of the state administration in the public administration system of the Slovak Republic

A full understanding of the concept of public administration is only possible by knowing its basic organisational components and content structure. The definition of state administration provides a description of the activities carried out on behalf of the state through state administration bodies, while local government carries out activities through the bodies of towns, municipalities and self-governing counties. The essence of the existence, formation and functioning of the state administration bodies is primarily based on the direct influence of the constitutional laws, the Constitution of the Slovak Republic as well as the laws of the National Council of the Slovak Republic. It is a specific type of organisation of state activity, comprehensive activities and social management, which are overwhelmingly carried out by the state. Institutions at the managerial level of state administration carry out defined tasks by means of the so-called coercive power of the state. In a broader sense, state administration could be interpreted as a kind of state management. State administration consists of a set of bodies at central, regional and local level. It is characterised by a hierarchical system of organisation of the individual components with clearly defined relations of superiority and inferiority.

Civil service, like public administration, is a concept with multiple meanings. On the one hand, it is understood as a separate type of state activity regulated by law, and which is referred to as a dynamic concept of state administration; on the other hand, it is a set of all bodies, offices and institutions that carry out these activities. In this view, we speak of the static meaning of state administration. More often, however, we encounter the interpretation that it is a separate type of state activity, which is regulated by law, contains power objectives and certain specifics of the procedure for achieving them. In several authors' descriptions we can observe a mixed understanding of state administration based on both principles, dynamic and static. Horváthová (2002) understands the term state administration as all the activities of the state in the field of organizing and managing society, through state administration bodies. It is management vertically - from top to bottom, through a chain of bodies and organisations. These are those tasks from the public administration that ensure the most important interests of society and the existence of the state, such as the defence and security of the state, the need for a single currency and the financing of the needs of the whole society and the state mechanism, and others.

Clearly, the civil service must ensure the implementation of all functions of the state – both external and internal. Among the external functions of the state we can include, for example: peace policy, protection of the state, compliance with international law. The internal functions of the state include, for example: the regulation of legal disputes, the creation of a legal framework, economic or social policy, health care, the organisation of transport, education, culture and others. State bodies are involved in the provision of these tasks. Broadly speaking, state administration is defined as a type of state management.

The civil service also has its own distinctive features, including:

1. Executive activity
2. Ordering activity
3. Sub-legislative activity
4. It applies the initiative element
5. Possesses state compulsion
6. Exercised on behalf of the State
7. Determined by internal normative instructions of superior bodies
8. Organized and organizing
9. Carried out by state administration authorities, or other bodies and persons authorized by law Hašanová, J., (2011).

Public administrations are classified on the basis of a number of criteria, which are concentrated in four groups. These criteria are:

- *the legal basis for the establishment of a state administration body* – bodies established by the Constitution, constitutional law and law,
- *competences of a state administration body* – in terms of subject matter competence they are divided into bodies with general competence (government) and bodies with special competence (ministries, offices ...), and in terms of territorial competence into central state administration bodies and local state administration bodies,

- *method of decision-making of the state administration body* – state administration bodies are divided into collegial state administration bodies and monocratic state administration bodies,
- *status of the authority in the system of state administration bodies* – they are divided into supreme state administration bodies, central state administration bodies and local state administration bodies.

The central state administration bodies exercise their competence for the entire territory of the Slovak Republic and are also the superior bodies of all other state administration bodies.

Central government – government and ministries

This group includes the government and individual ministries. Pursuant to Act No 575/2001 Coll. on the Organisation of Government Activities and the Organisation of the Central State Administration, the activities of *the Government of the Slovak Republic* are managed by the Prime Minister, who convenes and chairs its meetings. The Government is the supreme body of the executive power. Defined sections of the Government's activities are coordinated by its Deputy Prime Minister, who also performs tasks delegated to him by the Government or the Prime Minister. In the absence of the Prime Minister, he shall be represented by a Deputy Prime Minister appointed by the Prime Minister. The acting Deputy Prime Minister shall convene and chair meetings of the Government. Cabinet meetings shall not be public. This shall be without prejudice to the Government's obligation to publish the texts of material pursuant to a special regulation. Cabinet meetings may also be held using a technical means of transmission of images and sound. The Government shall, as a rule, take decisions in the form of a Government resolution; a Government resolution shall not be subject to judicial review, unless a special regulation provides otherwise.

The Deputy Prime Minister, who does not head a ministry, directs and coordinates the implementation of tasks in the field of legislation, ensures the coordination of central government bodies in the field of legislation, including the coordination of the comment procedure, and ensures legislative activities. It ensures the assessment of internal analytical and external consultancy services of an economic, financial, legal and other similar nature carried out or procured by ministries, other central government bodies, entities within the remit of ministries or other central government bodies, state bodies subordinate to the Government and their legal entities and legal entities established by law which are not public authorities, in terms of their efficiency, economy and effectiveness. It also ensures the assessment of internal and external legal services and legal representation performed or procured by ministries, other central government bodies, entities within the competence of ministries or other central government bodies, state bodies subordinate to the Government and their legal entities and legal persons established by law which are not public authorities, in terms of their efficiency, economy and effectiveness.

The Deputy Prime Minister proposes measures to rationalise and optimise the provision of these services with a view to greater economy and efficiency. On the basis of the Statute, the Deputy Prime Minister also performs other tasks entrusted to the Office of the Government of the Slovak Republic and directly manages the professional departments of the Office of the Government of the Slovak Republic determined by its organisational regulations.

The government can appoint and dismiss its plenipotentiaries to carry out specific tasks. The extent of the powers of the plenipotentiary shall be determined by the Government at the time of his appointment. The Government may establish its advisory bodies (councils). The advisory bodies to the Government shall perform coordinating, consultative or expert tasks. Permanent advisory bodies of the Government are the Legislative Council of the Government of the Slovak Republic, the Economic Council of the Government of the Slovak Republic, the Council of the Government of the Slovak Republic for Competitiveness and Productivity, the Council of the Government of the Slovak Republic for Human Rights, National Minorities and Gender Equality and the Council of the Government of the Slovak Republic for Science, Technology and Innovation.

The members of the advisory body of the Government may be a member of the Government, the State Secretary, elected and appointed officials of public authorities, employees of state administration bodies, representatives of local self-government, representatives of social partners and important experts from theory and practice. The members of the advisory inter-ministerial bodies of the Government shall be members of the Government. The roles, composition and principles of deliberation of the advisory bodies to the Government shall be determined by statutes approved by the Government. A member of the Government other than the Minister may set up an advisory body.

The Office of the Government (www.vlada.gov.sk) has a specific status, it is the central body of the state administration for controlling the performance of the tasks of the state administration and the management of funds for the performance of its tasks, as well as for dealing with petitions and complaints. The control competence of the Government Office extends to ministries and other central state administration bodies, bodies subordinate to them, and local/territorial state administration bodies.

According to Act No.575/2001 Coll. on the Organisation of Government Activities and the Organisation of the Central State Administration, the Government of the Slovak Republic is headed by its President (sometimes referred to as the Prime Minister). In addition to the Prime Minister, the members of the Slovak Government are mainly ministers, who also manage and are responsible for the activities of individual ministries. Ministries are established by an act of the National Assembly of the Slovak Republic. At present, the following *ministries* are active in the SR:

Ministry of Economy of the Slovak Republic,

Ministry of Finance of the Slovak Republic,

Ministry of Transport and Construction of the Slovak Republic,

Ministry of Agriculture and Rural Development of the Slovak Republic,

Ministry of the Interior of the Slovak Republic,

Ministry of Defence of the Slovak Republic,

Ministry of Justice of the Slovak Republic,

Ministry of Foreign and European Affairs of the Slovak Republic,

Ministry of Labour, Social Affairs and Family of the Slovak Republic,

Ministry of the Environment of the Slovak Republic,
Ministry of Education, Science, Research and Sport of the Slovak Republic,
Ministry of Culture of the Slovak Republic,
Ministry of Health of the Slovak Republic,
Ministry of Investment, Regional Development and Informatisation of the Slovak Republic,
Ministry of Tourism and Sports of the Slovak Republic (from 2024).

The Ministry is managed and accountable to the Minister. In his absence, the Minister shall be represented by the State Secretary within the scope of his rights and duties. In other cases, the Minister may also authorise the State Secretary to represent him within the scope of his rights and duties. The State Secretary shall have an advisory vote when representing the Minister in Cabinet meetings. The State Secretary shall be appointed and dismissed by the Government on a proposal from the Minister concerned. In justified cases, in particular in the case of multi-sectoral ministries, the Government may determine that there are two Secretaries of State in the ministry (the Minister shall determine on which issues and in what order the Secretaries of State shall represent him). The Government may determine that three State Secretaries shall temporarily serve in the Ministry if one of them is designated only to carry out tasks related to the Slovak Republic's Presidency of the Council of the European Union. The organisational structure of the Ministry shall be determined by the organisational regulations of the Ministry, which shall be issued by the Minister. The Ministry shall be divided into sections and departments or other organisational units. Sections shall be set up in particular for individual sections of the Ministry's activities. A section shall be headed by a Director-General. Sections may be subdivided into offices, departments or other organisational units at their level. An office, department or other organisational unit shall be headed by a Director. (Government Office, 2014).

Other central government bodies

The following other central government bodies also operate in the Slovak Republic:

- Office of the Government of the Slovak Republic,
- Antimonopoly Office of the Slovak Republic,
- Statistical Office of the Slovak Republic,
- Office of Geodesy, Cartography and Cadastre of the Slovak Republic,
- The Office of Nuclear Supervision of the Slovak Republic,
- Office for Standardization, Metrology and Testing of the Slovak Republic,
- Public Procurement Office,
- Industrial Property Office of the Slovak Republic,
- Administration of the State Material Reserves of the Slovak Republic,
- National Security Agency.

The Office of the Government of the Slovak Republic is headed by a head who is responsible to the Prime Minister for the performance of his/her duties. The Head of the Office of the Government of the Slovak Republic shall be appointed and dismissed by the Government. The Antimonopoly Office of the Slovak Republic and the Statistical Office of the Slovak Republic shall be headed by a chairman, who shall be appointed and dismissed by the President of the Slovak Republic on the proposal of the Government. The term of office of the President of the Antimonopoly Office of the Slovak Republic shall be five years. The National Security Office shall be headed by a Director, who shall be elected and dismissed by the National Council of the Slovak Republic. Other central state administration bodies shall be headed by a chairman appointed and dismissed by the Government. The Chairman shall be accountable to the Government for the performance of his duties. In his/her absence, the President shall be represented by the Vice-President to the extent of his/her rights and duties. Ministries and other central government bodies shall be legal persons. The activities of ministries, through ministers, and of other central government bodies, through their statutory bodies, shall be directed, coordinated and controlled by the Government. The seat of the ministries and other central government bodies shall be Bratislava. (Office of the Government of the Slovak Republic, 2014)

Local government bodies

Local government authorities operate exclusively within a defined territory (within a defined territorial district) and apply to natural and legal persons residing, doing business or owning property in that district. A specific feature of local state administration bodies is that they carry out state administration tasks only in the territory of the Slovak Republic (region, county, district), which is precisely defined by law. Their territorial and subject-matter competence is laid down by special legislation. The territorial competence of local public authorities is limited to a certain part of the territory. The extent of territorial competence is usually determined by the nature of the subject-matter competence. The status of local state administration bodies is controlled by a ministry or other central state administration body. Kováčová E., (2014).

Local government authorities include district offices and district offices in the county seat. Further, the competence of these authorities may include departments such as:

- Department of Civil Protection of the Population and State Management in Crisis Situations Outside Wartime and Martial Law.
- Department of Economic Mobilisation.
- Department of Land Registry.
- Department of National Defence.
- Department of Environmental Protection.
- Department of Regional Development.
- Department of Road Transport and Roads.
- Department of Agriculture, Forestry, Hunting and Land Management.
- Department of General Internal Administration.
- Department of Trade Enterprise.

If the law provides for the jurisdiction only of the district office in the seat of the county, its territorial area of jurisdiction is the territorial area of the county in which the district office in the seat of the county has its seat. A district office may, with the consent of the Ministry,

establish a district office for the performance of certain activities of the state administration and determine its territorial perimeter.

The district authority is the chief representative of the local government. There are currently 79 districts in Slovakia. The District Office is an advance organization of the Ministry of the Interior of the Slovak Republic. The district office is managed and responsible for its activities by the head of the district office, who is appointed and dismissed by the Government of the Slovak Republic on the proposal of the Minister of the Interior of the Slovak Republic. The state administration shall be performed by a department of the district office or an organisational unit of a department of the district office. The competence of the district office includes the fact that it may be a party to judicial and enforcement proceedings. It may act independently before the court within the scope of its competence. The head of the district office or an employee authorised by the head of the district office shall act for the district office before the court. Details of the internal organisation of the district office shall be regulated by the Ministry by a directive in agreement with the central government body whose competence includes the performance of the state administration carried out by the department of the district office. (Law on the Organisation of Local Government, 2013).

4. Status of local government in the public administration system of the Slovak Republic

In public administration, self-government is the executive action and influence on social life by non-state means. Self-government can also be understood as a certain empowerment of citizens to make decisions and carry out tasks independently, which are defined by law and which are based on the interests of the population living in a certain autonomous territory. Průcha, P. (2007) argues that self-government is not and cannot be identical with state administration, especially due to the state power of the state administration. However, in parallel with state administration, local government participates in the implementation of public affairs.

The justification of the existence of territorial self-government according to Belajova, A., Papcunova, V., Gecíková, I. (2014) follows from the following facts:

- Municipalities and regions, as representatives of local government, are closest to citizens because they directly involve citizens in decision-making on issues that directly affect them.
- It strengthens the direct involvement of all actors involved in development in the territory, in shaping and implementing the social and economic development of the territory in which they live.
- Territorial governance and development can be ensured more efficiently, because at the local or regional level it is possible to better identify and know the development resources and the possibilities of their use, and thus to align them with the needs of the citizens of the municipalities and regions.

The emergence of local self-government is conditional on a democratic form of government and respect for a pluralistic society. The concept of self-government can be understood in two ways, namely:

- **politically** – public representatives of the population carry out the exercise of democratic and decentralised government,
- **legal** – the administration is carried out by a public corporation whose members are the inhabitants of the territory. Thus, each municipality is perceived as having the right and ability, within the framework of applicable laws and regulations, to manage its property, develop its territory and generally improve the quality of life of its residents.

Local government can be divided into:

- **territorial** (regional and local) – this is formed by autonomous territorial units with their own self-governing bodies, it consists of several levels, but their independence is relative, because they are also involved in solving the tasks of the state, they dispose of its resources, which is a practical transfer of control of territorial self-government by the state,
- **interest-based** – associations of persons formed by law, whose members have the same professional focus, ensure the performance of public administration in relation to members of specific professions. These include, for example, the Slovak Bar Association, the Chamber of Notaries, the Chamber of Physicians and others.

Interest self-government

The classical division into territorial (regional and local) and interest self-government does not only mean the different focus of these two forms of self-government, but above all the different relations of the citizen as a sovereign subject of self-government to these forms of self-government. While in local self-government the citizen is automatically included in this system according to his place of residence, he enters the system of interest self-government voluntarily by his own choice.

Self-interested self-government includes all institutions that derive their existence from the law of association and that are united by a specific social interest, with their basic element being the self-governing manner of their own activity and the desire to participate in public life Konečný, (2006). The basic difference to distinguish between territorial self-government and interest self-government is, first of all, the principle of voluntariness. In this sense, it is a principle on the basis of which citizens can associate for the purpose of pooling their own interests and achieving them. In the case of local self-government, this principle is almost excluded, since the inhabitants of municipalities form their local self-government according to the territory in which their municipality is located. However, it must be stressed that this principle of voluntariness cannot be applied in an absolute sense, since, for example, as a type of interest self-government, professional organisations also concentrate their members on the basis of compulsory membership.

Depending on the interest on which the right of association is exercised, one of the forms of interest-based self-government are professional organizations that bring together individuals, which are mainly represented by professional chambers that bring together members of traditional liberal professions Tej, (2002). However, these organizations constitute self-government provided that a certain range of tasks has been delegated to them by law. In a professional organisation, interests are brought together through membership (in most cases,

this is a condition), and a member can be someone who, in addition to certain personality specific characteristics, meets the condition of a particular profession. In this sense, it is a self-government of interests bringing together natural and legal persons. This includes, for example, the Slovak Chamber of Advocates, the Slovak Medical Chamber, the Slovak Chamber of Dentists, the Slovak Chamber of Trades, the Slovak Chamber of Commerce and Industry and others.

A number of sources lean towards a simpler proposition, namely that the existence of interest-based self-government is based on a certain professional focus of individuals and legal entities. However, other authors add that the interpretation of interest self-government does not only refer to associations of persons, but also to associations of assets, which are mainly public funds. Public funds are a type of interest self-government which, unlike statutory organisations, pool funds and assets. Examples are the deposit protection fund, the social development fund, the student loan fund and others.

Territorial self-government

Territorial self-government is a form of government and public administration that allows for the independent administration of public interests in a territory smaller than a state. Thus, each level of local government is defined geographically in which a community of citizens lives and exercises self-government of public affairs. The interests of the citizens are representative of the plural democratic system in a given municipality or region. Decision-making is based on public choice and is implemented in two ways:

- **direct election** – for example, a referendum where citizens decide directly on major issues in a given municipality,
- **indirectly** – representative democracy, i.e. citizens take decisions through their elected representatives. Provaznikova, (2009).

The structure of local government in the EU is diverse. In some countries it is organised into one, in others into two or three tiers, which is rooted in historical traditions. In federal countries such as Austria – 9 federal states, Belgium – 3 regions and 3 communities or Germany – 16 federal states, the absence of a regional level is replaced by the existence of federal territories, a separate middle level of government and clearly defined competences and powers from the central government. On the contrary, in unitary states we can find three-level territorial self-government – France, Italy, Spain, Poland, two-level – Denmark, Greece, Hungary, Latvia, the Netherlands, the Czech Republic, Slovakia and others. One level of local self-government can be found in countries such as Malta, Lithuania, Estonia – mostly countries with small demographic size. Provaznikova, (2009).

Territorial self-government is often also referred to as municipal or communal self-government, it was created as an organizational form of public administration, the aim of which was to ensure specific tasks of the community of citizens. These communities were mainly formed on a territorial basis.

The institute of territorial self-government is enshrined in the Constitution of the Slovak Republic in Title IV and the legal regulation is implemented by Act 369/1990 Coll. on Municipal Establishment. Territorial self-government consists of a municipality and a higher

territorial unit, between which there is no relationship of superiority and subordination, which allows us to define them as two parts of self-government in Slovakia, whose common goal is the general sustainable development. Municipalities, towns as well as self-governing regions also exercise on behalf of the state administration some delegated competences for which they are also responsible to the state administration. A municipality and a higher territorial unit are separate territorial self-government and administrative units of the Slovak Republic associating persons who have permanent residence on their territory. A higher territorial unit is also known as a self-governing region. The territory of the Slovak Republic is divided into 8 regions and 79 districts, which together comprise 2,927 towns and municipalities.

Local self-government in Slovakia has been developing dynamically since 1990, when it was re-established. Since then, it has undergone several development phases or transformation processes. At present, in the light of new trends, emerging agendas and opportunities for further development, it is relatively stable, which allows for new, better and more effective measures to be taken towards its modernisation.

Higher territorial unit

Act No. 302/2001 Coll. on Self-Government of Higher Territorial Units (Act on Self-Governing Regions) defines a higher territorial unit as a self-governing region. **A self-governing region** is an independent territorial self-governing and administrative unit of the Slovak Republic. The territorial perimeter of a self-governing region is identical to the territorial perimeter of a county. The territorial perimeter of a self-governing region may be changed only by law. A self-governing region is a legal entity which, under the conditions laid down by law, independently manages its own property and its own revenues, ensures and protects the rights and interests of its inhabitants. It has its own *symbols* which it may use in the exercise of self-government. **The symbols of** a self-governing region are the coat of arms, the flag and the seal or the sign. Obligations and restrictions may be imposed on a self-governing region in matters of local self-government only by law and on the basis of an international treaty.

The bodies of the self-governing region are the council of the self-governing region and the chairman of the self-governing region. **A resident of a self-governing region** is a person permanently residing in a municipality on its territory. An inhabitant of a self-governing region participates in its self-government. In particular, he/she shall be entitled to elect the council and be elected to the council, to elect the chairman and be elected as chairman, to vote in the referendum of the self-governing region under the conditions laid down by this law, to participate in the meetings of the council and to address his/her suggestions, complaints and other submissions to the chairman, the council and the bodies set up by it. Anyone who has immovable property in the territory of the municipality, is registered for temporary residence or is a foreigner permitted long-term residence may also participate in the exercise of self-government.

The Act further defines concepts and terms such as the competence of the self-governing region, international cooperation, relationship to state authorities and municipalities, financing and property of the self-governing region. In **exercising its self-government**, a self-governing region takes care of the all-round development of its territory and the needs of its inhabitants. A self-governing region may, within the scope of its competence, **cooperate** with territorial and

administrative units or with authorities of other states performing regional functions. It shall have the right to become a member of an international association of territorial units or territorial authorities. In exercising its competence, a self-governing region shall cooperate with State authorities, other self-governing regions, municipalities and other legal entities. The basis for the **financial management of** a self-governing region is the budget, which is drawn up for a period of one calendar year. A self-governing region finances its needs primarily from its own revenue, subsidies from the state budget and other sources. **The property of the self-governing region** is used for the performance of the tasks of the self-governing region and its disposal is provided for by a special law.

In addition to these, it also describes the council, the deputies and the chairman of the municipality, the referendum possibilities, as well as the duties, prerequisites, scope and rules of the activities and tasks of the chief controller. **The council** is a body composed of the members of the local government district elected by direct suffrage. The method of election of the members of the council shall be laid down by a special law. In particular, **a member** shall be entitled to submit proposals to the council and its bodies, to interpellate the president on matters relating to the performance of his or her duties, to take part in audits, inspections, the handling of complaints and other submissions made by the council and its bodies, and shall in particular be obliged to take the oath of office at the first meeting of the council, he/she attends, to defend the interests of the municipality and its inhabitants, to attend meetings of the council and its bodies to which he/she has been elected and to inform the electorate, on request, of his/her activities and of the activities of the council. The council shall call a **referendum** on important questions concerning the exercise of the self-government of the municipality if it resolves to do so or if at least 30% of the eligible voters so request by petition. **The President** shall be elected by the inhabitants of the municipality in direct elections. The chairman shall represent the self-governing region externally. In property, employment and other relations, he/she shall be the statutory authority. The office of chairman shall be a public office and shall not be exercised in an employment relationship.

The chief inspector is elected and dismissed by the council. The Auditor General shall be an employee of the self-governing region and shall be subject to all the duties of other senior staff under a special regulation. The qualification for the post of Chief Auditor is the completion of a first degree in economics, law or technical sciences. The election of the chief inspector shall require the approval of a majority of all the members of the council. The auditor-general shall be elected by the council for a term of six years. Control activity means control of legality, efficiency, economy and effectiveness in the management and disposal of the property and property rights of the self-governing region, as well as of the property used by the self-governing region, control of the revenues and expenditures of the self-governing region, control of the handling of complaints and petitions, control of compliance with generally binding legal regulations, including the regulations of the self-governing region, control of the implementation of the resolutions of the self-governing region, control of the compliance with the internal regulations of the self-governing region, and control of the implementation of other tasks laid down by special regulations. In carrying out control activities, the chief inspector shall follow the rules laid down by a special law. The Chief Auditor shall participate in the meetings of the council with an advisory vote. The self-governing region shall set up a chief inspector's unit, which shall be managed by and be responsible to the chief inspector and which

shall ensure the professional, administrative and organisational matters related to the performance of the tasks of the chief inspector.

At the same time, the law also describes the commissions of the self-governing region, the basic provisions of the self-governing region's authority and the common and final provisions. The council establishes a mandate commission, a finance commission and may establish other commissions as its permanent or temporary advisory, initiative and control bodies. **The commissions** shall be composed of Members and other persons elected by the council. The administrative and organisational affairs of the council, the president and other bodies set up by the council shall be handled by **an office** made up of employees of the municipality. The internal organisation of the office, the number of employees and the composition of their job functions shall be laid down in the office's organisational regulations, which shall be issued by the President. The work of the Office shall be managed and organised by the Director of the Office, who shall be accountable to the President. The Director of the Office shall participate in the meetings of the Council in an advisory capacity.

Municipality

Act No. 369/1990 Coll. on Municipal Establishment defines **a municipality** as an independent territorial self-government and administrative unit of the Slovak Republic, which brings together persons who have permanent residence on its territory. A municipality is a legal entity which, under the conditions laid down by law, manages its own property and its own income independently. The basic task of a municipality in the exercise of self-government is to care for the all-round development of its territory and the needs of its inhabitants. Obligations and restrictions may be imposed on a municipality in the exercise of self-government only by law and on the basis of an international treaty. A municipality shall have the right to associate with other municipalities for the common good.

It also defines other essential elements relating to the municipality, such as its name, symbols, territory, merger or division, or annexation. A municipality and a part thereof shall have a name. **The name of the municipality** and its part shall be given in the national language. The designation of a municipality in another language shall be regulated by a special law. A municipality shall have the right to its own **symbols**. A municipality which has its own symbols shall be obliged to use them in the exercise of its self-government. The municipality's symbols are the municipality's coat of arms, the municipality's flag, the municipality's seal and, where appropriate, the municipality's emblem. Legal entities established or founded by the municipality, other legal entities and natural persons may use the symbols of the municipality only with the consent of the municipality. **The territory of a municipality** is a territorial unit consisting of one or more cadastral territories. It may be subdivided into parts of the municipality. A part of a commune has its own name although a part of a commune may not have its own cadastral territory. Two or more municipalities may **merge** into one municipality, or may **be divided** into two or more municipalities. The merger of a municipality dissolves the merging municipality and creates a new municipality; the division of a municipality dissolves the divided municipality and creates a new municipality. A municipality may be merged or divided only with effect from the date of the general election for municipal self-government bodies. The new municipality formed by the merger of municipalities shall be the legal successor of each of them. A municipality which, after two successive municipal elections, has

neither a municipal council nor a mayor may be **annexed** by the Government by ordinance to an adjacent municipality situated in the same district as the defunct municipality, if the adjacent municipality consents thereto. The Act also describes provisions relating to street marking and numbering of buildings.

It also describes its inhabitants, local government, relationship to the state, financing, assets and budget. A resident of a municipality is a person permanently residing in the municipality. **An inhabitant of a municipality** participates in the self-government of the municipality. In particular, he/she has the right to elect and be elected to the municipal self-government bodies, to vote on important issues of the life and development of the municipality, to attend and express his/her opinion at meetings of the inhabitants of the municipality and to participate in meetings of the municipal council, to address his/her suggestions and complaints to the municipal authorities, to use in the usual way municipal facilities and other municipal property serving public purposes, to request assistance in the protection of his/her person and family and his/her property located in the municipality, and others. The inhabitant shall participate in the development and improvement of the municipality and provide assistance to the municipal authorities.

The municipality independently decides and carries out all acts related to the administration of the municipality and its property, all matters that are regulated by a special law as its self-governing competence, unless such acts are performed by the state or another legal person or natural person according to the law. **The self-government of the municipality** shall be exercised by the inhabitants of the municipality through the municipal authorities, by local referendum or by an assembly of the inhabitants of the municipality. Certain tasks of **state administration** may be delegated to a municipality by law if their performance in this way is more rational and efficient. With the delegation of tasks to a municipality, the State shall provide the municipality with the necessary financial and other material resources. The municipality **finances** its needs primarily from its own revenue, subsidies from the state budget and other sources. The municipality may use repayable sources of financing and extra-budgetary cash funds to fulfil its tasks. **The property of the municipality** is the property owned by the municipality and the property rights of the municipality and used for the performance of the municipality's tasks. The property of the municipality and its disposal shall be regulated by a special law. The municipality's financial management is based on the **municipality's budget**, which is drawn up for a period of one calendar year. The status of the municipal budget, its formation and content, the rules of budgetary management, the formation and use of extra-budgetary resources, the method of financial equalization between municipalities, relations with the State budget and the budget of the self-governing region are laid down by a special law.

The second part of the Act describes in detail the municipal bodies (the municipal council and the mayor), the municipal council, the commissions, the municipal office and its head, as well as the position, tasks and scope of activities of the chief inspector. The municipal authorities are the municipal council and the mayor. **The municipal council** may establish and abolish, as necessary, permanent or temporary executive, supervisory and advisory bodies, in particular the municipal council and commissions, and shall determine their terms of reference. The municipal council is the representative body of the municipality, composed of members elected in direct elections by the inhabitants of the municipality for a term of four years. The electoral rules shall be laid down in a special regulation. The term of office of the municipal council shall

end with the taking of the oath by the newly elected members of the municipal council. The municipal council or the mayor may convene an assembly of the inhabitants of the municipality or a part thereof to discuss matters of local self-government. The **mayor** is the representative of the municipality and the chief executive of the municipality. The office of mayor is a public office. The term of office of the mayor shall end with the taking of the oath of office of the newly elected mayor. The mayor is the statutory body of the municipality. The mayor shall be represented by a deputy mayor, who shall, as a rule, be appointed by the mayor for the entire term of office. The municipal council may establish a municipal council. **The municipal council** shall be composed of members elected by the municipal council for a full term of office. The municipal council and its members may be dismissed by the municipal council at any time. The number of members of the municipal council shall be no more than one third of the number of members. The municipal council shall be the initiative, executive and supervisory body of the municipal council. The municipal council may set up **commissions** as its permanent or temporary advisory, initiative and control bodies. The commissions shall be composed of members and other persons elected by the municipal council. **The municipal office** shall take care of the organisational and administrative affairs of the municipal council and the mayor, as well as of the bodies set up by the municipal council. The work of the municipal authority shall be managed by the mayor. If the municipality has a **municipal head**, the municipal head shall head the municipal office and organise its work. The mayor appoints and dismisses the mayor.

The chief inspector is elected and dismissed by the municipal council. The Auditor General is an employee of the municipality and, unless otherwise provided for in this Act, shall be subject to all the rights and obligations of other senior employees under a special regulation. Qualification for the post of chief inspector shall be completion of at least upper secondary education. The election of the Auditor-General shall require the approval of a majority of all Members. The chief inspector shall be elected by the municipal council for a term of six years. The Auditor-General may carry out auditing activities for several municipalities. The Auditor-General shall be elected and dismissed by the municipal council of each municipality in which the Auditor-General is to carry out audit activities. Control activity means control of legality, efficiency, economy and effectiveness in the management and disposal of the property and property rights of the municipality, as well as of the property used by the municipality, control of the municipality's revenue, expenditure and financial operations, control of the handling of complaints and petitions, control of compliance with generally binding legal regulations, including municipal regulations, control of the implementation of resolutions of the municipal council, control of compliance with the municipality's by-laws, and control of the implementation of other tasks laid down by special regulations. In carrying out control activities, the chief inspector shall follow the rules laid down by special law. Further details of the rules governing control activities may be laid down by the municipality by resolution.

The other four parts of the Act define concepts such as cooperation and association of municipalities, municipalities and their status, duties and powers of deputies, and finally final, transitional and repeal provisions. Municipalities may **cooperate** on the basis of a contract concluded for the purpose of carrying out a specific task or activity, on the basis of a contract on the establishment of an association of municipalities, or by setting up or establishing a legal entity under a special law. Cooperation between municipalities shall be governed by the principles of legality, mutual benefit and compliance with the needs of the inhabitants of the

municipalities. The municipalities shall have equal status in their cooperation. Municipalities may set up *associations of municipalities*, which shall take the form of a legal entity. The subject matter of the municipal association is mainly social affairs, environmental care, local transport, education, culture and local tourism. The National Council of the Slovak Republic may declare a municipality to be a *town* as of 1 January each year, on a proposal of the Government, if it is an economic, administrative and cultural centre or a centre of tourism or a spa town, if it also provides services for the inhabitants of neighbouring municipalities, if it has transport connections with neighbouring municipalities, if it has an urban character in at least part of its territory and if it has at least 5 000 inhabitants (this condition is not necessary).

5. Management in public administration organisations

Public administration organisations provide a variety of services on a daily basis. The "customers" of public administration (citizens, companies) create the demand for these services, they come with different needs. The aim of each 'customer' is to have their needs met in an appropriate, timely manner within the legal framework. The level of satisfaction is often based on direct contact and concrete experience with the official of the public administration organisation providing the service. Often, we judge the quality of the work of the whole institution on the basis of direct contact with a particular official, and often the level of satisfaction varies. Although 'public administration customers' have the right and opportunity to express their satisfaction with the quality of services provided, many times they do not use this opportunity (this may be due to a certain degree of uncertainty as to whether the feedback given will be stimulating and bring about improvement). This is also due to the fact that certain areas of public administration are characterised by irregularity and specificity.

5.1 Definition and basic concepts of public administration management

Public administration is administration in the public interest, it is paid for by public funds and the entities that carry it out - either directly or through intermediation. The public interest is the kind of interest that is both supra-individual and societal in nature. It is carried out by a social entity, e.g. a public institution. The realisation of the public interest is often interpreted as the goal of the functioning of public institutions, Valach et al. (2019).

In the area of defining the basic concepts of public administration management, a more detailed look at the competences, methods and techniques of using public administration management tools is needed. Over the last two decades, there have been significant changes in the way managers in public administration should operate. What has occurred has been a change in the perception of what government should do and, as a consequence, how a manager in public administration should work. To compare the world's major management systems in relation to public administration, it is necessary to identify, for example, the American and European approaches for understanding the definitions of public administration management:

- *America's multidisciplinary approach*, and the rapidly evolving industry was adopting ideas from the business sector and adapting modern business management methods for government.
- *The European (continental) approach* consists mainly in the progressive development of theory and practice in the field of law and the legal approach to the content of the functions and behaviour of public administration workers Tej (2011).

Management in public administration represents any activity of an administrative worker focused on a specific object or process, as an executor of the activity of the administrative entity, who has information with which he works because of the initial stimulus or cause. Initiatives can be of different nature, most often they are administrative decisions, written responses to the initiatives of subjects (administrative and non-administrative), written communications on the outcome of the problems addressed, with establishing documents, agreements, orders, statements, confirmations, they can be interventions carried out at the initiative of an interested party, interventions of the authority and others.

Public management encompasses the administration as well its organizations, the goals achieved by them, as well as the inherent accountability for results. Public administration focuses on *process, procedures and tools*, while public management encompasses much more. Instead of simply following instructions, public managers focus on achieving results and accepting accountability.

In conceptions of modern public administration, its manager is perceived as an active agent of the political process, not just as an implementer of given policies. Old approaches view the public administration client as a citizen with the right to participate; new approaches view the public administration client as a rational consumer whose main influence lies in the ability to refuse a service when making a rational choice between a public and a private provider who compete with each other Tej (2011).

The New Public Management created the idea of public management as the business of a new, powerful and distinctively privatized government, where not only business methods but also values are used. It became a successful attempt to reform „Weber's ideas", and its fundamental pillars were:

- the dismantling of hierarchical ordering,
- decentralisation of decision-making and accountability,
- A contractual approach to management,
- participatory leadership,
- Introduction of business controlling and accounting Tej (2011).

All bodies have a fixed **area of competence**. The fundamental difference is that public administration institutions have different objectives than profit-oriented entities producing material goods or services.

Public administration is a set of organisational activities that are carried out in the public interest by administrations and other designated entities, relying on law and legally established forms. In doing so, it should be noted that the public administration, through laws, carries out many activities that are not directly enshrined in the laws but arise from its public tasks that serve to meet societal needs. For this reason, they are also intertwined and legally secured. In particular, public authorities can function effectively as a coherent system if:

- fulfil the function of their proper use, as laid down by their founder,
- can recognise and identify new needs,
- they control the correctness of the activities followed up by other subordinate cooperating organisational units,
- perform the function of responsible storage of individual information,
- meet the expectations of clients using the results of the implemented processes.

The functioning and existence of public administrations is constantly facing various changes, which are initiated by internal and external actors ("public administration customers") alike.

In order for an institution to be able to carry out its tasks properly, the cooperation of its many elements, both administrative and economic and social, must be ensured.

A rational and functional **organisational structure** is a very important and determining factor for an effective institution.

An organisational structure created in the context of needs must meet the smooth communication process simultaneously in both directions:

- *horizontally* – between the different components of the organisational structure,
- *vertically* – between external clients during the provision of services based on their requirements.

In terms of the organisational structure, it is also important to define a rational job (position) in each organisational unit, to which an **area of responsibility** must be assigned in a binding manner. The identification of work tasks must be carried out within the framework of formalised procedures which must be followed while maintaining quality (**quality of service**). It is important to develop a strategy and to maintain quality from the head of the organisational unit down to the lowest hierarchical level of the organisational structure. To a large extent, the functioning of a particular organisational unit always depends on the people who are at the top. It is up to them to develop the strategy as well as to implement it.

Managers influence other links in the organization, issuing orders to carry out particular processes. To a large extent, their individual predisposition, knowledge, qualifications and the application of tactics - determine the way in which personnel work and process management are carried out, and they also create the image of the office for the company and the authorities above. Emphasis must therefore be placed on the importance of **individual responsibility for the decisions made**, which implies the need to have individual procedures in place to enable informed decision-making based on the appropriate situation and subsequent implementation.

Responsibility for the decision taken must be individual, not collective, and it must always be made clear who is responsible for the specific decision taken and to what extent. The lack of informed decisions carries with it many other threats that are undesirable from an organisational point of view in an institution.

The appraisal and remuneration process of public service employees must be carried out with due regard to the appraisal and remuneration of the manager who manages them.

Employees must identify with the institution and implement its goals (learning the principles of corporate identity and corporate culture). The strength of identification may immediately derive from the possibility of a clearly delineated promotion path in the workplace, but also from the process of **getting employees**. The employee acquisition process is based on the level of skills and knowledge that the employee possesses.

An open, objectively determined route to filling a post carries with it the possibility of the need for increased financial resources, which must be provided proportionately for a particular post, depending on the responsibilities involved. Such a relationship must be used in the institution in with the right **motivation**.

The actions of public servants must be based above all on well-defined decisions, which must always be made in the of known and foreseeable fluctuations that may influence the final decision.

In public administration organisations, it is necessary to replace the functional approach, which is the most commonly used, with a process approach. This means using the idea that only efficient processes will guarantee good outputs. Outputs should therefore be understood as the results of the processes taking place within management. In the current understanding, the concepts of **employee of the institution** and **official** are identified. By employee of the

institution and official we mean a person who is employed in a public administration institution, is in an employment or service relationship, Štangová – Mitaľová (2007).

5.2 Specifics of management in public administration

Management, as a broad term, means to carry out modern administration in any organizations or firms. Management is also applicable to public administration, both in the Slovak Republic and abroad. Long-term discussion in the sphere of professional public is mainly about the existing differences – specifics of public sector management in comparison with the private sector. The concept of public administration management should be distinguished from the concept of public management – the latter arises in particular when corporate management has to define and emphasise that in its activities it will serve the public interest and its surroundings. This characteristic qualitatively improves the mutual understanding with the environment, the relationship between the organisation and the audience is perceived favourably, and the ground is improved for present and future initiatives in private and public administration. The differences between public and business management are due to both internal and external factors, their interrelationships and mutual conditioning, Valach et al. (2019). Public and private organizations differ mainly in the following characteristics:

- public institutions operate on the basis of political determinations of need, not on the basis of the needs of the market,
- performance measurement, which is used in the profit motive, which is inapplicable to the needs of the public sector, hence the need for a clear performance measurement system for the public sector that sufficiently reflects efficiency and effectiveness,
- the different legal environments in which the two sectors operate: in the private sector, laws only tell managers what they cannot do; in the public sector, laws tell managers what they can do,
- Equity, fairness and profitability – in the private sector, the focus is on profitability and business development, while in the public sector it is about equity in service delivery at the expense of profit,
- Decision-making environment – decision-making in the public sector is public, the public expresses its opinion, which is often influenced by the press and the media, which follow and control the decision-making of public officials, the media often serves as a manipulative tool of interest groups, Tej (2011).

From the perspective of Kosorin (1999), the peculiarities of public administration management can be specified as follows:

the area of the external management environment – where factors that condition specific features of management such as:

- a) absence of a market, minimal influence of supply and demand, which is governed in political markets on the principles of public choice in a time-limited term; there is a lack of incentives to reduce costs, increase overall performance and efficiency (which is in line with bureaucratic procedures in administration), consumer preferences are limited, as they are most often expressed and declared only on the day of elections to state and local government bodies,

- b) intense formal and legal constraints – public administration is more subject to intense legislative oversight than private administration, and at the same time there is less autonomy of behaviour of managers (due to the consequence of politically motivated processes in public administration), the hierarchy of laws, external and internal competence of authorities and institutions is manifested by the institutions doing only what the law competently and often item by item commands them to do,
- c) the existence of intense political factors – there is a diversification of external information, which is often contradictory (often depending political parties), managers are influenced by political influences, agreements, lobbying, influence of business, voters and citizens.

the internal governance environment:

- a) decision-making in public administration is legally regulated, organisations are often concerned with managing externalities and environmental ecology, thereby also influencing the private sector,
- b) public expectations public managers are mainly in the area of accountability and accountability, which is very often inadequately presented by the media,
- c) the coercive nature of power is manifested, sanctions, orders, provisions apply, participation in the outcome ceases (while the outcome is difficult to measure – quantifiable, which makes it impossible to motivate on the basis of interest in satisfying needs.

the area of programmability of the organisation's goals and objectives:

- a) managers in public administration show more interest interventions and consequently more crisis phenomena: ambiguity, multiplicity and conflict of objectives, criteria for performance and evaluation of objectives are often lacking (compliance with environmental cleanliness, standard of living), measurement of objectives is problematic, – demands for public accounting and the necessity of trade-offs are increasing (efficiency is often pitted against social equity),-tasks are politically exposed, the problem of reconciling external relationships and responsibilities with internal functions and competencies is pronounced,

area of managerial decision-making power – the existence of extensive organisational and institutional constraints as well as political influences cause:

- a) less flexibility and decision-making autonomy compared to the private sector due to extensive organisational, institutional, external and political influences,
- b) less authority in relation to subordinates,
- c) reluctance to delegate authority, especially at a higher level, which is consistent with the principles of bureaucracy,
- d) frequent turnover of senior managers and political appointments, which creates difficulties in meeting challenges and innovating on activities and objectives,
- e) greater bureaucratic pressure and a thorough bureaucratic structure,

- f) Weaker organisational links between managers and employees than in the private sector.

the area of incentivising and motivating managers:

- a) Public managers experience administrative constraints on incentive powers (rewards, punishments, promotions, sanctions),
- b) lower dependence of managers' and public employees' performance on income than in private firms, often replaced by other benefits (importance of public office, recognition by the public, voters),
- c) there is evidence of a feeling of less satisfaction, which is caused by a number of formal and political constraints,
- d) Management reports lower ratings of monetary incentives and higher ratings of moral motivation.

When assessing the peculiarities of public administration management, it can be stated that there are certainly many natural differences and features in its functioning compared to the management of private companies based on the commercial principle. These differences are flexible and can be transformed, narrowed or widened by development, depending the type of relations and functions of the public administration and its position in public relations – the current trend is in favour of narrowing these differences. A large number of systemic, professional and political factors influence this flexibility. Political factors, citizen control, public choice and opinion, public interest, administrative procedure and others are particularly strong in public administration management Tej (2011).

Information management is an integral part of both private and public sector management. It has recently undergone dynamic changes where it has acquired new dimensions. It no longer includes only personnel management, but information in the context of information technology (IT). The growing complexity of information technology and information systems, on which the operation of any modern organisation depends, as well as the increase in investment in this area, is placing an increasing burden on all organisations - public administration not least. The issue of information management is now becoming a daily agenda for top managers and the use of databases is becoming a daily activity of most employees in public administration institutions.

5.3 Organisational structure of the public administration

Every public administration institution is characterised by a fixed formalised organisational structure, which is a system in which the individual elements perform defined tasks on the basis of established relationships. Relationships may take the form of superordination or subordination. In practice, the term 'organisational structure' is often associated with the term 'organisation' in the sense of the organisation of an institution. This form of identification is justified because the level of organisational structure reflects to some extent the level of organisation in a given institution.

Relations of subordination are based on the fact that a certain element (an employee in a job in a unit of the organization) acts on the instructions of a superior (an employee of a superior organizational unit, a superior level in the organizational structure). Superordination

relations represent the situation that a certain element (an employee at a particular place in the organizational structure) "rules", exercises supervision over a subordinate element (a person of an employee who is in a post in a subordinate organizational unit, as it results from the construction of the organizational structure). The relationships of subordination and superordination between the elements of the system play a significant role in producing the final product in the form of an outcome or output.

Organizational structure is a formal system of relationships within an organization that allows for differentiation and simultaneous integration of activities and employees into a single unit Tej (2011). The interconnectedness of the elements of an organization both delimits and constitutes the organizational structure. The mission of any organizational structure is to create the most appropriate conditions for the most effective course of activities in the pursuit of the set objectives.

In the case of a centralised and multi-tiered model, the number of tiers of subordination is usually designed to be consistent with the legislation ensuring the implementation of the statutory tasks for which the institution is established. Each public administration institution shall have a head of unit at the top of the organisational structure who shall be responsible for the overall functioning of the institution. All other posts shall be located at lower hierarchical levels. The span of the organisational structure depends on the specialisation of its individual parts – the organisational units, especially their specificities and the requirements for speed of decision-making.

The head of an organisational unit may delegate some of his/her responsibilities to his/her own subordinate staff – his/her deputies. In a public administration institution, the number of organisational units is arranged hierarchically into organisational units, with a certain number of lower organisational levels within each hierarchical level, in accordance with the needs of the public administration entity. The lowest organisational level is the post of executive officer. Employees in each post are assigned precisely defined and formalised duties and also rights – competences. In an organisation there is a set of interactions and influences between posts, departments and towards other institutions.

The organisational structure must be arranged and continuously improved by modification so that the objectives of the institution can be realised as efficiently as possible with the use of resources, supported by standardised procedures. The organisational structure must be transparent and legible for each of its users and must lead to an understanding of the tasks carried out by the staff and the institution. Decision-making must relate to matters managed by the public administration institution within its remit, and must be seamlessly reflected in the organisational line in both directions and at the level of all persons involved. It must stabilise the effective implementation of tasks, with rational use of the resources allocated, in order to produce the expected result.

5.4 Human resource management in public administration organisations

Systematic human resource development is an important area for national policy makers in most countries of the developed world. This is reflected in the growing emphasis that is currently being placed on education, equal opportunities, social inclusion, employment as well as the knowledge economy, Urbančíková (2006). No public institutions can afford to waste the potential of the workforce due its lack of education or social inclusion. Neither

the best organisation of internal relations nor the best methods of work will bring success unless the public administration institution is staffed by people who are capable, professionally prepared for the job, for the special demands and ways of carrying out activities, Kosorín (1999).

Human resource management, as the most important activity of public administration institutions, needs to be addressed especially in the area of human resource planning, recruitment and selection of employees, their retention, remuneration, development, existing interpersonal relationships, which also determine the organizational culture. No private or public organization can be imagined to operate without a purposeful HR policy pursuing the goals and interests of the organization – in public administration, these are the goals of the declared government policy and its day-to-day fulfilment. Tej (2011).

Kosorín (1999) considers the following activities to be important in the field of human resource management (personnel management):

- knowledge of the factors determining the number and type of workers,
- staff selection and appointment
- Worker performance appraisal and work capability development factors.

Human potential strongly influences the process of public service delivery, hence the need for human capital innovation. Today's society places high demands on employees who carry out public administration activities.

Principles of human resources management

The head of the organizational unit creates guarantees that the persons employed in the workplace have the necessary qualifications, knowledge and skills to perform the tasks set and is also guided by other principles, Tej (2011):

1. ***The principle of constant direct influence on subordinates*** – using the knowledge of experts in the relevant field, the manager is obliged to find the most appropriate way, especially for new employees, to get them to the desired state of performance. The knowledge and expertise must be used to permanently perform the tasks in the workplace, which results from the required form and quality of the tasks assigned to the specific organisational unit. The supervisor is obliged to show respect for subordinates by his/her behaviour, orders and verbal communication. He must not be abusive or vulgar towards them.
2. ***The supervisor is required to assign tasks to employees for the purpose of performing them in accordance with their duties*** – in situations where the reality requires additional changes in the course of task execution, they must be communicated in time for the employee to be able to respond to the given order. The staff member shall, on the basis of his competence and qualifications, carry out the assigned tasks. Additional orders may take various forms, for example, in the form of a supplementary note or a written record. In this case, the supervisor uses the principle of trust in the competence of the employee and the principle of requiring performance of tasks.
3. ***The principle of collective leadership*** – *the* leader must cooperate with the collective in defined conditions and encourage it to perform the expected tasks.

4. ***Principle of good communication*** – the commands issued must be clearly formulated and understandable to the receiver, consistent with the information being transmitted. Instructions must be given in a manner adequate to the possibilities of their fulfilment in. Decisions issued with delays may cause interruptions in the flow of the process being carried out. Those who use such an approach cause chaos in the activities carried out at a particular time. In this context, it may also cause a subsequent wrong decision to be taken, which be ineffective.
5. ***Knowledge Transfer Principle*** – when the need arises, the leader should share his/her expertise with subordinates on an ongoing basis. This can be done in written or oral form or in a meeting with staff. The smooth transfer of knowledge also determines the required consistency, orderliness and thus better organisation of work in the context of a learning organisation.
6. ***Consistency of action*** – in the case of effective action, as a result of good decisions, the leader is obliged to consistently and continuously continue to use the correct policy. Consistency of continuation must instill confidence in the worker that he or she is the decisive and stable element in the decision-making process. Such a course of action can produce a state where both parties are directed to achieve success in the accomplishment of tasks.
7. ***Acknowledgement of error*** – if a misstep is identified, the leader is required to be able to acknowledge the error and change the decision to correct the error. In such a case, the leader is guided by the overriding principle – the principle of correct execution of tasks.
8. ***Principle of not encouraging or provoking conflicts among*** subordinates – in case of conflict, must eliminate it, remove the cause as soon as it is detected. Must be favorable to orderly work, a judge and an authority figure who positively influences the creation of a pleasant atmosphere in the workplace
9. ***Principle of Recognition of Compromise*** – according to the circumstances, especially the complicated and specific ones, where there are many unstable factors, the leader must look for and accept a solution under conditions of compromise, which is quite common in public administration. He must be able to acknowledge the employee's decent arguments based on his expertise.

Many other principles can be added which are characterised by a common utility in action and a direction towards the achievement of the stated objectives of the institution of public administration. In human resource management, the technique of cooperation between the supervisor and subordinates plays an important role.

6. Concept of Good Governance

The concept of good governance, which has evolved from the concept of governance, is now a mainstream of thought whose influence on the practice of governance and the management of public affairs is unquestionable. Not only international or supranational actors, but also, increasingly, various national actors operating at different political and administrative levels are calling for the application of this concept in practice. Notwithstanding this statement, it should be noted that this is a highly controversial concept and that even the expert community

is not unanimous on where its various elements stand in terms of ultimate impact Klimovský, (2010).

The experience with the application of reform and new models of public administration management at the end of the last century in the conditions of developed OECD countries is controversial and therefore new solutions suitable for the present have been sought. As neither the bureaucratic nor the competitive system has proved Bouckaert – Pollit, (2000); Lane, (2000), the new trend has been the so-called "public governance" and public-private (including non-profit) partnerships. Reform changes in public governance approaches to public service delivery continued to take place in developed economies and gradually the concept of Good Governance (GG) emerged based on the concept of Governance.

The concept of *governance* was first mentioned in 1989. This was in the World Bank's report *Sub-Saharan Africa: From Crisis to Sustainable Growth (A Long-term Perspective Study)*, which discussed developments and possible solutions to existing problems in the sub-Saharan African region (WB, 1989).

Since its introduction, the term *governance* has become a major new term used in the context of development-oriented public policies and their design.

However, in a relatively short period of time, this concept has been subjected to an extensive revision, and within it, other more or less "separate" sub-concepts have been formulated, such as *global governance, economic governance, local governance, urban governance, corporate governance, participative governance, sector governance, network governance, multi-level governance, democratic governance* or *public governance* Steinich, (2001), but this does not change the fact that it has become a very successful and internationally recognized concept.

The content of the concept of (good) governance and its static and procedural aspects

One of the most widely used contemporary definitions of good governance states that it is a set of values, policies and institutions through which a society manages economic, political and social processes at all its levels, through interactions between government, civil society and the private sector. It is the means by which society achieves mutual understanding, consensus and activism. It is a framework of rules, institutions and practices that set limits and provide motivation, both for individuals, organizations and business Cheema, (2000).

Governance (as governance/rule), according to this definition, cannot be identified with the concept of government. In essence, a government is an institution as a set of internal rules, relationships, rights and duties, responsibilities and functions, consisting of people holding specific positions and fulfilling defined roles within a defined organisational structure.

Rather, governance refers to the space in which government operates and in which it forms relationships with other actors in public policy-making. Thus, a system of governance actually corresponds to the government's relationships with citizens, the wider public, clients of public services, non-governmental actors Atkinson, (2002) and so on, within a framework of legitimately determined rules that are effectively fulfilled when government policies pursue the social, political and economic values of the aforementioned actors. However, such a view of the concept of good governance highlights only its static side. Within the UN, however, the prevailing approach also sees the procedural side of the concept, which is more of a set of decision-making processes and processes that lead to the implementation of the decisions taken into practice.

On the procedural side, most authors note that incoherence in public policies is a problem not only for donors providing aid and support in implementing the concept of good governance, but also for the governments that receive this aid or support. Greater coherence is seen as a prerequisite for enhancing the effectiveness of these public policies and, conversely, a lack of coherence regarding objectives, approaches and practices is widely perceived as a source of failure to implement good governance principles Robinson, (1999).

A marked contrast can be seen between the "modernisation" efforts of the past, which introduced foreign systems in the conditions of traditional societies, and the new strategy based on the concept of good governance, which builds on indigeneity and is based on the initiatives of "people" Abrahamsen, (2000). In this context, it is interesting to note that, for example, the OECD Public Management Commission has agreed at several of its meetings that the concept of good governance should be the priority method of public policy-making in the member countries of this international grouping (OECD, 1999).

Interdisciplinarity of the concept of good governance

It also follows that this concept cannot be seen as merely static. On the contrary, its proponents stress that good governance is a concept of governance that is characterised by its dynamism and changeability. Moreover, the concept draws its 'sources' not only from other management concepts, but also adopts and draws on political, normative and ethical institutions:

Agere (2000) points out that the richness and breadth of relationships that can be identified within the concept of good governance makes it impossible to state the objectives of the concept in a clear-cut way. In doing so, he mentions in particular the following six groups of relationships: relationships between governments and the market; relationships between governments and citizens; relationships between governments and third sector actors; relationships between elected representatives (politicians) and appointed representatives (officials); relationships between local governments and the inhabitants of given localities; relationships between the legislature and the executive; and relationships between nation states and international institutions. From an enumeration of these relationships, it is clear that the concept of good governance transcends the sphere of management or public management, and as a result, interdisciplinary approaches are required in examining its content and impact on practice.

Basic principles of good governance and tools for their implementation

- ***Responsibility***
 - public sector management
 - reform of public enterprise management
 - public finance management
 - reform of the civil service system
- ***Participation***
 - participation of beneficiaries in projects
 - public-private interconnection
 - decentralisation and strengthening of local governments
 - cooperation with the non-governmental sector

- **Predictability**
 - reform of the legislative/regulatory system
 - legislative framework for development activities
- **Transparency**
 - openness and distribution of information
 - Stability and clarity in the rules (Ahrens, 2001).

Contents of the GG concept

It is the set of values, policies and institutions through which a society manages economic, political and social processes at all its levels, through interactions between government, civil society and the private sector.

It is the way in which society achieves mutual understanding, consensus and activity... consensus in the mechanisms and processes through which citizens and their groups articulate their own interests, mediate their differences, and exercise their rights and responsibilities.

It is a framework of rules, institutions and practices that set limits and provide motivation, both for individuals, organizations and business Cheema, (2000).

Within the UN, the prevailing approach is one that also sees the process side of the GG concept, which is more of a set of decision-making processes and procedures that lead to the implementation of the decisions taken into practice.

Public policy incoherence is a problem not only for donors providing aid and support for the implementation of the GG concept, but also for the governments receiving that aid or support. Greater coherence is seen as a prerequisite for enhancing the effectiveness of these public policies and, conversely, a lack of coherence regarding objectives, approaches and practices is widely perceived as a source of failure in the implementation of GG principles Robinson, (1999).

A marked contrast can be seen between the "modernization" efforts of the past, which introduced foreign systems in the conditions of traditional societies, and the new strategy based on the GG concept, which builds on indigeneity and is based on the impulses of "people" Abrahamsen, (2000).

The GG concept is also intended to be a priority method of public policy making in the member states of the international OECD grouping (1999).

The principles of good governance include: subsidiarity, openness, objectivity, consensus, equity, moral integrity, inclusion, impartiality, effectiveness, leadership, proportionality, fairness, coherence and communication. These are linked to the rules and principles of good governance:

- **Rule 1** – Ensure that targets (measurable indicators) are set and regularly monitored and evaluated. It is essential to seek the best means for achieving the best results.
- **Rule 2** – Control and optimise the services provided so that they are economical, efficient and effective. Where necessary, evaluate whether they should be replaced or abolished.
- **Rule 3** – Carry out appropriate internal and external monitoring of activities, including proper financial control.

- **Rule 4** – Promote the right to good public administration in the spirit of the above principles at national, regional and local levels.
- **9 principles** – Good public administration respects the principles of legality, equality, impartiality, proportionality, legal certainty, the principle of acting within a reasonable time, the principle of participation, respect for privacy and the principle of transparency.

We consider the above rules and principles to be an inspiring source of ideas for public policy-making at all levels of government.

The concept is based on the 12 principles of Good Governance:

Principle 1: "Civic participation, fair elections and political representation"

The principle monitors whether:

- Citizens are at the centre of public life and activities and are involved according to clearly defined procedures at local level,
- All residents have a say in the decision-making process, either directly or through legitimate intermediaries. Such participation is based on freedom of expression, assembly and association,
- All voices, including those of weaker groups, are heard and taken into account in decision-making, including decisions on resource allocation,
- Local government has a credible (sincere) desire to mediate the debate between different legitimate interests, to achieve a broad consensus on what is in the best interests of the whole community and how this can be achieved,
- Local government decisions are made on the basis of the will of the majority, while the rights of the minority are respected,
- Local elections are conducted freely and fairly, according to international standards and national legislation, without any cases of fraud.

Principle 2: "Responsiveness/responsiveness"

The principle follows:

- The objectives, rules, structures and processes of local government are tailored to meet the legitimate expectations of citizens,
- Public services are provided and queries and complaints are responded to within a reasonable timeframe.

Principle 3: "Results meet agreed objectives"

The principle monitors whether:

- The results meet the agreed targets
- Local government makes the best use of available resources,
- The performance management system enables the effectiveness of services to be evaluated and strengthened,
- Audits to assess and improve the performance of local government are carried out on a regular basis.

Principle 4: "Openness and transparency"

The principle monitors whether:

- Resolutions shall be adopted and enforced in accordance with the rules and regulations,
- The public has access to all information that is not non-public for well-specified reasons (e.g. privacy, etc.),

- Information on resolutions, policy implementation and outcomes are made available to the public so that they can easily follow and engage with local government.

Principle 5: "Enforceability of the law"

The principle monitors whether:

- Local authorities shall comply with legal and judicial decisions,
- Regulations and rules shall be adopted in accordance with the procedures laid down in the law and shall be applied impartially.

Principle 6: "Ethical Conduct"

The principle monitors whether:

- The public good is put before individual interest,
- There are effective measures in place to prevent and combat all forms of corruption in local government,
- Conflicts of interest are declared in a timely manner and stakeholders must refrain from participating in relevant decisions.

Principle 7: "Competence and Capacity"

The principle monitors whether:

- The professional skills of those who provide local government management are continuously strengthened and maintained to improve their performance and impact on the population,
- Public officials are motivated to continuously improve their work,
- Practical methods and procedures are used to transform skills, to capacity and to achieve better results.

Principle 8: "Innovation and openness to change"

The principle monitors whether:

- New and effective solutions to problems are sought and modern service delivery is used,
- She is ready to experiment with new programs and learn from the experience of others,
- In order to achieve better results, a climate conducive to change is being created.

Principle 9: "Sustainability and long-term orientation"

The principle monitors whether:

- The need of future generations is taken into account in current policies (agendas),
- The sustainability of the community is a constant consideration. Decisions seek to internalize all costs and not pass on problems and stresses, whether environmental, structural, financial, economic or social, to future generations,
- There is a broad and long term view of the future of the local community along with a sense of what is needed for such development,
- The historical, cultural and social context on which a sustainable perspective is based is understood.

Principle 10: "Sound financial management"

The principle monitors whether:

- Charges shall not exceed the cost of the services provided and shall not unduly reduce demand, especially for essential public services,
- Prudent planning shall be exercised in financial management, including the conclusion of loan agreements, the estimation of resources, revenue and reserves and the use of exceptional expenditure,
- Multiannual budget plans are prepared, the public is consulted,

- Risks are properly estimated and managed, including disclosure of consolidated financial statements and, in the case of public-private partnerships (PPPs), realistic risk sharing,
- The local authority is involved in measures relating to community solidarity, equitable burden sharing and the benefits of risk reduction (coping mechanisms, cooperation and risk sharing).

Principle 11: "Human rights, cultural diversity and social cohesion"

The principle monitors whether:

- Within the sphere of influence of the local authority, human rights are respected, protected and implemented, and discrimination on any grounds is combated,
- Cultural diversity is seen as an asset and efforts are constantly made to involve people in the local community so that no one feels excluded,
- Cohesion and integration of disadvantaged groups is promoted,
- Access to basic services is maintained, especially for disadvantaged groups.

Principle 12: "Accountability"

The principle monitors whether:

- All decision-makers, collective or individual, take responsibility for their decisions,
- Decisions are communicated, explained and may be sanctioned,
- There are effective remedies against maladministration and against actions by local authorities that violate civil rights.

The application of GG principles is important at all levels of government. Especially for local government, as it is in the closest contact with citizens, where they can experience participation in democratic processes and feel accountable for public activities. The ultimate impact is to mobilise and support activities at national, regional and local levels that benefit all citizens through continuous improvement of public services, public participation in decision-making and the development of public policies that meet their legitimate expectations.

Despite the undeniable improvements that the implementation of the concept of *good governance* brings with it, in principle it should continue to be perceived **as a concept, or an idea**, and **not as a mechanically applicable tool**, the implementation (non-implementation) of which enables (prevents) development cooperation based on a combination of several elements. In addition to its complexity, it contains a **number of weaknesses** that must not be forgotten by any actor seeking to implement it.

Weaknesses in the application of the Good Governance concept can be classified as follows:

- **The initial intention** in developing the GG concept was related to **the coordination and management of projects**, not of state or other administrative and policy departments,
- **There is no single definition of the content of** this concept and the relevant actors adapt its content not only to existing conditions but also to their own needs or requirements,
- **The formulations** offered to define the content of the concept are usually very vague and **allow for a multidimensional interpretation**,

- Efforts to implement elements of this concept are **sometimes enforced** (e.g. as a condition for aid to developing countries) and **sometimes feigned** (in some cases the concept and its elements are more often talked about than acted upon),
- In implementing the concept, **good examples from practice** must also be **reviewed very sensitively**, because what is valid in the conditions of one country or even region may not work at all in different conditions. This is precisely what some international institutions fail to take into account, whereby the *GG* concept becomes a tool for promoting one type of socio-political and economic relationship,

The *GG* concept implicitly **requires the coexistence of strong political elites** and at least equally strong **elites representing other ('non-political') actors, who** nevertheless have the right to intervene in public policy-making. This is, of course, only feasible **in the long term** and **under the condition of institutional stabilisation of the civil and corporate sectors**.

7. Strategic management, new elements and perspectives introduced into strategic planning in local government

Strategic thinking and strategy

Strategic thinking is one of the ways of human thinking. Its nature and specifics are best understood if we compare it with other ways of thinking.

Papula – Papulova (2015) state that according to Ohmae, there are basic ways of thinking, namely mechanical thinking, intuition and strategic thinking.

Mechanical thinking is based on logical and rational thinking. The entrepreneur or manager who applies it emphasizes analysis and the creation of multiple options, as well as the choice of solutions using premeditated criteria. He involves his co-workers and entire teams of problem solvers in the solutions. He wants his solutions to be as objective and reasoned as possible. He follows recommended and proven procedures when making decisions. His decisions are not surprising, but are improvements rather than significant innovations on the previous state of the art. They are therefore not unexpected and can be anticipated in advance. The pursuit of objectivity and quality is at the expense of flexibility and speed of decision-making. On the positive side, it does not favour piecemeal and selected solutions, but rather comprehensive approaches that address not only the main problem but also follow-up, supporting and complementary solutions in advance.

Intuition is based on our brain's ability to solve problems flexibly and creatively without difficult analyses and syntheses, but unlike mechanical thinking, in this case only partial problems are solved without their interconnection and integration. An entrepreneur or manager who applies intuition does not need to surround himself with work teams to support him in his decision-making. He or she makes decisions independently using his or her own knowledge and skills. He or she is able to take the right and timely decision, which is usually simple, but at the same time creative and effective, and therefore, in the case of strategy, surprising to competitors.

Since intuition is only used to solve current sub-problems, it is inevitable that more and more follow-up problems emerge as time goes on. A manager who begins to solve problems with intuition usually continues to apply it. In such a case, not only can the correctness of all the decisions made not be guaranteed, but neither can they be opposed or criticized. There is no

record of the decision-making process because everything takes place only in the manager's head. He often cannot explain what he took into account, whether he had an idea of several alternatives and on the basis of what criteria he chose the solution adopted. Everything was taken care of by the knowledge and experience stored in his head, which worked in a mysterious way.

Strategic thinking is distinct from both mechanical thinking and intuition. At the same time, it also has something in common with each of them.

According to Papula-Papula (2015), strategic thinking has in common with mechanistic thinking in that it emphasizes analysis, which can involve teams of collaborators. In addition, it produces aggregate solutions that address not only the main problem, but also subsequent and related issues. However, it does not stick to traditional and tried-and-tested approaches when analysing and developing solutions. It is open to new and unconventional solutions. It is in this respect that strategic thinking is similar to intuition. It does not rely on tried-and-tested procedures, but is open to creativity and new, unconventional solutions. Unlike intuition, however, strategic thinking does not focus only on selected sub-problems, but addresses problems collectively and interrelatedly. Precisely because of the need to conduct more extensive analyses, the manager involves other collaborators, colleagues, and experts to help solve the problem comprehensively, from multiple perspectives, and in an interrelated manner. Strategic thinking is the ability to perceive one's options prospectively, to analyse all factors of the external environment, to take into account the permanence of changes by variant planning, to react flexibly to them and influence them, to rearrange resources thoughtfully, and last but not least to learn to overcome problems creatively, using the potential of all employees.

We call a long-term plan, a set of long-term more generally formulated but essential goals respecting the vision of the future state of the organisation, a strategy.

The strategy is based on the mission and purpose of the organisation. It helps its management to correctly orient the business activity, or core business. It allows to prepare for inevitable changes and risks of different nature (financial, market, security, natural, etc.).

The literature gives various definitions, e.g.:

- The strategy consists of purposefully building the future state of the managed object or process along fixed defined pathways that allow for flexibility to respond to the effects of external forces as the process moves toward the goal.
- Strategy is a way to achieve the stated goals and articulated mission of an organization.
- The strategy is an open system of aligned intentions and assumptions for rapid and effective responses to changing conditions and business opportunities. It is an expression of the long-term concept that senior management has chosen to achieve the purpose and mission of the organization.

In its simplest sense, strategy can be seen as preparation for the future. An individual who has a strategy thinks about the future, imagines it, and thinks about what needs to be done today in order to fulfill his or her vision and goals in the future.

Johnson and Scholes (2008) list eight basic characteristics of strategy and strategic decision making:

1. The strategy looks to the more distant future.
2. The strategy should provide the firm with a specific competitive advantage.

3. The strategy primarily determines the basic parameters of the business, the set of products, services, production volume, etc.
4. The strategy should pursue the alignment between the firm's activities and its environment.
5. The strategy should build on the key resources and capabilities of the company.
6. The strategy should define the basic ways of obtaining the resources needed to implement the strategy.
7. The strategy fundamentally determines the tasks of the tactical operational level of management.
8. The strategy must also take into account corporate values, shareholder expectations, employees and corporate culture.

A strategy is a process formulated through a planning process that results in a clear statement of strategic intent. It is a deliberate and systematic process for developing and implementing a particular type of activity.

According to Mintzenberg (2010), strategy is defined by the "5 P's":

1. ***Strategy as a Plan*** – focuses on a sequence of activities for the future, strategies are designed consciously and for a specific purpose.
2. ***Strategy as a Pattern*** – represents the principles of future behaviour. The two approaches can complement each other. The initial plan called the Intended Strategy (Intendeed), which progresses chronologically within the model to the Deliberate Strategy (Deliberated) until it reaches the Realized Strategy (Realized), or the Unrealized Strategy is realized. In the latter case, the so-called Emergent strategy is introduced, whose foundation is a modification of the original model.
3. ***Strategy as Position*** – defines certain products and markets, the very position of the company in the environment. The organization focuses on the application of the principle, "down" to the product and the place where the customer and the product meet, but also "out" to external markets.
4. ***Strategy as a Perspective (Perspective)*** – the perspective of the company is based on the management, which consists of a team of strategists capable of developing a vision.
5. ***Strategy as a manoeuvre (Ploy)*** – this form focuses on the tricks through which a business wants to introduce its competitors.

Development stages of strategic management

Long-term planning

The 1st development phase started in the 1950s and continued in the 1960s. It can be called long-term planning. It is characterised by a relatively stable environment and abundant resources. The enterprise is still seen as a relatively closed system and therefore managers of this period believe that efficiency improvements can be achieved by better utilisation of the existing internal resources of the enterprise.

Strategic planning

The 2nd stage of development appears in the late 1960s and early 1970s under the name of strategic planning. The enterprise begins to be understood as an open system interacting with its environment. The strategic planning stage sets goals and formulates strategy as a way of achieving them.

Strategic management

The 3rd stage of development emerges around the second half of the 1970s and lasts until the end of the 1980s. Autonomous strategic management begins to be "born", hence the name strategic management. Strategic management became a necessity as a result of the response to the crisis that strategic planning was going through in the mid-1970s. In those years, two oil shocks occurred and the previously less active mediocre powers Germany and Japan entered the international market. The whole world economy was changing rapidly. The enrichment of this phase was Harvard professor M. Porter, who introduced the concept of competitive advantage into strategic management. He considered the creation of competitive advantages as the main purpose of strategic work. In 1982 M. Porter enriched competitive analysis with the so-called Porter's model of 5 competitive forces.

Change management strategy, collaborative strategies and supercompetition

The 4th developmental stage emerges in the early 1990s and does not yet have a single name. The world market is crowded, economies are transforming and enterprises have to choose a new strategy of change management, collaborative strategies and super competition.

Concepts and approaches in strategic management

- *Planning (classical) concept* – one of the oldest concepts. Its representatives are H. J. Ansoff, A. Chandler, K. Scholes and others, who understand the process of business strategy development as a result of rational analyses and considerations inside the planning system of the organization. The contribution of this concept lies in the provision of a number of techniques and methods in the field of strategic management (e.g. SWOT, BCG, PIMS...).
- *The learning concept* – its main representative was Mintzberg. His pioneering ideas suggest that planning will either be necessary or will lose its dominance, and businesses will be driven largely intuitively, with strategy influenced by power interests and corporate culture, given the rapid and often unpredictable change in circumstances in the business environment.
- *The positional concept* – this concept considers the company's surroundings as the key determinant of the company's success and profit. To this approach we rank Porter.
- *Resource-based approach* – this approach focuses on the analysis of resources and their combination to create a competitive advantage for the enterprise. The proponents of this direction are mainly G. Hamel. C.K. HAMEL. Prahalad and partly also M. Porter.

These theories are intertwined. It is impossible to seek and implement universal strategies. The prevalence of any one approach is determined by the type of particular enterprise, the nature of the external environment or different cultures.

Strategic management – its role and importance

Strategic management can be defined as "the art and science of formulating, implementing, and evaluating cross-cutting decisions that enable an organization to achieve its goals" (Prokop, Wright, 2003). Blašková (2005) takes the same view of defining strategic management, emphasizing the complexity and continuity of strategic management as a management process and considering it as the basis for the long-term orientation of an organization and the clarification of developmental intentions.

A concise definition of strategic management is given by Papula (2004), when he defines strategic management as follows, "Strategic management is a process of continuous monitoring and evaluation of the impact of external and internal factors, by means of which an organization can identify emerging strategic issues in a timely manner and make strategic decisions with sufficient advance notice to enable it to update and implement its strategy so that it progresses towards its vision by fulfilling the set strategic objectives."

Papula and Papulová (2015) characterize strategic management as "a process that consists of phases that are interrelated and interdependent. Given that it is a continuous process, it is not important which one is at the beginning and which one is at the end of the process. Nor is it possible to distinguish which is more and which is less important. Alongside the environmental scanning and strategy formulation, the implementation and control phases of the strategy are an organic part of the process."

Strategic management represents strategic decision-making processes. Its aim is to ensure the implementation of strategic decisions. It requires knowledge of several disciplines as well as experience and orientation in social, political and economic issues.

The general process of strategic management can be illustrated through the following figure:

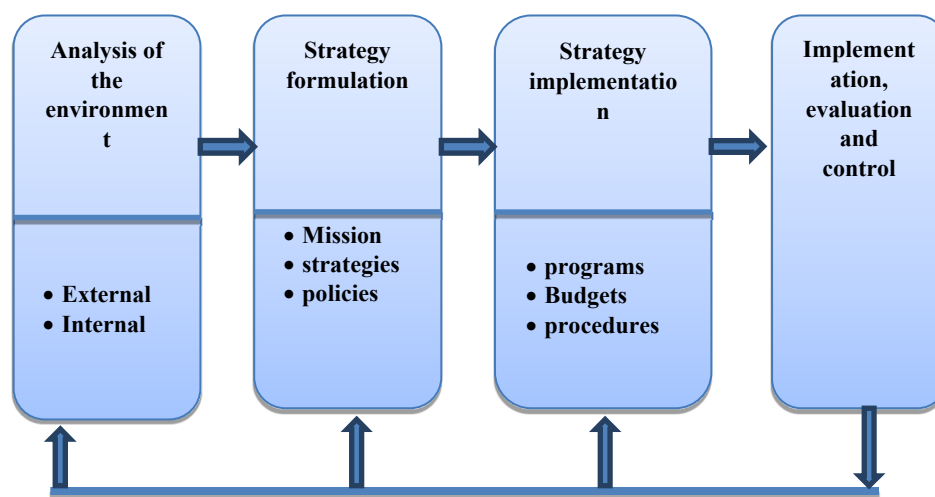


Figure 7.1 Strategic management model

Source: Wheelen a Hunger, 2008

Wheelen and Hunger (2008) cite the first phase of strategic management as the environmental scanning phase, where the task of the organisation is to identify all critical strategic factors that are realistically expected to have a positive or negative impact on the organisation in the future. The environment under investigation can be perceived at three levels. At the first level is the internal environment, with the organisational structure, culture and resources being the subject of constant observation. The second level is linked to the organisation's area of operation and consists of multiple stakeholders such as employees, citizens, special interest groups and local and regional governments. The third level is made up of the supra-regional and supranational environment.

The second phase, strategy formulation, is the actual creation of strategies and long-term plans, which sets the future direction of the organisation. The formulation of the vision, mission, goals and the preparation of alternative strategies takes place. Then, in phase 3, the implementation of the chosen strategy takes place through the programming of the necessary activities, the development of action plans and budgets. The last phase of strategic management is the review

of the results achieved and their confrontation with the plan. Throughout the process, there is constant feedback and the whole process is adapted to the current changing conditions.

Strategic management is a process consisting of phases that are interrelated and interdependent, and it is a continuous process. In addition to environmental scanning and strategy formulation, the implementation and control phases of strategy are an important part of strategic management.

The main task of implementation is to bring the strategy inside the organisation, to the managers of the different areas and levels, or to bring it closer to important strategic partners. Implementation should ensure that everyone clearly knows and understands what the strategy requires of them.

Strategy is not only based on strategic thinking, but also on action. The role of strategy is to set the organization in motion in the direction and process outlined in the strategy. Elaborating the strategy inside the organization is the task of an important phase of the strategic management process - the strategy implementation phase.

The fact that the success of a strategy is not dependent on the strategy itself, but equally on the implementation of the strategy, is illustrated in the figure below.

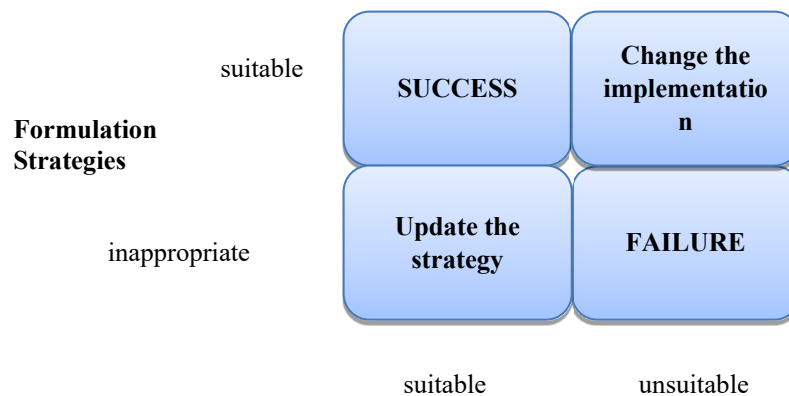


Fig. 7.2 Combined impact of strategy and implementation on strategy success

Source: Papula and Papulová, 2012

Strategic management theory also develops this important part of the process, although not always as consistently as the first two phases of the process. Both theory and practice have so far focused more on the first two phases of the strategic management process - environmental scanning and strategy formulation.

According to the well-known book *The Search for Excellence* by McKinsey authors Peters and Waterman, the success of strategy implementation depends on seven factors whose names in English begin with the letter S (the 7 S model): Strategy, Structure, Systems, Leadership Style, Personnel, Experience and Skills, Shared Values.

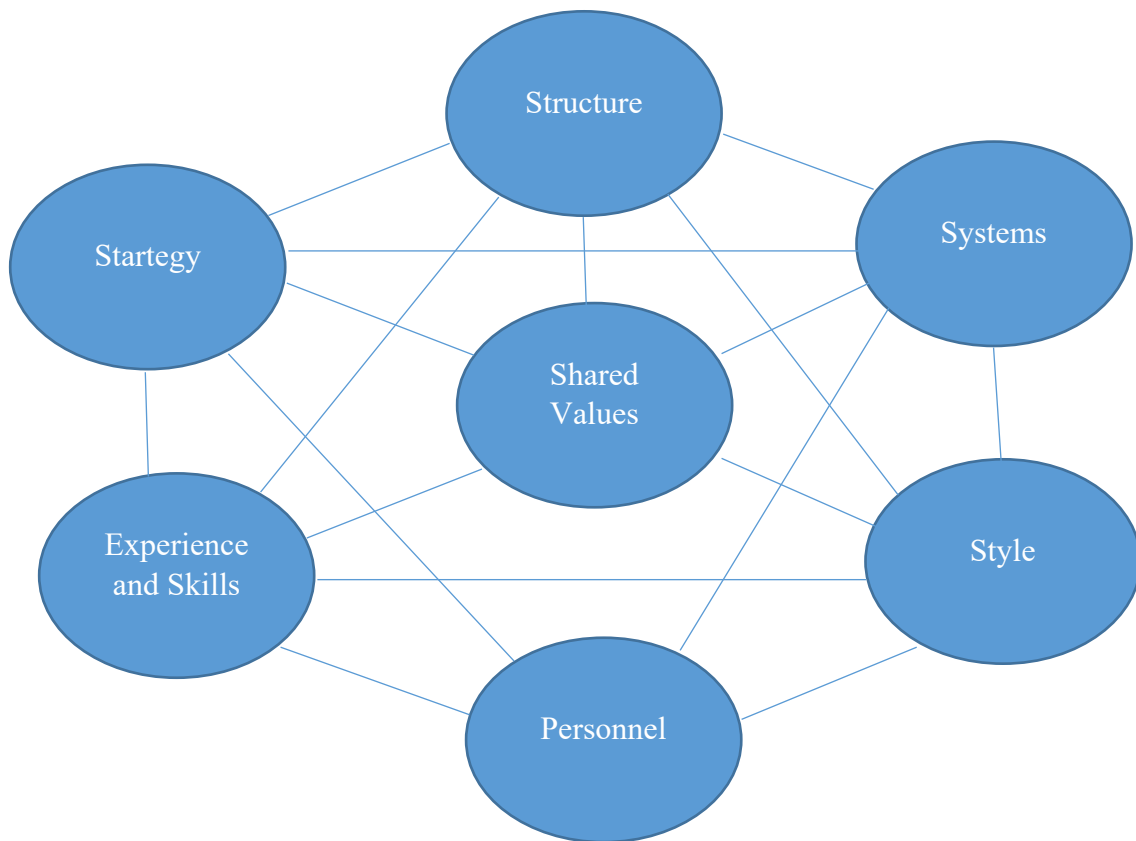


Fig. 7.3 Model 7 S

Source: Papula and Papulová, 2012

Strategy – the first 'S' emphasises the need for awareness and clarification of the strategy. The one who conceals the strategy, yet demands its support, puts himself in the position of asking someone to follow him, but not wanting to reveal where it will lead him and what he will get out of it if he gets to that unknown place. If someone knows nothing or very little about the strategy, we cannot expect significant support from them.

It is not sufficient to just present, explain and defend the strategy to the inside of the organisation, but also to various external actors. If we want to win over strategic partners who can significantly help and support us in the implementation of our strategy, they need to know what we expect from them and what we will gain after the implementation of the strategy, but also how our strategy will help them to meet their goals and objectives.

Structure – focuses on the design of the organization and organizational structures that should serve as a tool to support the strategy. It is not only a question of creating organizational units, but also of creating new units, reducing or reorganizing existing ones, introducing process management, etc. Organisational change is one of the important tools for implementing and supporting strategy.

If we first implement an organisational change and only afterwards a strategy is created, the strategy in this case must already be based on the current starting position, thus reducing the space for strategic decision-making. Organisational change can significantly support strategy implementation.

Systems – planning, information and control systems are another important element supporting the implementation of the strategy.

The strategy needs to be developed into strategic plans, which are a set of objectives set for individual activities. In the next stage, the strategic plans are developed into implementation and operational plans. In drawing up the strategic plans, attention must be paid to the priorities, coherence, balance and harmony of the strategic plans.

Nowadays, information systems, in the context of strategic management, represent an effective tool as well as a source of competitive advantage. Information is an important basis for analysis and subsequent strategic decision-making.

Leadership style – in management theory we can identify different styles of leading people. From autocratic or authoritarian, to participative, democratic or liberal leadership of people.

A prerequisite for creating a well-functioning strategic management mechanism in an organisation is to favour a participative or democratic style of leading people, within which we create space for tactics and operatives.

Staff is also an important element of the strategy implementation process. Having capable people with appropriate knowledge and experience is a guarantee of future success. The fact that not everyone still perceives the importance of this factor in the same way is something that we see all around us. Many prefer lower costs and look for those who are willing to work for low wages, regardless of their knowledge, skills and experience. Low costs can be a short-term competitive advantage. Long-term success, however, depends on primacy of thought and a close link between thought and action.

Experience and skills – to be successful, we need to keep up to date with developments in both theory and practice. Part of strategy implementation is not to underestimate, but rather to focus intensively on the development of managers and employees, their experience and skills.

Shared values – they are something that is already determining the strategy itself. The mission statement highlights the values on which the strategy should be built and which should also clearly define the space for its implementation. A shared understanding of the values means that not only the organisation as a whole, but also its components, down to individual managers and employees, recognise and support the espoused hierarchy of values, and that the performance of their day-to-day activities is subordinate to these values.

The 7 S model is not the latest tool that can be applied to strategy implementation. However, its basic ideas and underpinnings still have application today.

Strategic management and planning

Strategic management is the process of formulating long-term strategic goals and strategies for an entire company or its organizational unit in order to fully utilize the company's resources in synergy with market opportunities. Bělohlávek et al., (2006).

It represents an effort to effectively address the key issues of the institution in the long term, and aims to create the best possible conditions for the fulfilment of the set objectives. In strategic management, an internal and logically interrelated sequence of steps is applied: Vision – Forecasting – Strategies – Concept – Implementation plans – Methodology of implementation Protection et al. (2010). Its role is to help the organization maintain or gain strategic competitive advantage, set and achieve realistic long-term goals within a specified time. Strategic management is mainly subject to: companies, non-profit organizations, counties or ministries. Koshtan and Suler, (2006).

The planning process is an activity that involves deciding on the goals, means, and manner of implementing the expected results. The main priority should be the strategic objectives of the company. Bělohlávek et al., (2006).

Planning represents activities that are directed towards influencing future events in such a way that predetermined goals are achieved. Planning begins with the setting of goals, proceeds through the analysis of the state of the means affecting the future, leading up to the realization of the set goals. Part of planning is a feedback system that adjusts the process so that it can adapt to the constantly changing conditions of the environment in which planning takes place. Mintzberg, (2010).

Planning exists in many contexts due to elements of international development - globalisation, cross-border cooperation between regions, etc. The importance of strategic planning at regional and local level is for its effective use, where it encompasses and integrates territorial economic and social planning as well as human and social capital development, clustering and competitiveness. Klamár, (2011).

Půček and Protection (2009) define the following phases of strategic planning:

1. **Analysis phase** – this phase identifies the limits of the territory, data collection, identifying the needs and expectations of citizens and identifying resources and financial frameworks, conditions, capabilities and identifying trends and evaluating scenarios.
2. **Processing phase** – plan, selection of priorities, indicator targets, programmes and projects.
3. **Strategy implementation phase** – includes the implementation of programmes, projects and action plans.
4. **Strategic learning, improvement phase** – preparation of new strategic planning.

The strategic planning cycle (Figure 7.4) provides a basic frame of reference for analysing the environment, defining strategies, and selecting the most appropriate strategy for implementation so that the essential parts of the process are not forgotten. Bělohlávek et al., (2006).

Strategic planning is a continuous cycle that begins with the formulation of the organization's mission. Strategic analysis allows to understand the internal environment and to identify opportunities, threats and to perceive the company comprehensively. The next step is to establish the strategic vision and ultimate strategic objectives. In the strategy selection phase, some alternative strategy techniques are used to focus the company's efforts towards achieving the strategic vision. The whole process continues with the setting of short-term goals that lead to the implementation of the strategic plan at the grassroots level of the company through projects. At the end of each cycle, the whole process must be evaluated and the status achieved must be compared with the planned strategic goals. It is very important for the organisation to repeat this cycle continuously.

Strategic planning and strategic management are among the hallmarks of New Public Management (NPM). The concept of NPM was developed in the 1920s in the UK. New Public Management is characterized as the application of private sector methods and techniques in the delivery of public services. McDaniel, (2012).

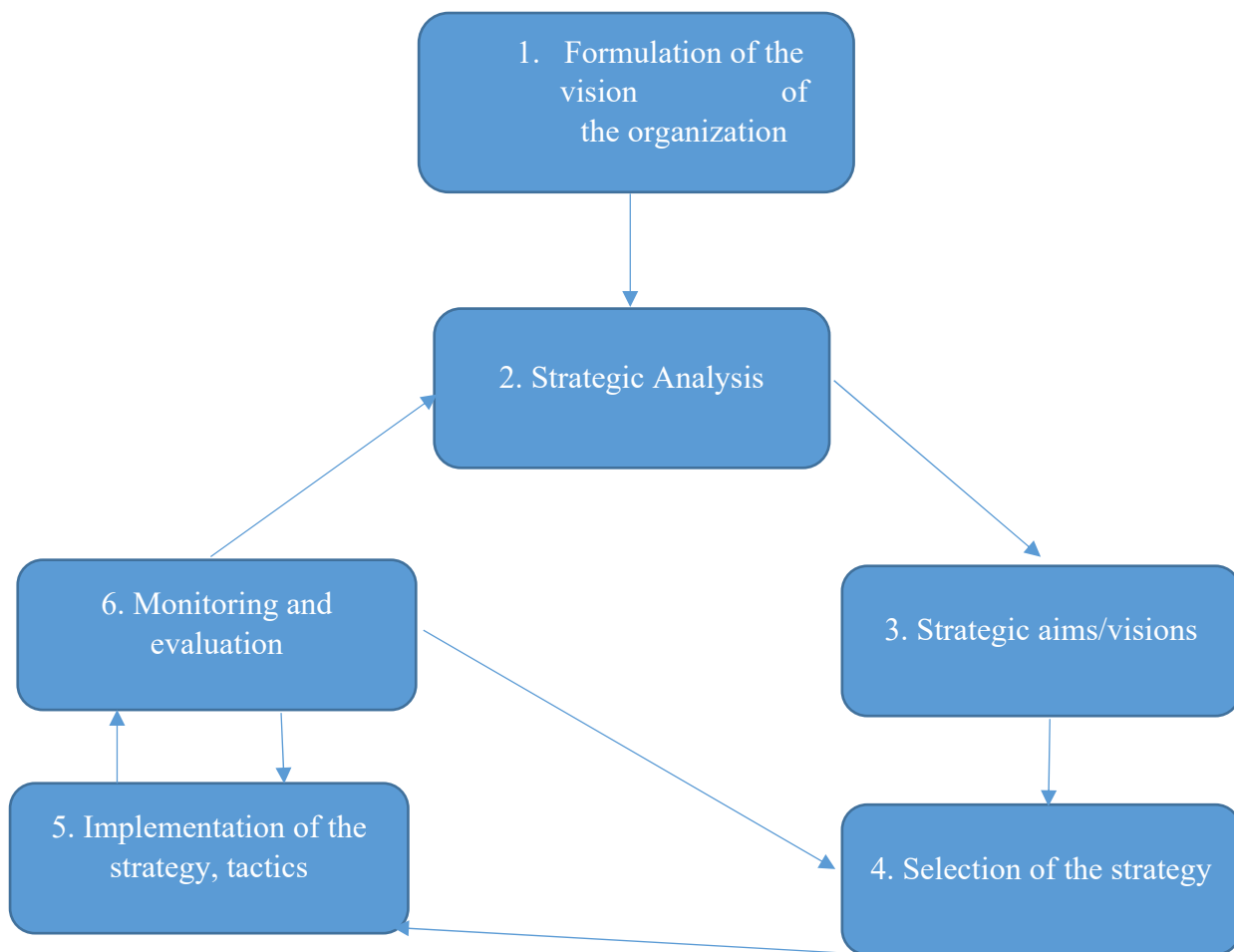


Fig. 7.4 Basic strategic planning model

Source: Bělohávek et al., 2006

NPM came up with the idea of empowering officials as policy makers and making them accountable for results that should contribute to the overall mission of the organization. Creating strategy and defining goals that must be achieved not only by the government but also by individual organizations and are part of managerialism. The public sector requires that official-managers consider the long-term consequences of policy advocacy and become policy makers. Strategic planning presupposes access to information that becomes the basis for strategy making. NPM promotes the principle of open government and inter-ministerial cooperation, often with the help of digitalization of services Malíková and Jacko, (2013).

Strategic planning at local government level

According to Wright and German (2003), strategic planning at the local government level represents the link between the ability to create a vision and the application of an effective methodology that will demonstrate to local leaders and citizens their capabilities in relation to options for development towards the future of the community. It is a mechanism that translates the values of residents into policy decisions of local government bodies and plans of the executive branches of local government.

A report by the International City Management Association (2015) states that strategic planning can help local governments in the following ways:

- Identify trends and factors affecting the local community.

- It enables the core features of community and neighbourhood values to be maintained despite political, economic and social change.
- They can support economic development by improving infrastructure, regulating policy and promoting growth.
- They improve the conditions for attracting new investors – more jobs and economic growth.

According to Welch (2015), effective strategic planning at the local government level presupposes adherence to the following principles (tenets):

- communication – all those affected by the planned action,
- participation – of individual actors,
- coordination – of interrelated activities,
- variation – it is advisable to consider a number of possible options when setting objectives and finding the necessary procedures,
- flexibility – the plan must be flexible, allowing for some possible adjustments,
- completeness – it should be able to respond to all foreseeable events,
- Clarity – clearly articulated so that it is properly understood at the levels where it is implemented,
- Ethics – both within the organisation and towards the public,
- clarity (of interests, methods, activities, level of commitment).

The municipal strategy is the setting of objectives in line with the municipality's vision and the establishment of procedures and action plans leading to their realisation. Strategies should be implemented in cooperation or partnership of different actors in the territory of the municipality: citizens, territorial self-government, territorial state administration, business entities, associations of entrepreneurs, development agencies, information centres Weisová and Bernátová, (2012).

Půček and Ochrena (2009) describe communication between "key players" as an important part of strategic planning. Strategic planning should answer three basic questions:

1. What will we do and for whom will we do it?
2. What goal do we want to achieve?
3. How will we manage the activities to achieve the chosen objectives?

Strategic planning is formed on:

- **European level** – documents are linked at horizontal level, e.g. Common Agricultural Policy,
- **National level** – for lower levels they are of a recommendatory nature,
- **Regional level** – the obligation of the LDCs to create PHSR results from the legislation in force,
- **Municipal level** – the municipality is obliged to develop strategic documents – PHSR.

8. Knowledge Management

Peter F. Drucker was the first to enrich management with the notion that a new kind of capital is emerging and called it knowledge capital. Drucker foresaw the development of a knowledge economy, arguing that the basic means of production would no longer be natural resources (land), capital or labour in the sense of the production and transport of material goods, but knowledge would become the basic economic resource and means of production. In his view, further economic growth will no longer be secured by a steadily increasing amount of human resources alone, but a change in the productivity of each individual will have to be achieved, i.e. a change to a knowledge worker. This implies that the only competitive advantage for any organisation will remain the people who possess the knowledge they will be able to use appropriately. One of the trends in management, knowledge management, is built on this basis.

There are several definitions of knowledge management. The OECD (2003) definition is based on a wide range of areas in which knowledge management can be applied. *Knowledge management covers any deliberate and systematic process or practice of acquiring, recording, sharing, creating and using productive knowledge, located anywhere, to support learning and performance in an organisation.*

Cross's (2013) definition reflects the societal changes of recent decades, which place high demands on education and value creation. *Knowledge management is the discipline of creating a thriving work and learning environment that supports the continuous creation, accumulation and use of personal and organizational knowledge to create new business value.*

The view of knowledge as a source of revenue and competitiveness is expressed in the definition of according to KTI, Inc. (2020). *Knowledge management is a strategy that transforms an organization's intellectual capital-both recorded information and the talents and knowledge of its workforce-into higher productivity, new value, and greater competitiveness.*

Trunecek (2004) in his book Knowledge Management states that Davenport T. characterizes knowledge management as a systematic process of finding, creating, organizing, and presenting information so that the employee better understands the specific interests of the organization. Hibbard J. describes knowledge management as the process of acquiring collective corporate expertise. Wilson O. defines the subject of knowledge management as the formulation of a corporate strategy for the development and application of knowledge that will contribute to the improvement of business processes and enhance organizational responsiveness. Mládková Ľ. defines knowledge management as the management of knowledge and knowledge workers.

The American authors Alavi and Leidner (2009) characterize knowledge management as a systematic, organized process that focuses on acquiring, organizing and communicating knowledge, whether explicitly defined or hidden, among people so that they can use this knowledge to make their own work more efficient and productive.

According to authors Collison and Parcel (2006), knowledge management focuses on two approaches:

- Focus on knowledge capture – so that it is stored and can be retrieved when needed,
- Focus on processes and technologies designed to create connections between people, work communities and networks, knowledge directories.

Knowledge management focuses on ensuring that key knowledge is shared by multiple employees so that new knowledge and therefore new value is created in the organisation. Hence, the following knowledge management roles as stated by Shira (2007):

- **Knowledge utilization** – an important role of knowledge management is the application of knowledge throughout the organization.
- **Gathering and sorting knowledge** – mapping what individual knowledge workers know; what the organisation as a whole knows and how it uses it. It also includes an inventory of successful and unsuccessful attempts to resolve various situations that have occurred in the enterprise.
- **Transforming individual knowledge into knowledge shared across the organisation** – transforming individual learning into organisational learning; codifying knowledge by converting it into information systems and technology (IS/IT) based documents.

A review of definitions suggests that there are different schools of knowledge management:

- School of Economics,
- organizational school,
- Strategy School.

According to Earl (2001), the *school of economics* focuses on the protection and use of firm knowledge and intellectual capital as a resource for generating returns. Knowledge is conceptualised as assets, which include patents, trademarks, copyrights and know-how. This school focuses more on the exploitation of knowledge than on its exploration. In the economic school, knowledge transfer takes place on the basis of the market mechanism of supply and demand.

The Organisational School focuses on the use of organisational structures and networks to share and preserve knowledge. In this school, there is a strong emphasis on the formation of communities of common interest, expert groups and virtual teams, which can be internal or external. The organizational school corresponds to the description of knowledge management by Nonaka (2000). The knowledge creation model consists of three elements: the SECI model describing the change from tacit knowledge to explicit knowledge, based as a function of the place of interaction, and knowledge as an asset. Knowledge workers play an important role in the organizational school.

The Strategy School sees knowledge management as an integral part of corporate strategy and a tool for increasing competitiveness. The approach to knowledge management depends on the management perspective.

Accordingly, we distinguish a perspective based on:

- information and access to it,
- technologies, favouring the use of information and communication technologies and knowledge-based applications,
- culture, taking into account the need for changes in corporate sleeping patterns and culture.

Classification of knowledge

In general, it can be said that knowledge needs to be acquired, actively used in management not only in the short term, but especially in the long term in any organization private or public. Knowledge, together with information and data, forms an interconnected chain that constitutes a necessary basis for the proper functioning of knowledge management in practice. In knowledge management, data is a set of factors, indicators and records. Information is used as a means to explain and assess the meaning of data. Knowledge or insight is in the nature of an explanation of how to use information effectively in the context of existing knowledge and experience.

Data represents what we immediately perceive sensually. We use visual, olfactory, auditory, tactile and gustatory receptors to provide us with primary data (Barták, 2008). Data tends to be objective in nature and can be evaluated in terms of:

- **the cost** – the money spent to obtain them,
- **speeds** – expressed in terms of the time required to obtain them,
- **capacity** – the amount of data we have available.

In addition to these quantitative aspects, qualitative aspects can also be applied:

- **data availability** – whether we have the access to the data we want, i.e. whether it is available when we really need it;
- **correspondence** – compliance with what demands we have on them or what we expect from them;
- **cost-effectiveness** – simplicity, accuracy and speed of perception and, where appropriate, understanding of the data available to us.

We use the term information intuitively throughout our lives. The very term information (from Lat. *informatio*, or *informare* = to give shape, to form, to create) is recorded for the first time in 1274 in the meaning of a set of acts that lead to the proof of a crime and the discovery of its perpetrators. Nowadays, we encounter different understandings of the term information. One version is that information is a link in the processing chain "real world – data – information – knowledge" (Pour at al, 2009). In this context, data is referred to as the "raw material" for the preparation of information (Figure 8.1).

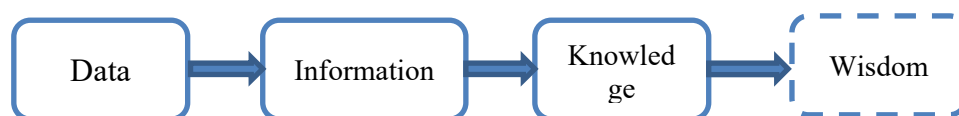


Fig. 8.1 Knowledge chain

Source: Truneček, 2004

Many authors define knowledge on the basis of a hierarchical sequence of data - information - knowledge. Knowledge is:

- Valuable information from the human mind,
- tested, evaluated information in context,
- derived from information using a sequence of formal rules (comparison, sorting, analytical-synthetic evaluation, verification, etc.).

In the literature dealing with knowledge management, it is possible to encounter differences in the breakdown of knowledge. Some literature states that knowledge is divided into only two basic groups. Explicit and implicit. Other authors state that tacit knowledge should also be identified.

According to Japanese authors, Ikujiro Nonaka and Hirotaka Takeuchi (2005), who in their publication "The Knowledge-Creating Company: 'How Japanese Companies Create the Dynamics of Innovation. Oxford University Press", disclose the forms and ways of working with knowledge in a number of Japanese firms, they argue that knowledge can be divided into the following groups:

- 1) The first group consists of **explicit knowledge** (formal), which is expressed in a tangible form and stored in the enterprise information system. Explicit knowledge can be spoken, drawn or otherwise represented.
- 2) The second group includes **tacit knowledge** that is stored in the human brain. They are a kind of opposition of explicit knowledge. Tacit knowledge is as yet unexpressed knowledge acquired through education or training.
- 3) The third group consists of **tacit knowledge**, which is very difficult to express, it is created by the intersection of explicit knowledge and intuition, personal ideas and experiences of the individual. The first mention of tacit knowledge can be found in the work of philosopher M. Polanyi from 1966. Polanyi writes: "We can know more than we are able to utter". So tacit knowledge is a hidden kind of knowledge that we normally acquire by socializing with the environment and of which we are often not even aware of its existence. The problem arises when we try to externalise it, which is often not possible at all. The following situations are often cited as examples – try to imagine a situation where you have to create a kind of bicycle instruction manual for someone in the form of a document, or you have to describe verbally what the colour green or red looks like... Or try asking the best designers, engineers or experts in the organisation – what is their most valuable knowledge? Is it knowledge that can be found in books? You'd find that while books are valuable, the really valuable knowledge is the ability to come up with new ideas, creative solutions to problems, or the ability to ask good questions.

According to the above authors, the decisive strength of the enterprise is tacit knowledge, which is the key to knowledge management. Its strength lies in the application of human expertise in specific areas and in the ability to 'communicate' this expertise, to share it with other employees. Examples of different types of knowledge are presented in the table below:

Table 8.1 Types of knowledge

	Type of knowledge		
	Explicit	Implicit	Tacit
Description	Formalized or documented knowledge that is usually well structured and simply transferable. It is predominantly processed by computer technology.	Knowledge that is stored in the heads of the workers. It can be transformed into an explicit form at any time.	Knowledge hidden in the heads of individuals. It is not easy, even impossible, to translate into explicit form, it cannot be formalised or documented.
Example	Documents, manuals, computer codes, etc.	Knowledge of the process and its conditions in the head of the process owner, etc.	Expert knowledge in a particular field, acquired experience, etc.

Source: Čepelová et al., 2010

In the foreign literature we can encounter the division of knowledge from several different perspectives, for example, in terms of availability; in terms of the purpose and use of knowledge; in terms of level, etc. Čepelová et al. (2010) state that in the framework of knowledge classification, the so-called **Boisot matrix** is also known, which divides knowledge into four levels:

- **Patent knowledge** that arises because of the development of an organization.
- **Personal knowledge** is dependent on the subject, the bearer of the knowledge, and this is the employee of the organisation. It is created through the personal, work experience of each individual. It is difficult to formalise, or in many cases it cannot be formalised, it cannot be disseminated and stored.
- **A general knowledge** that arises from a person's life experience but is widely shared.
- **Public knowledge**, is loosely structured and freely dispersed in the environment, among the public. It is disseminated through literature, articles, professional publications. It is relatively easy to disseminate, retrieve and store, even with the help of computer technology. The ease of access and archiving of knowledge creates a prerequisite for its long-term use, while a problem may arise if such knowledge needs to be replaced.

Implementation of knowledge management

From practical observation of organizations that have implemented knowledge management, the following basic phases of knowledge management implementation Hamel and Breen, (2007):

- **Getting Started** – The role of the first phase is to spread awareness and recruit employees for knowledge management. In the first phase we explain what knowledge management is, what knowledge is, how it can be used in the organisation and how it will benefit the organisation and individuals.

- ***Cognition and experimentation*** – in the second phase, we specify the form of knowledge management in the organization, designing a knowledge strategy that is derived from the corporate strategy. In the second phase, we introduce the first knowledge management pilot projects.
- ***Pilot projects and implementation of knowledge management initiatives*** – the third phase is used to map knowledge within the organisation. We coordinate several pilot projects and allocate our own budgets to knowledge activities.
- ***Extending and supporting knowledge management in the organisation*** – we extend the implementation of knowledge management to the whole organisation. We apply formal knowledge management approaches and processes. The knowledge strategy progresses through the entire organization. The complexity of knowledge management systems is increasing and the challenge is to manage this period of growth and chaos. The fourth phase is characterised by most organisations staying in it for some time.
- ***Institutionalisation of knowledge management*** – the fifth phase is characterised by knowledge management becoming part of everyday activities. The nature of the knowledge-managed organisation is also changing. The fifth phase is continuous with continuous improvement.

The issue of authority and responsibility is important in the implementation of knowledge management. Knowledge management must clearly have the support of top management. The main tasks of top management include the creation of a knowledge strategy, the communication of the strategy, the creation of the environment (including information technology and corporate culture), the establishment of principles for working with resources and intellectual capital, and the coordination of activities. The tasks of middle management include working with employees on a day-to-day basis, creating an environment of trust and working with knowledge assets.

When implementing knowledge management in a company, the following seven steps can be followed according to the consulting company Arthur ANDERSEN:

1. ***Appoint a Chief Knowledge Manager (CKM)*** to develop a knowledge management strategy, linked to the company's objectives and strategy.
2. ***Involve company management*** in this project and try a successful knowledge management project from another organisation.
3. ***Link knowledge management to key processes***, possibly integrating with a restructuring project in the company.
4. ***Create an environment of trust and continuous learning in the company***. To convince employees that knowledge sharing is beneficial for them and for the company.
5. ***Create rules in the company*** to ensure the quality of all project content and its implementation.
6. ***Promote the creation and improvement of knowledge and the acceleration of innovation*** through information technology.
7. ***Identify methods for measuring the benefits of knowledge management*** (knowledge audit).

The above-mentioned knowledge management tasks can also be identified in public administration. However, Čepelová et al. (2010) argue that they need to be slightly modified and expanded for public administration organizations as follows:

- ***Identifying the knowledge needed to implement knowledge management in public administration.*** Knowledge of the basic requirements of the final customer of public administration – the citizen, creates a prerequisite for the correct creation and implementation of processes in the organization as a starting point for the application of process management. The fulfilment of the above step creates a prerequisite for defining the knowledge that an employee of a public administration organisation must possess if he/she wants to satisfy the citizen's requirements quickly and qualitatively. It must be true that the citizen is there for the organisation and not the organisation for the citizen. This is similar to the situation in a manufacturing company, where it is true that it is not an art to produce, but to sell. Thus the emphasis is not only on the requirements of the customer but also on the capabilities of the enterprise.
- ***Use of knowledge.*** Recognising and identifying the knowledge that is the basis for the long-term use of knowledge management in public administration organisations is as important as in enterprises. Knowledge needs to be identified at all levels of management of the public administration organisation and in such a way that it is based on the processes provided not only by the organisation as a whole, but also by its individual management and managed components.
- ***Gathering and sorting knowledge.*** In public administration organisations, there is a need to map what individual knowledge workers know; what the organisation as a whole knows and how it uses it. This also includes an inventory of successful and unsuccessful attempts to deal with different situations that have occurred in the organisation.
- ***Converting individual knowledge into knowledge shared across the organization.*** Converting individual learning into organisational learning must be part of knowledge management in public administration organisations as well. The identified, acquired, used information needed in the context of ensuring the managed functioning of a public administration knowledge organisation also needs to be acquired, processed, archived and made available through computing and available special software. A number of changes have recently been successfully implemented in the use of IS/IT in public administration, but the use of information technologies and systems still requires a great deal of attention compared to corporate practice.

Positives and negatives of knowledge management implementation

Domestic and foreign literature dealing with the issue of knowledge management as well as the practice itself indicate a number of positives and negatives that the application of knowledge management knowledge and procedures brings to organizations. Mládková (2005) argues that the most significant benefits of implementing knowledge management include:

- saving time and costs, minimising administrative activities,
- Improving information flows, overview, transparency,
- improving the quality of customer and supplier relations,
- improving processes and customer service
- improving decision-making processes,
- Improving company strategy development, planning and control,

- increasing the value of the company and discovering new business opportunities,
- creating synergies between the different disciplines,
- Increased performance, reduced employee turnover, knowledge transfer between employees and the overall atmosphere in the organization,
- Improving employee skills and knowledge, as well as production efficiency and productivity,
- improving competitiveness and trade development.

According to Čepelová et al. (2010), the implementation of knowledge management in public administration will bring the following benefits to organisations:

- the performance of the organisation will be improved,
- the efficiency of the organisation will be increased,
- the organisation's goal of a satisfied citizen is ensured,
- the cost-effectiveness of public administration is maximised,
- the efficiency of the organisation is maximised,
- new ways of working will be introduced,
- communication within the organisation will improve,
- Employee motivation will increase as there are well-defined processes, so they know what to do and how to do it,
- the corporate culture of the organisation will be improved.

Mládková (2005) also lists the negatives of knowledge management implementation. For managers, the application of knowledge management principles will not ensure: full control over knowledge in the enterprise; control and power over knowledge workers; unambiguous access to knowledge; clear success in solving problems; the gratitude of superiors and the recognition of subordinates.

The mentioned negatives of Čepelová et al. (2010) are complemented by others that are valid for public administration organizations, since these organizations have their specificities that directly or indirectly affect the application of knowledge from the field of knowledge management. These are:

- reluctance of employees to learn,
- the reluctance and inability of managers to identify the processes and working practices of the organisation,
- reluctance and inability of employees to change established work practices,
- Reluctance and inability to share information among employees within the organization as well as between organizations.

Benefits of knowledge management

When assessing the benefits of knowledge management, we can rely on studies conducted by OECD, KPMG, PA Consulting, Per Partes.

According to a survey conducted by PA Consulting in 2014 in Germany, the greatest expectations of the benefits of implementing knowledge management were in the areas of time and cost savings, improvements in information flows, quality, customer relations, processes and customer service. The most significant benefits were seen in the areas of information flows, quality, processes, customer relations and time and cost savings. Interestingly, the lowest expectations and also the lowest benefits were in the area of decision processes.

Per Partes' survey in the Czech Republic showed that the greatest expectations are in the areas of company strategy development, financial benefits through systematic customer knowledge, increasing company value and discovering new business opportunities.

According to a KPMG survey conducted in Europe in 2012/2013, the greatest expectations of benefits were centred on creating synergies between departments, improving quality and improving customer relationships. However, the most tangible benefits were seen in the areas of quality, speed, reduced employee turnover, improved decision-making and the overall atmosphere in the organisation.

An OECD pilot project carried out in four countries – Canada, Germany, France and Denmark – produced mixed results on expectations and benefits of implementing knowledge management. While in Canada the expectations were for improved competitiveness, in Germany the highest expectations were for improved knowledge transfer among the workforce. The results of this survey showed that not only are there differences between countries, but that there are also significant differences within a country depending on the size of the enterprise. In Canada, for example, the introduction of knowledge management in small firms has mainly affected workers' skills and knowledge, as well as production efficiency and productivity. In large firms, horizontal knowledge sharing has improved in the first place, and worker skills and knowledge in the second place. Production efficiency and productivity ranked fifth in the benefits of knowledge management.

9. Quality management in public administration

Emphasis on the quality of products and services produced by public administration entities started to emerge in the development stages of public administration along with the ideas of New Public Management (NPM). NPM represented a departure from the classical (bureaucratic) conception of public administration and an attempt to introduce practices that were typical of the private sector Foster, Plowden, (1996). One such idea was the belief that the success and competitiveness of an entity is directly derived from the quality of the products and services it provides. NPM also began to include a greater focus on the citizen/customer and an emphasis on meeting their needs Kettl, (2000). On the one hand, residents' demands for quality were increasing, but in the spirit of 'value for money', the public was becoming less and less inclined to ever-increasing public sector spending, which was becoming unsustainable. The emphasis on efficiency, effectiveness and quality thus became essential components of the public administration reforms implemented in the second half of the 20th century.

The pressure on the quality of public administration processes and outputs was basically driven by the following phenomena Caddy, Vintar, (2002):

- Growing demand for public services without an equivalent increase in resources consumed,
- Increasing user expectations, influenced by the ability to compare public services with those produced by the private sector,
- the need to demonstrate a greater degree of transparency in the use of public resources and to record performance,
- the desire of managers in public administration to apply methods that will achieve better results with unchanged budgets.

Of course, increasing the quality of products and services provided by public administration has been accompanied by increasing expectations for tangible benefits. Such benefits include:

- Embedding a culture of continuous improvement,
- improving customer service,
- Strengthening strategic thinking about the organisation's goals,
- Establishing a sustainable level of performance.

9.1 Quality in public administration

The origins of defining quality are not dominantly linked to public administration theory, but rather to the private sector environment. The anchoring of the concept of quality was therefore initially adapted to the needs of the private sector. However, in trying to understand the perception of quality in public administration, we must first familiarize ourselves with the phenomenon of quality in the private sector, since even after the transfer of this concept to the public administration environment, researchers and academics constantly refer to its "roots".

The knowledge about quality in the private sector as a basis for defining quality in public administration was intensively studied by Elke Löffler in her work in the 1990s. Löffler (1996) recorded the development of approaches to quality in the public sector as shown in the table:

Table 9.1 Evolution of the quality concept in the private sector

	Time period				
	1945 – 1949	1949 – 1951	1951 – 60.	70. – 80.	80. – today
Definition of quality	Compliance with technical norms and standards	Compliance with technical norms and standards	Suitability for use	Compliance with customer expectations	Maximum satisfaction of customer needs
Quality management system	Quality inspection	Statistical quality control	System-oriented quality assurance	Company-wide quality control	Total Quality Management (TQM)
Quality parameters	Final product	Final product	Production process	Customer needs	Customer expectations
Quality management tools	Standardisation	Statistical methods	Causation analysis	Introduction of the quality function	Continuous improvement
Technological change	Large-scale production	Large-scale production	Short product life cycle	Service economy	Service economy
Quality measurement	Objective concept	Objective concept	Subjective concept	Subjective concept	Objective and subjective concept
Quality assessment	Impartial evaluation	Impartial evaluation	Impartial evaluation	Self-assessment	Self-assessment
Time dimension	Static	Static	Dynamic	Dynamic	Dynamic

Source: Löffler (1996)

In addition to the "stages" of the development of the perception of quality, which can be seen as a starting point for defining this phenomenon, it is important to give the definition of quality itself, in the form in which we will work with it in the following text.

ISO 9000 (2015) states that the term quality (quality) should be understood as the degree to which requirements are met through a set of inherent (intrinsic) characteristics.

Within this definition, the term 'grade' refers to the fact that quality is a measurable category whose levels we are able to distinguish. The term 'requirements' should be understood as a combination of external customer requirements (i.e. their needs and expectations), but also the requirements of other stakeholders and legislation. The term 'intrinsic characteristic' is used for a feature of a product or service that is typical of it (scent for a perfume, performance for an engine, etc.).

However, the above definition represents only one of the many perspectives that can be found in the scientific and professional literature. It is thus clear that there is no unified definition of quality, yet it is possible to define certain interfaces, features that appear in several definitions. Among these are Špaček, (2016):

- **Quality object** (product/service),
- **a characteristic** (group of characteristics) of a quality object (technical, economic, political, legal, ethical),
- **expectations** (implicit or explicit) in terms of a certain acceptable to exceptional standard relating to certain product/service characteristics,
- **the user's real perception of** the characteristics of the product/service when buying or consuming it.

Regarding the development of the understanding of quality specifically in public administration, it can be stated that quality was initially understood as compliance with defined standards, norms and processes. At a later stage, quality began to be assessed in relation to the purpose that the product or service was intended to serve. Subsequently, the principles of Total Quality Management (TQM), in which quality was understood in terms of satisfying customer requirements, were also applied in public administration. All three mentioned levels build on each other and each later (higher) level also includes the quality features of the lower levels Špaček, (2016).

A key point to emerge from the private sector experience is therefore that quality is no longer perceived as a subjective variable that cannot be captured in a dialogue between the organisation providing the service and other stakeholders. On the contrary, we now have several ways of usefully defining quality. On the other hand, the main challenge remains to find a model that best suits the needs of public administrations.

9.2 Quality management

Quality management can be defined as a set of procedures applied in the process of maintaining the quality of products and services. It involves setting policies and objectives that focus on quality and then implementing the processes through which quality is achieved. These processes are implemented through quality planning, quality assurance, quality control and quality improvement (ISO 9000, 2015).

As in the case of the concept of quality, quality management is also characterised by a number of developmental stages. The European Commission (2015) recognises five stages, namely:

1. **quality inspection** – based on finding defective products that do not meet the set standards,
2. **Statistical quality control** – based on finding "deviations" that may have been caused by systematic errors (caused by people or machines) or random errors (quality of inputs). Statistical analysis was the main tool,
3. **system-oriented quality assurance** – the concept of quality has changed to "fitness for use". The focus has shifted from the end product to the production process. Quality has become a competitive advantage as well as a strategic objective for organisations,
4. **enterprise-wide quality control** – quality requirements are derived from individual needs and transformed into technical specifications. All departments and all employees

within the organisation are responsible for quality throughout the entire production process,

5. **Total quality management** – is the last defined stage in the development of quality management, which is applied in public administration even today and represents the initial base for all currently used tools and methods of quality management. A more detailed characterisation of total quality management is given in the following text.

Total Quality Management (TQM)

Total quality management is a set of principles, tools and management practices that aim to improve the quality of products or services to meet or exceed customer expectations Kevin, Kristal Jia, Robert, (2011).

Each word in the term total quality management has its own meaning. Total means that quality is to be pursued at every point in the process of producing a product or service. Management refers to the ability to maintain and develop the capacity for continuous improvement. Quality (quality) represents meeting customer expectations Elg et al, (2011).

Another definition of TQM states that it is a customer-oriented management philosophy that aims to improve the quality of a product or service through employee teamwork, statistical and performance methods. TQM implies support and commitment from top management, decisions made by employees at all levels, training of employees and commitment of the entire organization to continuous quality improvement Tyasti, Caraka, (2017).

Swiss (1992) lists the seven basic principles of TQM as follows:

1. Customers are the main determinant of quality,
2. the emphasis on quality should be placed from the beginning of the production process and not only at the end,
3. in order to achieve high quality, deviations from the set standard must be eliminated,
4. quality is not the result of the work of an individual, but the result of the efforts of the whole system,
5. Quality requires continuous improvement of inputs and processes,
6. active participation of staff is essential for quality assurance,
7. Quality requires commitment from the whole organisation.

One of the important characteristics of TQM is the fact that it encompasses human, logical and technological dimensions, with emphasis on the human dimension. According to Padha (2013), there are certain prerequisites for the success of TQM implementation, the main one being employee involvement. At the beginning is the willingness of top management to make strategic decisions in line with TQM implementation. Consequently, top managers must understand that TQM is a "long run" and they cannot expect groundbreaking results in the short term. Furthermore, the management of the organisation must ensure that every employee receives the necessary training and knowledge of TQM technology. Finally, the top management must also make TQM a priority when consuming resources to ensure TQM and infrastructure improvements.

Naturally, the responsibility for the proper implementation of TQM cannot rest on the shoulders of top managers alone, although, as noted, that is where efforts to achieve better quality should begin. Ashaduzzaman Nour (2018) states that the process of implementing TQM principles should involve all employees who should not just mindlessly do their jobs but think about how

to improve efficiency. On the other hand, in order to do so, they need to be entrusted by their managers with the competencies necessary to achieve optimal performance. Managers responsible for planning should also be involved in the implementation process, because the people who do the actual work have the best knowledge of how to improve the process.

The application of TQM principles and tools is a significant phenomenon present in public administration organisations worldwide. Moreover, as Dan, Pollitt (2015) argue, TQM has become a visible part of administrative reforms oriented towards improving internal processes and mechanisms in the delivery of public services in a number of European countries, including those in Central and Eastern Europe.

On the other hand, however, it can be argued that the popularity of TQM in public administration does not automatically imply its consistent application, and differences can already be observed between departments within the same organisation, not to mention significant differences between countries Löffler, (2002). This author points out that the application of TQM principles is particularly problematic in those areas where there is no competitive pressure, which are mainly public offices. Other problems associated with the application of TQM include, for example, the difficulty of involving citizens and customers in the process of adopting and implementing public policy. The practice of TQM (especially its long-term orientation) is also threatened by the frequent turnover of staff after elections, which often leads to disruptions in the continuity of the application.

It also appears problematic that public administration organisations are much more likely to produce services (rather than products) where it is more difficult to define quality and standardise output. In the case of services, there is also an increased risk of subjective customer perception (e.g. a customer may be dissatisfied with the behaviour or appearance of the employee providing the service) Hsieh et al., (2002). Another reason that causes difficulties in the smooth implementation of TQM is the fact that employees in the public administration have less motivation in providing better quality services, as their pay is usually not directly derived from performance. The last reasons that we would like to mention at this point are both the strict rules and pressure of bureaucracy, and the fact that private enterprises can choose their target customers themselves, which is not possible in the case of public organizations and thus have a reduced ability to reflect their diverse needs Tyasti, Caraka, (2017).

For these and other reasons, it would be necessary to adjust the implementation of TQM principles to better reflect the specifics of public administration.

Špaček (2010) states that such adaptation requires that:

- The quality to be managed, improved and evaluated in this setting was negotiated and evaluated in collaboration with key potential stakeholders,
- quality management and the tools and methods used always take into account the context in which they are to be applied. This requirement to adapt quality management to the specific context in which the service is provided necessarily puts pressure on the creativity of managers.

Emphasis on the implementation of quality management tools is somewhat automatic in the private sector, but it is still a rarity in public administration organisations. This is due to the very nature of these institutions, which do not operate in free market conditions and feel much less pressure to increase efficiency and improve quality. The lack of external incentives to introduce quality management in public organisations should therefore be compensated by

creating an appropriate climate within the organisation that encourages the introduction of TQM.

Raising awareness of the importance of TQM and its added value can be seen as the first step that needs to be taken. The promotion of this initiative is usually carried out in a top-down system, where the management of the organisation adapts the organisation's existing policies and incorporates TQM principles in the form of objectives in the organisation's strategic documents (European Commission, 2017). Raising awareness of TQM is also aided by working with the dissemination of knowledge and skills through: publications, manuals, guides and recommendations for quality management, training, technical support, setting up an appropriate structure for the organisation and also by working with the private sector and the university environment.

Other ways of supporting the implementation of TQM include, for example, recognition of achievements through certificates, quality labels, identification of best practice and presentation to the professional and lay public. Such awards and certificates can go some way towards replacing the lack of market competition in public administration. Even unsuccessfully applying for such certificates and awards is beneficial for public administration organisations as it provides a lesson on how to improve in the future, including learning from others. There is therefore an aspect of cooperation, which is probably the most important element of quality awards.

9.3 Quality management models

TQM, as the last of the developmental stages of quality management so far, is seen as a general and structured approach that is characterized by continuous improvement as a result of continuous feedback.

Before turning our attention to the quality management models themselves, we consider it important to mention one unifying element that is present in all of these models and which is the fundamental principle of continuous improvement in organizations. This is the PDCA cycle, also called the Deming cycle after its author, statistician and philosopher William Edwards Deming.

The name PDCA (plan-do-check-act) is derived from the English version of the initial letters of the individual steps that should lead to continuous improvement and the introduction of changes. Specifically, these are (European Commission, 2015):

- **planning** (plan) – defining the problem, collecting relevant data, identifying the root cause of the problem,
- **implementation** (do) – design and implementation of the solution, design of the way to monitor the effectiveness of the solution,
- **check** – confirm the results by comparing data before and after the intervention,
- **improvement** (act) – documenting the results, informing others of the process changes, and formulating a recommendation for a problem to be addressed in the next PDCA cycle.

The advantage of the PDCA cycle is that it can be easily applied to any range of planned changes – from small (incremental) corrections to fundamental changes in the organization. The sequence of steps as defined by the PDCA cycle is also largely intuitive, and many managers follow it as if automatically without studying the theory and thorough knowledge of the laws of the PDCA cycle. Although this characteristic may appear to be a positive, as it

confirms the effectiveness of the method, the promoters of the PDCA idea warn against inconsistent application or skipping individual steps, because in such a case it may happen that the application of the method does not lead to the desired and expected results.

Organisations interested in implementing comprehensive quality management basically use one of the following scenarios/models (European Commission, 2017):

- certification through international ISO standards,
- use of the EFQM Model,
- use of the CAF Model.

9.3.1 ISO International Standards

ISO standards are issued by the International Organization for Standardization, which was founded in 1947, is headquartered in Geneva, and operates in 165 countries around the world (www.iso.org).

It might seem that the name of the standards is an English acronym for the organisation, but this is not the case and it is an internationally used acronym that is derived from the Greek word *isos* = same.

The International Organization for Standardization publishes a broad portfolio of norms and standards for the operation of almost all areas of management of private, public and not-for-profit entities. Quality management is specifically addressed by standards that belong to the so-called 9000 family. These standards are as follows:

- ISO 9000 (1994), which consisted of three standards, namely ISO 9001:1994, ISO 9002:1994, ISO 9003:1994, each representing a quasi-separate quality management model designed for organizations with a specific purpose,
- In the next "generation" of ISO standards dealing with quality, all 3 models have been brought together into one standard, ISO 9001:2000,
- The next version was ISO 9001:2009,
- and the last one so far is the ISO 9001:2015 standard.

For interest, we would like to point out that besides the mentioned "ISO 9000 family", there are other standards dedicated to quality management, but they do not have a numerical designation beginning with 9000. These are, for example, the "ISO 10000 family", ISO 19011 or ISO/IEC 17021.

The system of standards aimed at quality improvement is therefore very numerous and can seem somewhat opaque. However, it should not be forgotten that quality management is in fact a complex discipline, affecting many areas of an organisation's management (from planning, to organising, to leading, to controlling), and ISO standards aim to serve a very diverse portfolio of organisations, which often require a specific approach (e.g. different standards are needed for environmental organisations, others for manufacturing or public administration organisations).

So what are quality management standards for? By implementing a quality management system and subsequent certification, an organisation seeks to eliminate organisational weaknesses and promote continuous process improvement. Organisations are under pressure from their customers, who demand ever better products and services, to continuously improve processes. This requires that activities in the organisation are carried out more efficiently and effectively.

For this, adequate systems need to be developed and emphasis should be placed on the proper execution of all activities, as per the requirements of all stakeholders Muchova, (2012). And it is the setting up of the said system that is aided by ISO 9000 standards. The focus is on customer satisfaction and fulfillment of their requirements and expectations, which are specified in contracts, orders or technical drawings. The quality management system focuses on all activities in the organization and manages the use of all types of resources (human, financial resources, infrastructure, communication or information technology) Valach et al., (2019).

All ISO standards that deal with quality management are formulated in accordance with adherence to the following 8 principles (ISO, 2015):

1. **customer orientation** – the primary focus of quality management should be to meet customer requirements and strive to exceed (surpass) their expectations. Some of the benefits that the application of this principle brings are e.g. improved customer value, higher customer loyalty, better reputation (image) of the organization.
2. **Leadership** – Leaders at all levels define the mission and direction of the organization, striving for unity and creating the conditions in which people are engaged in achieving the organization's quality goals. The benefits of the principle are e.g. greater efficiency and effectiveness in achieving the organization's goals, better coordination of processes in the organization, better communication between levels and departments in the organization.
3. **Employee engagement** – competent and engaged employees at all levels in the organisation are essential to enhance the organisation's ability to create and deliver value. Applying this principle brings, for example, better understanding and ownership of the organisation's quality objectives by all employees, increased motivation to meet them, better personal development of employees, their creativity, engagement and satisfaction.
4. **Process approach** – consistent and predictable results are achieved more efficiently and effectively when activities are understood and managed as interrelated processes that function as a coherent system. The benefits of a process approach are a more focused focus on key processes, optimised performance through effective process management and efficient use of resources.
5. **Improvement** – the success of an organisation lies in continuous improvement. Such an approach leads to higher process performance, improved capabilities and capacities of the whole organisation, a focus on identifying the root causes of problems followed by corrective action and prevention, a greater focus on continuous learning and the introduction of innovation.
6. **Evidence-based decision-making** – decisions based on analysis and evaluation of data are more likely to produce the desired results. The benefits of this principle are e.g. streamlining of decision-making processes, improved operational efficiency and effectiveness in the organisation, greater ability to re-evaluate and possibly change an opinion or decision, better ability to defend decisions made.
7. **Relationship management** – in order to ensure continued success, the organisation manages its relationships with all stakeholders. Relationship management leads to a better understanding of the organisation's goals and values by all stakeholders, or a better ability to create value in the interests of a particular stakeholder.

The principles listed are not in order of importance. In fact, their relative importance may change from organisation to organisation and also over time.

9.3.2 EFQM model

The European Foundation for Quality Management (EFQM) Excellence Model - The EFQM model was developed in the environment of the European Foundation for Quality Management, a non-profit organisation with headquarters in Brussels, Dubai and London, and is another tool that organisations can use to improve quality management.

Since its inception, the EFQM Model has provided organisations across Europe and beyond with a roadmap for developing a culture of improvement and implementing innovation (EFQM, 2019). The EFQM Model helps organisations to achieve success by measuring where they are in their journey to create sustainable value. By using the EFQM model, organizations are able to find their weaknesses and identify possible solutions available to them. These steps allow them to continuously improve the performance of the organisation. The model uses a holistic view of the organisation as a whole.

The application of the EFQM model is based on respecting the following principles (EFQM, 2019):

- the customer comes first,
- a long-term perspective involving all stakeholders,
- understanding the causal links between why an organisation does something, how it does it and what it achieves as a result of its activities.

The structure of the EFQM model is based on the simple logic of asking three questions:

- **"Why"** does the organization exist? What mission does it fulfill? Why this strategy? (direction/direction).
- **"How"** does the organization intend to fulfill its mission and strategy? (performance/execution).
- **"What" has** the organization achieved so far? "What" does it want to achieve in the future? (results/results).

The organisation is thus evaluated from several perspectives (Figure 9.1), namely: direction, performance and results, which together represent a comprehensive view of the organisation. Within these three perspectives, their other components (called criteria) are further monitored and assessed viz:

- **Direction:** defining the organisation's mission and vision, having a strategy that is aligned with the mission and vision and is oriented towards sustainable values, effective leadership and an organisational culture in the organisation that supports the implementation of the strategy,
- **Performance:** working with all key stakeholders, creating the sustainable value necessary to achieve long-term success, improving performance and delivering the necessary transformation,
- **Results:** results based on customer/stakeholder perceptions, results in terms of strategic and operational performance.



Fig. 9.1 Flowchart of the EFQM evaluation of an organisation
EFQM, 2019

Remark.: Direction = Direction, Execution = Performance, Results = Results, Organisation = Organisation, Purpose, vision and strategy = Focus, vision and strategy, Organisational culture and leadership = Organisational culture and leadership, Engaging stakeholders = Stakeholder engagement, Creating sustainable value = Creating sustainable value, Driving performance and transformation = performance improvement and transformation, Strategic and operational performance = strategic and operational performance, Stakeholders perception = stakeholder perception, Approach, deployment, assessment and refinement = approach, deployment, assessment, refinement, Relevance and usability, performance = relevance and usability, performance.

The EFQM model uses a diagnostic tool called RADAR to assess the organisation itself. It is a tool used by an organisation to monitor its performance and at the same time identify its strengths, weaknesses and room for improvement. RADAR is basically made up of three tables that describe the level of the organisation in each perspective and criterion.

The tool also includes a scoring system that expresses the achieved level of the organisation's perspectives and criteria numerically – by assigning points.

The EFQM model, like the ISO standards, is used in a wide range of organisations. However, its use in public sector organisations has encountered many pitfalls due to fundamental differences between the private and public sectors. For this reason, another model, the CAF

model, was developed on the basis of the EFQM model to serve primarily public sector organisations and is the subject of the following subchapter.

9.3.3 The CAF model

The Common Assessment Framework (CAF) is a quality management tool used for organizational self-assessment. It is a model developed by the European Public Administration Network (EUPAN) and the EFQM model was used as a basis for the creation of this model. The intention of the transformation of the EFQM model was to create a quality management model that would reflect the specific needs of organisations in the public sector.

The first version of the CAF model was created in 1998, and the most recent update of the model to date was created in 2020. As of November 2020, the CAF has been implemented in 4160 public sector organisations not only in Europe but worldwide (EIPA, 2021).

CAF is based on the premise that an organisation achieves exceptional results in performance, in relation to citizens/customers, employees and society based on leadership, strategy and planning, employees, partnerships and processes. The model provides a picture of the organisation from several perspectives, analysing it as a complex entity (Figure 9.2).

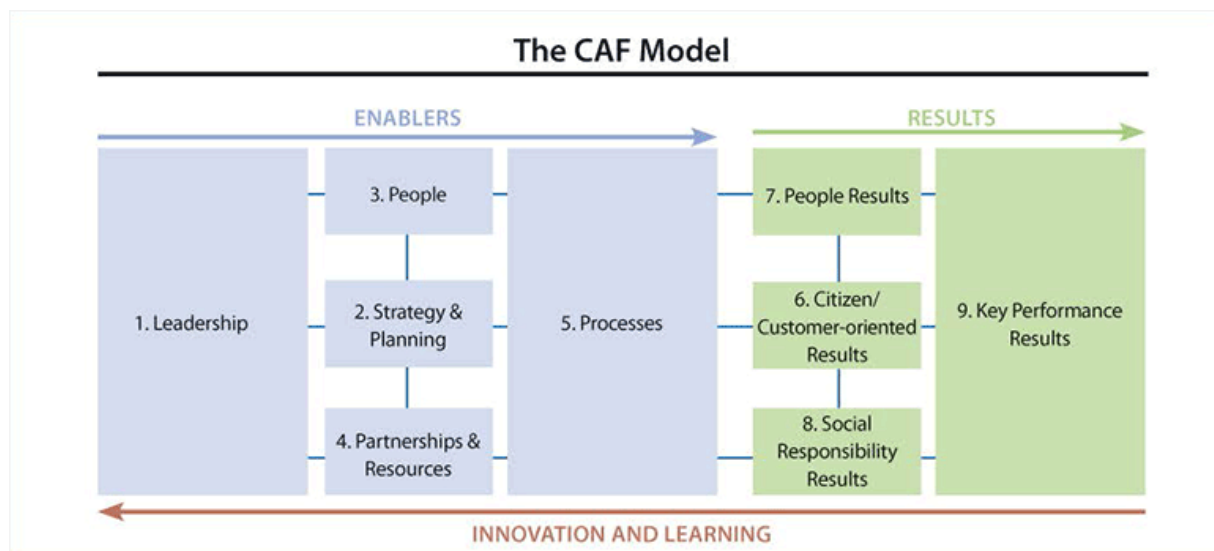


Fig. 9.2 CAF model

Source: EIPA (2020)

The above diagram identifies the main characteristics (criteria) of an organisation that need to be considered in any organisational analysis. Criteria 1-5 (assumptions) deal with management practices in the organisation. They define what the organisation does and how it approaches its tasks to achieve the desired results. Criteria 6-9 (results) set out the results achieved in relation to citizens/customers, employees, social responsibility and key performance indicators through perceptions and performance measurement.

Each criterion is further subdivided into sub-criteria, of which there are 28 in total. An important part of the above scheme is the emphasis on the need for a direct cause-and-effect relationship between assumptions and outcomes. This means that the organisation must be able to demonstrate the presence of this relationship, i.e. that a given assumption demonstrably leads to a given outcome.

In the following, we define in more detail what characteristics of the organisation are evaluated under each criterion and sub-criteria. The criteria and (numbered) sub-criteria are listed as presented in the CAF Implementation Guide (EIPA, 2020), but their content is summarised and contains only examples of each evaluation aspect.

In the case of the **leadership** criterion:

1.1. *Shaping the direction of the organization by developing its mission, vision and values.*

The sub-criteria looks at, for example: whether the formulation of the mission (what are our goals) and vision (where do we want to go) of the organisation involves all stakeholders and employees, whether the mission and vision are being transformed into strategic (long and medium term) and operational (concrete and short term) goals and activities.

1.2. *Developing and implementing an organisation, performance and change management system.* The sub-criterion looks, for example, at whether the development of processes and structures is aligned with strategy, planning and stakeholder needs, or whether appropriate forms of governance (levels, functions, competencies) are in place and whether a process management system is in place.

1.3. *Motivating and supporting people in the organization and modeling behaviors by the organization's leadership.* For example, it monitors whether the organisation's leadership leads by example and acts in line with the organisation's goals and values, whether managers are willing to accept change based on constructive feedback, or whether there is regular communication to staff on key management issues.

1.4. *Effectiveness in managing relationships with politicians and other stakeholders to ensure shared accountability.* Examples of support for the sub-criterion include, for example, the ability of the organisation to identify effective public policies that affect the organisation, maintaining active and regular relationships with political bodies in relevant executive and legislative areas.

For the **strategy and planning** criterion, it assesses whether there is:

2.1. *Identify the needs and expectations of stakeholders, the external environment and to identify relevant management information.* This sub-criterion is assessed e.g. by whether the organisation is able to identify all stakeholders or whether it is able to analyse the public administration reforms being adopted and reflect them in its strategy and plans.

2.2. *Develop strategies and plans based on information gathered.* The sub-criterion describes, for example, whether the strategy is being updated on the basis of the definition of long-term and short-term priorities and objectives in line with the vision of national and European strategies, or whether the organisation is able to integrate sustainability, social responsibility, diversity and gender aspects into its strategies and plans.

2.3. *Communicate, implement and update strategies and plans.* This evaluation point speaks, for example, to whether the organisation's strategy is being translated into relevant plans, tasks and objectives for departments and individuals.

2.4. **Planning and implementing modernisation and innovation.** The sub-criterion assesses e.g. whether the organisation is able to identify needs and drivers for innovation, taking into account opportunities and pressures for digital transformation.

In the case of the **people** criterion, the following are evaluated:

3.1. **Managing and improving human resources in the light of the organisation's strategy.** The sub-criterion should be characterised, for example, by a regular analysis of the current and future needs of the workforce in the light of the organisation's adopted strategy.

3.2. **Developing and managing employee competencies,** which assesses, for example, whether the organisation has the ability to attract and develop the talent necessary to achieve its goals.

3.3. **Employee engagement, empowerment and well-being.** The sub-criterion includes an assessment of the promotion of open communication and dialogue in the organisation and the promotion of teamwork.

In the case of the criterion **partnership and resources** are assessed:

4.1. **Development and implementation of key partner relationships.** The sub-criterion includes e.g. the extent to which key partners (e.g. buyers, suppliers, co-producers, complementary/replacement product providers, owners, founders) from the private and public sectors and civil society are identified in order to build sustainable relationships based on trust, dialogue and openness.

4.2. **Cooperation with citizens/customers and civil society organisations.** The sub-criterion assesses e.g. whether transparency is ensured through a proactive information policy and open provision of data about the organisation.

4.3. **Financial management.** For example, ensuring financial resilience through long-term budget planning, risk analysis of financial decisions and balanced budgets are pursued.

4.4. **Information and knowledge management.** This is ensured, for example, by creating a learning organisation that will provide systems and processes for managing, storing and evaluating information and knowledge to ensure the resilience and flexibility of the organisation.

4.5. **Managing technology.** Includes the design of technology management in line with strategic and operational objectives and the systematic evaluation of its effect, cost-effectiveness and impact.

4.6. **Facilities Management.** This sub-criterion assesses, for example, the efficiency, effectiveness and sustainability of the provision and maintenance of all facilities (buildings, offices, equipment, energy supplies, equipment, vehicles and materials).

In the case of the **processes** criterion, the following is evaluated:

5.1. **Design and manage processes to increase value for residents and customers.** This sub-criterion assesses e.g. the continuous streamlining of processes, including submission of proposals for legal requirements, or adapting processes to the needs and requirements of staff and relevant stakeholders.

5.2. Delivering services and products for customers, residents, stakeholders and the community. The sub-criterion focuses, for example, on the identification and design of an organisation's products and services and the active management of their entire life cycle, including recycling and re-use.

5.3. Coordination of processes across the organisation and with relevant organisations. The sub-criterion assesses the creation of a culture conducive to working across boundaries in the management process and breaking out of a silo mentality (thinking only within the context of the organisation without considering wider relationships and contexts).

In the case of the criterion **outcomes for residents/customers** are assessed:

6.1. Measuring residents' perceptions. The sub-criterion may measure the overall image of the organisation, the accessibility of the organisation, or the customer orientation of employees.

6.2. Performance measurement. The sub-criterion includes e.g. waiting time, number and time to process complaints, number of information and communication channels, including social networks, level of information disclosure.

In the case of the **results for people** criterion:

7.1 Measuring people's perceptions. For example, the image of the organisation and the overall performance of the organisation (what it does, how it does it) from the perspective of employees is monitored, or how employees perceive their involvement in decision making and change planning, the overall atmosphere and organisational culture is also monitored.

7.2. Performance measurement. The sub-criterion assesses, for example, the number of identified ethical dilemmas (conflicts of interest), the frequency of voluntary involvement of employees in social responsibility activities, or the fulfilment of criteria for the development of employees' skills and abilities.

In the case of the **social responsibility performance** criterion:

8.1. Measuring perceptions of social responsibility. The sub-criterion assesses e.g. the impact of the organisation on the quality of life of the population beyond the mission of the organisation, the impact of the organisation on overall economic development, environmental sustainability including climate change.

8.2. Performance measurement. The sub-criterion covers e.g. the organisation's activities in sustainable use of resources, or the frequency of engagement with relevant authorities, groups and community representatives.

For the **key performance results** criterion, the following shall be assessed:

9.1. External outcomes: outputs and societal value. The sub-criterion includes e.g. assessment of quality and quantity of products and services, results of external inspection and performance audit, benchmarking results.

9.2. **Internal results: level of efficiency.** The sub-criterion assesses, for example, the effectiveness of the organisation in managing available resources (including people, knowledge and facilities), the results of process improvement and innovation, the results of internal inspection and audit.

The actual self-assessment within the CAF model is carried out by entering the relevant data into a table (matrix), the form of which for criterion 1 Leadership is shown in Figure 9.3.

CRITERION 1 LEADERSHIP				
Evaluation of criterion 1				
Evaluate evidence of what the organization's leadership is doing to:				
SUBCRITERIES				
1.1 Shaping the direction of the organisation by developing its mission, vision and values				
1.2 Develop and implement an organisational, performance and change management system.				
1.3 Motivating and supporting people in the organization and model behaviour by the organization's leadership				
1.4. Effectiveness in managing relations with politicians and other parties				
Subcriteria	Strengths	Room for improvement	Score and justification /100	Action items (optional)
1.1.				
1.2.				
1.3.				
1.4.				
Total/ 400				
Average per 100				

Figure 9.3 CAF evaluation matrix for criterion 1 Leadership

Source. EIPA (2020)

One of the mandatory components of the CAF model is a scoring system that numerically expresses the level achieved by the organisation for each criterion and sub-criteria.

The CAF scoring system has 4 main objectives:

- provide a direction to follow when introducing improvements,
- measure your own progress,
- Identify best practices based on high scores for assumptions and outcomes,
- help find appropriate peers to compare and learn from.

The allocation of scores is done by the organisation's own assessment of where it stands on a given criterion and sub-criterion. The basis for the allocation of scores is shown in Figure 9.4 and Figure 9.5. The first figure indicates how the scores are allocated for the criteria under prerequisites and the second for the criteria under outcomes. The individual steps of scoring the criteria under assumptions replicate the steps of the PDCA cycle mentioned above.

PHASE	PANEL FOR ASSUMPTIONS	SKINS
	We are not active in that area. We have insufficient data or only anecdotal	0 – 10
PLAN	We plan to do it	11 – 30
DO	We're implementing it	31 – 50
CHECK	We check that we are doing the right thing, in the right way	51 – 70
ACT	We make changes/corrections based on the inspection	71 – 90
PDCA	In everything we do, we have a plan, we implement the activity, we check it regularly, we make corrections and we learn from others. We are in a process of continuous improvement	91 – 100

Fig. 9.4 Allocation of scores for assumptions

Source: EIPA (2020)

RESULTS PANEL 1	Score
No results measured and/or no information available	0 – 10
Results are measured and show a negative trend and/or results do not reach the desired level	11 – 30
Results show a consistently low level and/or relevant targets (level of results) are met	31 – 50
Results show an improving trend and/or most relevant targets are met	51 – 70
Results show substantial progress and/or all relevant targets are met	71 – 90
The organisation is delivering excellent and sustainable results. All set targets are met. Comparisons with relevant organisations are made against all key objectives with positive outcomes.	91 – 100

Fig. 9.5 Allocation of scores for results

Source: EIPA (2020)

The implementation of the CAF model in the organisation follows a three-phase plan (EIPA, 2020):

Phase 1: The beginning of the process – the decision to implement CAF is the starting signal for a complex process of improvement and change in the organisation. This needs to be understood right from the beginning of the process and requires acceptance of responsibility, commitment and management decision to apply the CAF model as well as employee involvement.

Phase 2: Self-Assessment – a joint self-assessment of the organisation by staff and management is carried out based on criteria to identify strengths and areas for improvement. The main outcome of this phase, in addition to the evaluation, is a catalogue of ideas for improvement to further develop the organisation. The expected outcome is a self-assessment report.

Phase 3: Improvement Plan – Based on the formulation of the improvement ideas (Phase 2), a CAF improvement plan is developed that specifies and concretises the implementation of the improvement ideas. In this phase, the planned activities are prioritized, timeframes are defined, responsibilities for the activities are established, and the necessary resources are allocated. The CAF improvement plan is usually implemented within two years. A new CAF self-assessment process can then be launched. This loop ensures a process of continuous improvement in the organisation.

The application of the CAF model brings a number of benefits to organisations, in particular the following:

- Evidence-based evaluation based on a set of criteria that has become widely accepted in the public sector across Europe,
- an opportunity to identify progress and good practice,
- Opportunities to promote and share best practice in different areas of the organisation and with other organisations,
- a means of measuring progress over time through regular self-assessment,
- A means of achieving consistency of direction and consensus on what needs to be done to improve the organization,
- the link between the results to be achieved and the supporting practices or assumptions,
- a means to motivate employees by involving them in the improvement process,
- a means of integrating various quality initiatives into day-to-day activities.

Based on the experience with the implementation of the CAF model, it is also possible to identify a number of problem areas, challenges that organizations have to face Dearing, Staes, Prorok, (2006):

- first of all, it is important to convince all employees of the organisation of the suitability of the model and its benefits. It is also important to demonstrate to employees through meetings and training sessions that the implementation of CAF does not put them at risk (e.g. it will not result in job losses),
- many aspects of the model are not entirely clear, easy to understand, or cannot be interpreted unambiguously. For example, the direct cause-and-effect relationship between assumptions and outcomes. Thus, the ambiguity and complexity of the model

can lead to frustration on the part of the organization's employees, whose motivation then logically decreases Giannakopoulou, Alexopoulos, (2020),

- the implementation of the CAF model has the advantage of being in the hands of the employees themselves and does not require external experts, it is therefore considered a relatively inexpensive method. On the other hand, its complexity also means that it is more time-consuming, and it is often the case, especially when employees are not convinced of the benefits of the model, that they are unwilling to devote time to a seemingly 'unnecessary' matter,
- The scoring system also often raises questions and leads to problems. On the one hand, departmental staff do not want to compete with each other and bring tension into the collaboration, and on the other hand, staff protest against the practice of not awarding points for a criterion that does not lead to measurable outputs, even though the outputs of the criterion clearly exist,
- in many organisations there is a problem with providing 'evidence' for each criterion, as many data are not collected in organisations,
- The implementation of improvements also appears problematic. There is often a negative attitude towards change and innovation in public administration organisations, or towards measuring performance or results. A related weakness of the model is that proposed changes are then often minor and not ambitious enough Giannakopoulou, Alexopoulos, (2020).

Regarding the implementation of the CAF model in Slovakia, 88 public sector organisations have implemented the CAF model from 2003 to 2018 (Ministry of Environment, 2021). In 2021, another 15 public administration organisations joined the national project *Implementation and Support of Quality Management in Public Administration Organisations*, under which they are given the opportunity, with the support of the CAF Centre, to implement the CAF model and obtain the title of Effective User of the CAF model. This project is implemented by the Slovak Office for Standardization, Metrology and Testing. The Office provides training, consulting and assessment activities in the implementation of the model (Office for Standardisation, Metrology and Testing of the Slovak Republic, 2021).

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PUBLIC ADMINISTRATION MANAGEMENT

Authors:

doc. Ing. Loreta Schwarczová, PhD.

Ing. Maroš Valach, PhD.

Ing. Michal Cifranič, PhD.

Ing. Monika Kvitkovská, PhD.

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