

CONTRIBUTION TO THE DEVELOPMENT OF THE URBAN MANAGEMENT MODEL¹

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Key words: model, urban management, local self-government, town of Vinkovci, town of Vukovar

1. INTRODUCTION

The purpose of the paper is to demonstrate the importance of management in local self government units within the existing circumstances in the Republic of Croatia. In addition, the purpose of the paper is to establish how the local self government officials understand and accept the role of professional management in today's condition of business environment and the ever-growing citizens' needs.

The aim of the paper is to raise the awareness of responsible individuals in the local self-government, first and foremost those with the highest responsibility, namely the elected local self-government power holders, of the need to understand and accept the ever-growing importance of management nowadays. Furthermore, to prompt them to use the available budget resources of a self government unit as adequately as possible through proper management in order to achieve as many goals set for a certain period of time as possible.

Following the analysis and assessment of management in the local self-government of the town of Vinkovci, proposals have been offered for the improvement of local-self government management in the town of Vinkovci and local/regional self-government units in general. The paper indicates that, in addition to continuous investment into information and communication technology, which is substantial every

¹ The paper was done as part of the project: "Knowledge-based management in the function of economic development of Eastern Croatia" (project number: 010-0101427-0837) funded by the Ministry of Science, Education and Sports.

year, there is a need for continuous investment in the training and education of town administration employees. Without employees equipped with adequate knowledge and competence, the tax payers' investment into information and communication technology would become a failed investment both in the short and the long term.

2. URBAN MANAGEMENT MODEL

Throughout the world, in spite of having a long history, local self-government still does not have an adequate place in the science of society structure, of society management systems, unlike the state and state administration. Up to the first half of the 20th century, science and various state theories focused on the absolutising of state government, state administration, as the only system that could guarantee the necessary safety and security to its citizens. The system protects them against injustice and safeguards their existence. Such understanding of the role of state has deeply penetrated the conscience of our citizens as well. Moreover, as the work of various forms of local self-government, where they existed, e.g. in local community councils, cooperatives, peace councils, or tenants' councils, used to be shackled by the state administration bodies themselves.

What is local self-government?

Local self-government is a collective term covering various organised ways in which citizens of a local community, at their own responsibility and relatively autonomously organise the conduct of certain public affairs and their administration.

What are the basic principles of local self-government?

The local self-government system is based on the principles of subsidiarity and solidarity.

Subsidiarity is the principle which states that when determining the jurisdiction priority is given to the level closest to the citizens that can efficiently and effectively handle the matters entrusted with.

By the principle of solidarity the state is obliged to financially assist the poorer units of local self-government.

What does the right to local self-government include?

The right to local self-government covers:

- autonomy in handling local affairs,
- own revenues,
- free disposal with revenues,
- autonomous arrangement of internal structure,
- autonomous arrangement of the jurisdiction of their bodies,

- direct election of members into representative bodies.

How to exercise the right to local self-government?

The right to local self-government is exercised through local and regional bodies consisting of members elected in free and secret elections, on the basis of direct, equal and general franchise.

Citizens can directly participate in the administration of local affairs through assemblies, referendums and other means of direct decision-making in accordance with law and statute.

How many levels of local self-government are there in Croatia?

The system of local self-government in the Republic of Croatia was introduced by the Constitution of the Republic of Croatia on 22 December 1990. The Constitution ensures the citizens the right to local and regional self-government in matters of local nature.

The system is regulated by the Act on Local and Regional Self-Government.

3. EUROPEAN CHARTER OF LOCAL SELF-GOVERNMENT

Documents aiming at local self-government are the foundations of contemporary efforts in the construction and development of a rule-of-law state. One of the documents is definitely the European Charter of Local Self-Government (1985) built on the best practices of direct democracy in Europe and the world. In this document, Member States of the Council of Europe stress that they adopt the Charter of Local Self-Government with the purpose of achieving even greater unity among the member States in the safeguarding and reinforcement of common ideals of constructing general unity of the democratic community of European states, by reaching an agreement in the field of administration of their states as well.

The European Charter of Local Self-Government has set the principles of democracy and decentralisation of state power, principles on which local self-government is built as the foundation of overall democratic state structure in all European states signatories to the Charter who undertook to consider themselves bound to its implementation.

Signatories to the European Charter, Croatia among them, have taken the commitment to implement the above principles.

The exercise of the rights established by the Charter ensures that the structure and the bodies of local self-government have the status of an entity not only within a state but also at the international level. Thus local self-government has become the main factor of a democratic rule-of-law state, and an unavoidable framework for the exercise of human rights and freedoms in local communities.

4. FOUNDATIONS OF LOCAL GOVERNANCE AND SELF-GOVERNMENT IN THE REPUBLIC OF CROATIA

The Republic of Croatia has incorporated many principles of the European Charter of Local Self-Government into its Constitution.

The constitutional and legal system of the Republic of Croatia is based on the principles of a modern rule-of-law state, parliamentary multi-party democracy, with the aim of developing and reinforcing the exercise of human rights and freedoms in pluralist social and economic conditions. In accordance with the above principles, state power has been separated into legislative, executive and judicial power. Local self-government is organised on the basis of the historical development and the experience of contemporary political systems.

The local self-government system is based on Article 1(2) of the Constitution of the Republic of Croatia² in which it is laid down that “ power in the Republic of Croatia derives from the people and belongs to the people as a community of free and equal citizens“. As the people, in accordance with paragraph 2 of Article 1 of the Constitution, exercise the power by electing their representatives and by direct decision-making, the Constitution laid down, in Articles 132 to 137, the basic principles of local self-government and administration as a framework in which, in accordance with historical cognitions and international experience, the principle that „governance derives from the people and belongs to the people“ can be implemented in live practice on a daily basis. Thus Article 132 of the Constitution says that „citizens shall be guaranteed the right to local self-government“. The right to local self-government includes the right to make decisions in accordance with the citizens’ needs and interest – decisions of local significance, in particular on:

- area and urban planning;
- community settlements and housing;
- communal affairs and activities;
- child care;
- social welfare;
- culture;
- physical education, sports and technical education;
- environmental protection and management.

² The Constitution of the Republic of Croatia was adopted by the Croatian Parliament on 22 December 1990 (Official Gazette No. 56/90).

5. MANAGEMENT IN LOCAL/REGIONAL SELF-GOVERNMENT UNITS (L/RSGUs) - IN TOWN OF VINKOVCI

The Town of Vinkovci and the Town of Vukovar are situated in Eastern Slavonia in Vukovar-Srijem County. The two towns in Slavonia are on just a 22 kilometre distance.

In 2001 the Town of Vinkovci covers an area of 9,421 ha, and the Town of Vukovar an area of 10,022 ha. According to the 2001 census Vinkovci has a population of 35,912, and Vukovar a population of 31,670. The same year Vukovar-Srijem County had a population of 204,768 living in an area of 244,875 ha. The 2007 budget for Vinkovci was around 177,913,000.00 HRK, and the Vukovar budget amounted to approximately 91,379,000.00 HRK.

The whole of Vukovar is located in the Area of Special State Concern, whereas only a minor part of Vinkovci (the village of Mirkovci, which was directly occupied by the aggressor) is located in the Area of Special State Concern.

The destruction of economy, namely literal destruction of economic facilities led to the fact that the returnee population consists of predominantly older citizens, while younger people return or settle in the area only in small numbers due to minimum employment opportunities in the economy, especially in the goods producing economy.

The importance of the governance of public service offices and its link to the standard of living lies in the fact that the government and politics, namely the state administration and local self-government, create (open or close – brake – slow down) the preconditions for the development of economy and public services.

The governance refers to the general exercise of powers both at local (municipality/town, county) and central level, and comprises the performance of executive bodies, assemblies and judicial bodies.

Services using information and communication technologies have the potential to alter the classic relationships - between the citizens and the government or business subjects and the government, without actually eliminating the classic mechanisms of service provision. Information and communication technologies along with the traditional and the new media provide for a higher level of democracy and transparency.

The introduction of information and communication technology provides the opportunity for the increase in efficiency and decrease in expenses, higher responsibility and less corruption, reinforcement of democratic participation, supports decentralisation and reinforces confidence in the authorities.

The purpose of applying information and communication technologies and the e-Government is to provide public services of higher quality, available to everyone,

and to increase the productivity of the public sector, so that the services become cheaper and faster, thus providing for more personal interaction.

As the governance is growing more intense information-wise, information and communication technologies are becoming the key part of an ever-growing number of initiatives in the field of governance.

E-government implies a substantial use of information and communication technologies, therefore, for the purpose of good governance, information and communication technologies have an integrative role.

By an ever-growing introduction of information and communication technologies, the public sector can and actually is experiencing a transformation into: an open and transparent public sector, inclusive public sector i.e. accessible to everyone, a more productive public sector.

6. RESEARCH – ASSESSMENT OF THE STATE OF AFFAIRS IN LOCAL/REGIONAL SELF-GOVERNMENT UNITS IN VINKOVCI AND VUKOVAR

A survey was conducted in order to learn about the things that would motivate the employees and about the quality of communication in the Town Administration of Vinkovci and Vukovar.

The questionnaire included both open (respondent centred) and closed questions. Open questions were used to provide the respondent with full freedom in answering the question, for instance, in order to obtain new suggestions and initiatives from the respondent, as well as assessment of certain fields.

Closed questions were introduced for the purpose of simple data processing and quantification, and maximum anonymity of the respondent.

In order to avoid the negative halo effect, the introductory part of the questionnaire indicated the overall aim of the survey, and the questionnaire started with more simple questions. The attempt was to gradually introduce the respondent to answer the questions. The questionnaires were handed in to each respondent personally with the note that the questionnaire can be left at the reception desk in an envelope (anonymity). The survey was taken in the period from 21 May 2007 to 31 May 2007. The sample included the total number of employees separately for the town of Vinkovci and separately for the town of Vukovar. In order to achieve a higher turnout in the survey and to increase the confidence in the guaranteed anonymity, the respondents were not asked questions about their profession, qualifications, age, years of service or gender.

There are a total of 70 employees in Vinkovci and the questionnaire was personally handed in to 65 employees. The questionnaire was filled in and submitted in an

envelope at the reception desk by 55 respondents, i.e. 84.62 % of total respondents included in the survey.

In Vukovar there are a total of 54 employees, and the questionnaire was personally handed in to 50 employees. The questionnaire was filled in and submitted in an envelope at the reception desk by 42 respondents, i.e. 84.00 % of total respondents included in the survey.

When handed in the questionnaire each individual employee was personally guaranteed anonymity, therefore, it is interesting to point out that several individuals refused to receive the questionnaire. Having heard the explanation of the purpose and the aim of the survey that was given to their colleagues, most of them subsequently decided to accept, and, most probably eventually submit the completed questionnaire.

The results of the survey in both towns are approximately the same, namely they differ only in some tenths of a percentage point to one or two points, and it can be said that the results in this field prove the similarity between the towns of Vinkovci and Vukovar.

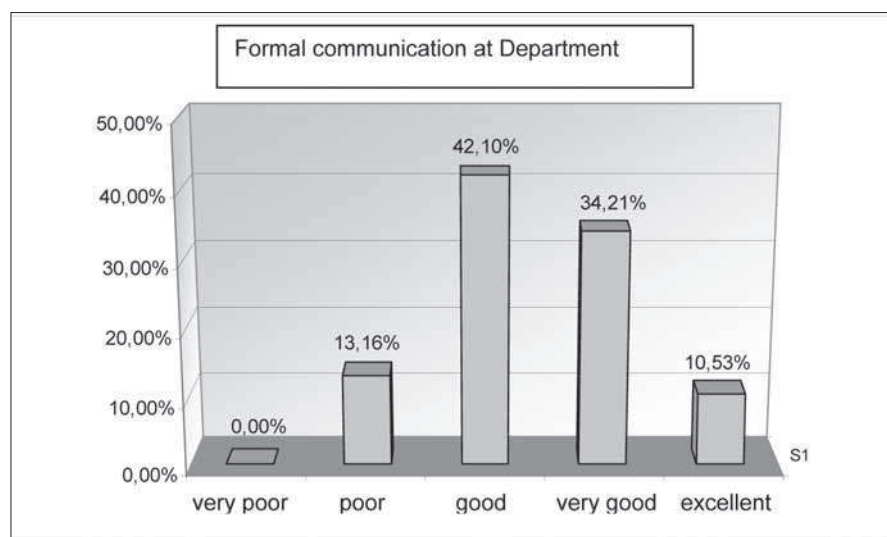
The most important segments of the research are the following.

By using a grade from 1 to 5 assess the following moments

(1 – very poor; 2 – poor; 3 – good; 4 – very good; 5 – excellent)

1. Formal (work related)

communication at your Department 1 2 3 4 5

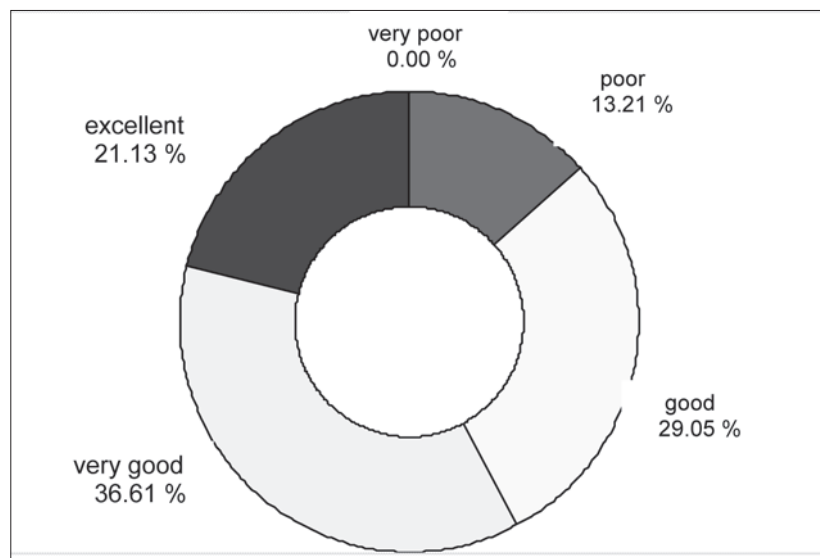


The room for improvement in formal communication is quite obvious. Individual results indicate that the formal communication is 10.53 % excellent and 34.21 % very good, namely formal communication is above average at 44.74 %. On the other hand, there is the room of 55.26 % of average or below average formal communication. Taking into account that Town Administration is a public sector that is inert by nature and requires additional incentives, the room of 55.26 % indicates the need to introduce an organisational structure that would raise formal communication to a higher level, as for instance the ISO standards.

2. Informal (not work-related)

communication at your Department

1 2 3 4 5



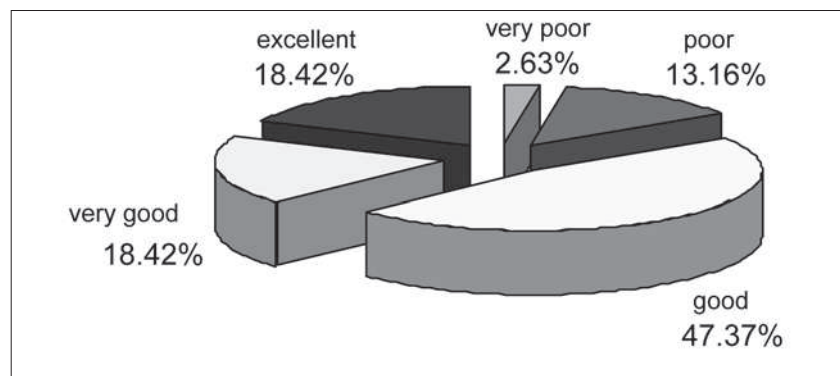
What would be your suggestion for the improvement of communication relations at your Department:

- balanced distribution of work (without the protection of individuals),
- better communication between the supervisor and the employees,
- teambuilding,
- more sincere mutual approach,
- a more clearly defined attitude of the supervisor towards subordinates, since not the same criteria apply to all employees,
- nothing, therefore, nothing changes.

The above results and suggestions are understandable and easily comprehensible if we take into account the results obtained for Question three and four. Upon analysis of the third question we realised that 66.50 % of employees seek counsel of their colleagues in a problem situation at work, and from the answers to the fourth question we noticed that 70.27 % of them wish to find new ways and means of resolving problematic issues in the working environment together with their colleagues. The result of informal communication within the Department at 57.74 % (21.13 % excellent and 36.61 % very good) confirms the results obtained for the third question. Of course, 42.26 % indicates that there is room for improvement of informal communication, and efforts should be made to improve it, because the better the informal communication the better will be the formal communication in the existing defined forms and manners. Namely, there is a cause and effect relationship between formal and informal communication. For the purpose of improving communication and motivation, systematic surveys should be conducted along with interviews and other means of learning more about the employees. Each human being is unique and therefore his/her informal communication is unique as well. Therefore, it is up to the supervisors to identify the special features of each employee through informal communication, in order to stimulate and motivate them, both through formal and informal communication, to achieve better work performance.

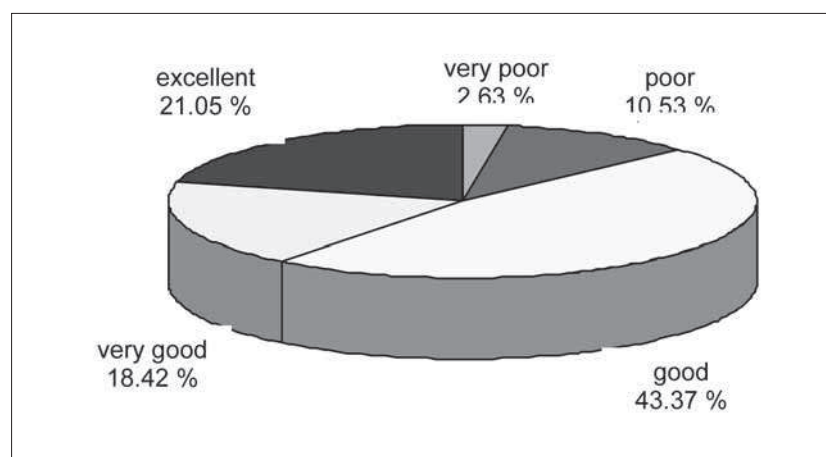
3. Formal (work related) communication

of your Department with other departments 1 2 3 4 5



4. Informal (not work related) communication
of your Department with other departments

1 2 3 4 5



Consultations assessment in %	Formal	Informal
1 – very poor	2.63	2.63
2 – poor	13.16	10.53
3 – good	47.37	47.37
4 – very good	18.42	18.42
5 – excellent	18.42	21.05
TOTAL	100.00	100.00

The results contained in the answers to Question seven and eight confirm the thesis that informal communication significantly affects the quality of formal communication, i.e. it is an additional confirmation of the answer results to Question five and six.

The comparison of results of formal communication within department that are above average at 44.74 % and of formal communication of the department with other departments that are above average at 36.84 %, indicates the need to focus management efforts in the field of both total and individual results.

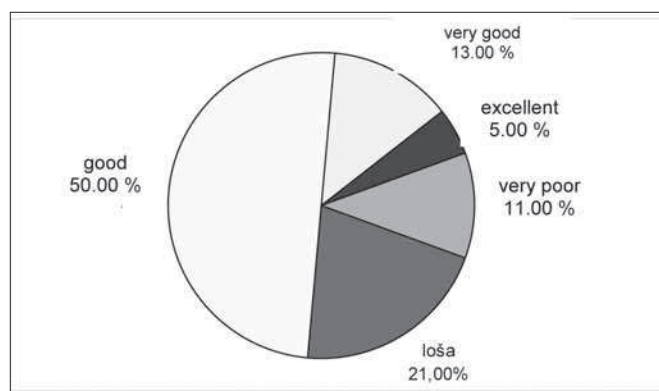
The total results of the above average formal communication within department at 44.74 % and of the above average formal communication with other departments at 36.84 % indicate the difference of 7.90 %. The management should act towards decreasing the difference with same persistence as towards increasing the total of the above average formal communication. The higher result of the total above average formal communication within department in comparison to formal communication with other departments is understandable and acceptable. However, individual re-

sults are alarming, since the difference in individual results is not proportional with the difference in the total results of formal communication within department and with other departments. The management should invest substantial efforts in the field of individual results in order to increase the result of the excellent assessment of 10.53 % in formal communication within department, and at least bring it closer to the result of the excellent assessment of 18.42 % of formal communication with other departments. Efforts made by the management to improve the individual results towards the excellent assessment would quite probably result in the increase of the total above average result of formal communication within the department and with other departments.

The total of above average results of informal communication within department at 57.74 %, and of the above average informal communication with other departments at 39.47 %, indicates a difference of 18.27 %. This highlights the existence of a larger difference in the field of informal communication in comparison to formal communication which amounts to 7.90 %. From a sociological and organisational point of view it is positive that the total results of informal communication (57.74 % within department and 39.47 % with other departments) are higher than the total results of formal communication (44.74 % within department and 36.84 % with other departments). It is positive, as the cause and effect level of informal communication affects the level of formal communication, and here we have a proper sequence of the results between informal and formal communication and room for improvement of the results of formal communication on the basis of better results of informal communication. Nevertheless, the management should focus their efforts on the improvement of both formal and informal communication in order for the results of the differences in communication to be reduced and for the general total and individual results to become increasingly better.

5. How do you assess the flow of information required for problem solution?

1 2 3 4 5

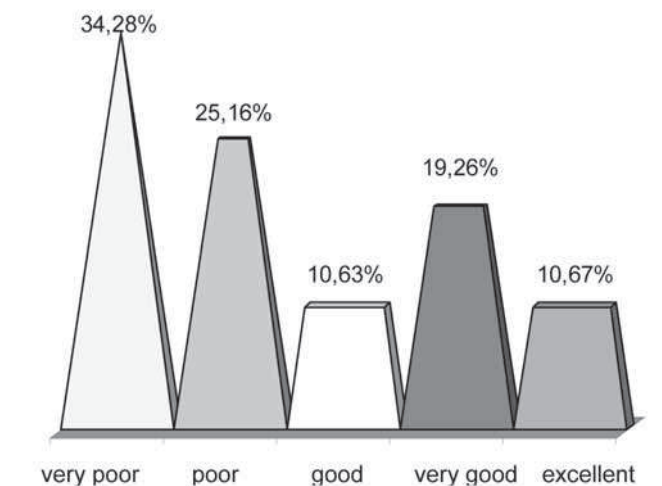


The total above average result at 18.00 % for the flow of information required for problem solution is quite worrying, and the management should be induced to seek answers to the question why the results are so poor, if they believe in the organisational and management system they are running. In addition, it is confusing that, based on the total above average result at 18.00 % for the flow of information required for problem solution, the total above average result is achieved at 44.74 % for formal communication within department and at 36.84 % with other departments. Furthermore, when comparing the average result of 68.00 % for the flow of information required for problem solution and the average result of 86.84 % for employees satisfied with the supervisor – subordinate relationship, the question that arises is what is the underlying cause for the difference of 18.84 %?

The conclusion is negative because it indicates that informal communication compensates to a high degree for the need of improvements in the organisational and management system between the above average flow of information and formal communication, same as between the average flow of information and the average supervisor – subordinate relationship.

6. How would you assess the policy of systematic education of employees?

1 2 3 4 5



The policy of employee education is related to the results obtained for Question 1 and 2, and the results are indicatively similar. The results indicate that 40.63 % of employees regularly attend application-oriented seminars, and 40.56 % of employees assess the employee education policy as average. In line with the above mentioned comparative results it should be mentioned that 47.37 % of employees regularly follow professional papers and books.

The difference between the employees who regularly attend the seminars and the ones who consider the education policy as average is insignificant, i.e. it is highly likely that these are the same persons, and that by having realised the benefits of seminars they consider that other forms of training are necessary as well. The positive difference of approximately 7 % of employees who regularly follow professional papers and books indicates the need for further analysis of the requirements for these employees to attend seminars or other forms of education and training more regularly. Unfortunately, it has already been mentioned, but we will repeat again, that 52.63 % of employees rarely consult professional books and references, which can have a significant impact on the quality of their work performance i.e. the services they provide to the citizens in comparison to the quality they could and should provide.

Have there been any positive steps forward in the superior – subordinate relationship?

- individual superiors are making efforts to introduce changes, but it is not easy to fight ingrained bad habits,
- nothing, since nobody cares..

The results of the survey along with the above opinions expressed by the employees: „nobody cares“ and „it is not easy to fight ingrained bad habits“, have indicated a significant necessity and room for improvement where the management can and should act towards quality changes in the organisational and management structure and formal communication in the Town Administration. Of course, the better the informal communication between superiors subordinates and in the Town Administration as a whole, the better will be the formal communication. As a result, work efficiency and the general content of employees will also be greater, which indicates that the management should make continuous quality steps forward in the field of informal communication as well. For overall better results in terms of quality, the management should incorporate continuous employee education in their Town Administration improvement programmes. The employees will then be more satisfied as they will be offering more comprehensive services of higher quality, and the citizens will be more content as they will be provided a quality service for the taxes they pay.

7. PROPOSALS FOR IMPROVEMENT OF MANAGEMENT PERFORMANCE IN LOCAL/REGIONAL SELF-GOVERNMENT UNITS IN VINKOVCI

Over the last decade, apart from the economic and demographic changes that have reflected on the behaviour of towns as self-government units, the changes in the way economy operates have had an impact as well.

Towns have gain importance in the political, economic and social sense. They are engaged both in external and internal politics, they create alliances, and compete with similar towns in the European Union and in Croatia.

In order for a local self-government unit to successfully implement the above mentioned, it has to improve the power efficiency of its own human resources and focus on the creation of such an administration that would, both in terms of quality and quantity, meet the needs of citizens with the aim of long-term welfare and subsistence of a certain local community. The latter is justified by the conducted research which shows that there is a generally low level of confidence in local authorities. The research indicates that only 23 % of the respondents have confidence in local authorities – which is devastating for the implementation of any local policy.

Providing new and more challenging tasks, transmitting knowledge, perceiving the competence and interest of co-workers, coordination of individual capacities and work requirements, respect for and encouragement of opinions and ideas, showing the people that they are respected and appreciated, that their problems are understood etc., is a continuous process of motivating people one works with.

All of the above indicates the critical role of managers in the motivation of people they manage, i.e. asserts that in addition to substantial financial investment into modern information and communication technology, knowledge and efforts invested in the introduction and implementation of e-Croatia, it is also necessary to introduce changes in the work attitude in local self-government units, and it has to start from the top to the lowest level, in a firm and decisive manner, otherwise it will not have the desired effects, only partial ones which, in the long term, will most probably not justify the invested effort and assets.

9. CONCLUSION

„The use of information technology in state administration bodies is becoming a necessity and a basis for the development of the state administration system, of which electronic administration is one of the most important goals. “³

The e-Government concept is nowadays a reality of the developed word and the European Union. Thus both Croatia and the Town of Vinkovci invest substantial funds into information and communication technologies, as a means of improving the quality of their services, increasing the efficiency and results of their internal business performance thus promoting the economic and social development. Elec-

³ Government of the Republic of Croatia: Directions for Development and Use of Open Source Code Computer Programmes in Bodies and Institutions of State Administration (Open source software policy), July 2006.

tronic administration is a way to increase transparency, accessibility and acceptability of state services to the citizens and the civil society. This certainly refers to local authorities as well, in particular towns and municipalities.

The adoption of the concept of electronic administration by the overall local self-government management can transform the local self-government (and the state administration) and make it more accessible, efficient and responsible. The result of this process would be: providing better access to information in local self-government and state administration; promoting democratic participation and engagement of citizens by providing the public with the opportunity to contact the officials; increasing transparency of local self-government and state administration thus lowering the possibility of corruption, and creating improved development conditions, which would benefit the whole society.

The task of the local and regional self-government unit management is to identify, and subsequently implement the means of motivation of employees for life-long learning, acceptance of organisational changes and adequate application of information and communication technologies, thereby enhancing the work performance, transparency, access to information, democracy, efficiency, promptness, and timeliness of local self-government, i.e. the public sector in general towards itself as well as the citizens.

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