ORGANIZATIONAL PLANNING OF THE INTERNAL ENVIRONMENT OF THE REGIONAL MANAGEMENT SYSTEM

Lucia G. Akhtariyeva

Ufa State University of Economics and Service

Republic of Bashkortostan, Russian Federation

Abstract
The growth of life quality of the population of any region depends to a large extent on improvement of management quality that is promoted by formation of the effective internal environment of the regional management system. The main directions of the organization of this process are the following: structural creation of subsystems of management (where institutional, cultural, cognitive, competence-based components will be the base of its activity and development and which develop other subsystems); formation of the special organizational culture, aimed at stimulating creativity and favoring to cooperate; activation of the intellectual capital, as the set of the human, social and organizational capital; strategic development of professional abilities, knowledge, and the qualified actions of leaders and experts of a management system in organizing different fields of the region's activity in the most effective way. It is necessary to develop the multifunctionality of employees that assumes the combination of related specializations and close qualifications functions; development of new functions and duties; promotion to new positions or to other departments. In the network of organizational and institutional changes it is required to use strategic approach to develop that kind of people who will be the center of the internal environment of the regional management system.

Key words: *management system, region, internal environment, competences, cognitivity, intellectual capital, organizational culture, personnel, strategy, quality*

1. INTRODUCTION

Processes of globalization and transition to an innovative way of development became the most significant tendencies in universal progress in the last decades. Now all leading countries thoroughly build their economies of a new type which transform the traditional public relations. The particular interest of the civilized world at the end of the last century and at the beginning of the present one was caused by the theory of adaptability to conditions of a post-industrial society. In a post-industrial stage branches of non-material production become primary branches on which economic development is based. They are science, education, trade, finance, insurance, health care, etc. Characterizing this qualitatively new stage of development of all-planetary processes and the appropriate relations, scientists use various terms: "the new economy", "economy of knowledge", "economy of innovations" that, as a matter of fact, doesn't contradict each other. Despite available terminological differences, researchers are unanimous in the fact that the developed image of a social production is being changed by an essentially new model i.e. the innovative economy based on modern knowledge, technologies and requirements. Naturally it is deeply specific. Valentey (2005) suggests that the form, wealth structure, own criteria of an assessment of efficiency of accumulation is inherent in it. The growth in traditional economy isn't the same as in that in modern conditions as not any economic growth is based on innovations and therefore doesn't lead to innovative development.

At the present stage of social development the increasing share of cost of many types of production (goods, services) is created not as much at a stage of production of goods, but at a stage of research, developmental and design studies, marketing actions, advertizing and marketing policy, high-quality service. The characteristic feature of modern production is that in each type of any production there is a component of knowledge. "The intellectual work, special knowledge and communications become not only major factors of creation of a value added cost, but also factors of competitiveness and economic development of the organizations and the whole regions" (Vidyapin, 2007, page 9).

The concept of regional development focused on knowledge and innovations, dominates not only in scientific, but in practical spheres in the increasing number of countries as well. These scientific views and positions are quite fit into the designated above theory of adaptation to conditions of post-industrial society which as many researchers understand places emphases on such priorities as development of the general and professional education; creation of conditions for activization of innovations and improvement of production quality; creation of scientific and technological parks and entrepreneurial zones; creation of public telecommunication systems; assistance to development of business both on regional and local levels; improvement of the environment, development of a sector of services, recreational branches, cultural environment and a corresponding infrastructure; managers training ; increase of a role of the regional authorities. It is necessary to say that the ideas of the modern theory are in harmony with many tasks which are already being solved in line with public transformations in Russia.

2. STRUCTURAL CREATION OF SUBSYSTEMS OF THE INTERNAL ENVIRONMENT OF REGIONAL MANAGEMENT

The study of the activity of economy management systems at the level of the region (the government, administration) allows to allocate a number of features of system characteristics of its internal environment. They are the indistinctness of goals; rigid hierarchy of levels, structures, posts, positions; weak interrelations and interactions between structural units (the ministries, departments, committees); detailed regulation of processes, procedures, actions; relative independence of structural units (ministries, departments, committees); non-transparency of an activity (internal processes, information, quality of functions performance, personnel problems) for the public; weak dynamism of an activity, sluggishness of improvement processes, low ability to self-development; bureaucratic organizational culture; low adaptability and flexibility. In our opinion, the mentioned characteristics are primarily connected with intrinsic and substantial bases of the activity of economic development management system of the region.

It is generally accepted to differentiate the structural, functional and process subsystems in the internal environment of the regional management system. From the position of a system approach it is possible to allocate in the internal environment (the body) of the developed management systems some more essential deeper subsystems which are closely interconnected among themselves: the mental and hereditary; the institutional; the imitating; the resource; technological (procedural); the cognitive; the competence-based; the creative; the cultural (figure 1).

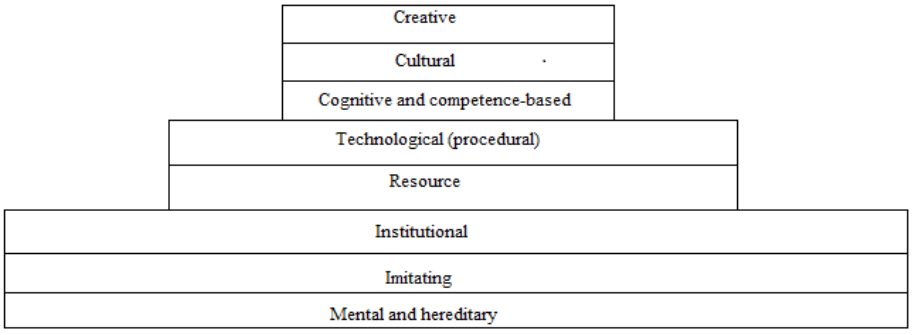


Figure 1. Intrinsic and substantial subsystems of the internal environment in the developed regional management system

If to arrange these subsystems in the form of a pyramid, according to our researches, in its base there will be three subsystems (mental and hereditary, imitating, institutional) which, as a matter of fact,

prevail, have the most considerable impact on functioning of all the system. Even so the resource and technological (procedural) subsystems play significant roles. Finally, the competence-based, the creative and the cultural subsystems have now smaller value. Such ratio of subsystems is characteristic for various administrative structures (the ministries, departments, committees) in the regional management system as well.

The conducted researches show that underestimation of competence-based, creative and cultural aspects of the regional management system is the most important reason of a weak level of professionalism and effective implementation of administrative functions. In this regard reorientation of intrinsic and substantial elements of a concerned management system is also required. Ensuring high-quality development of the whole regional management system and its administrative units assumes the necessity of prevailing of competence-based, creative and cultural processes, events, tendencies and pushing historically inherited and imitating moods and models backwards.

Being stated this way the creation of subsystems will assume essentially other view (figure 2).

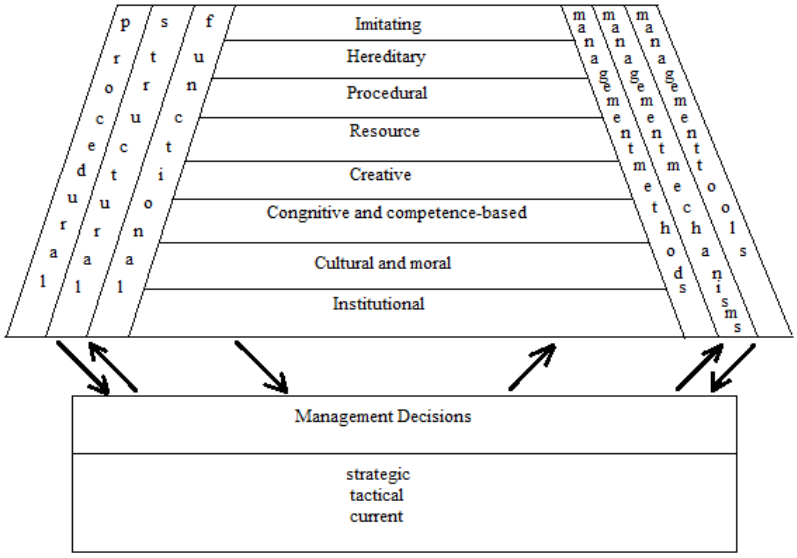


Figure 2. Intrinsic and substantial model of governing bodies of the region development

In the base of the subsystems activity and development there will be institutional, cultural, cognitive, competence-based components on the basis of which resource and procedural subsystems will receive improvement. Four bottom layers forming fundamental part of the management system concerned, urged to become key ones, are capable to form modern development, to create and realize strategic plans and relying on the institutional subsystem, to have decisive impact on adoption of tactical and current administrative decisions by means of the corresponding methods, tools and mechanisms of management of the region development.

Formation of such ideological platform will mean that prospects, productivity and management efficiency are provided by bearers of competences and organizational abilities – creative, business civil servants – heads and experts of a management system, whose decisions and actions in many respects determine ways, rate and quality of development of the regional economy as a whole.

In a management system of the region all administrative decisions made, as it is generally known, can be classified as follows: routine (current, daily), connected with the general known procedures; tactical (quick), caused by any deviations and demanding correcting actions; strategic (perspective). All of them are important from the point of view of activity and regular functioning of a management

system. On the basis of the carried-out justifications in a context of a system and integration approach an essentially new intrinsic and substantial model (figure 2) of a set of subsystems of modern administrative structure (the government, the ministry) is offered and it differs from the previous one in complexity and integrity.

3. FORMATION OF ORGANIZATIONAL CULTURE

The modern administrative thought is more and more based today on belief that in present conditions the economy of the region can reach competitive advantages and high efficiency by means of bigger adaptability and flexibility by attracting and preserving talented workers in a management sphere. Their knowledge, competences and creativity constantly extends and, thereby, intellectual level of administrative system rises. Unique talents of employees including high efficiency, flexibility, creativity, innovative activity, ability to carry out administrative functions in a qualitative way and to provide the state services, become a valuable contribution to the development of the regional management. At the same time the organizational culture in administrative structures transforms (it becomes free of bureaucracy, clannishness, servility, personal devotion to a top-manager, corruption and other defects), having beneficial impact on the social and psychological and business atmosphere in a management system. Formation of the corresponding organizational culture means, first of all, creation of the effective cognitive subsystem which forms a complex of knowledge and conditions for cognitive activity, ensures growth of competence and creativity so that civil servants' creative thinking prevails.

The quality of the region management is in many respects defined by the development of an organizational culture in the management system itself. The organizational culture is represented as a complex of the most important assumptions accepted by the members of the organization and expressed in values declared by the organization, serving for the people as reference points of their behavior and actions. The analysis of various formulations and signs allows to define that the organizational culture represents a certain set of values, norms, beliefs and aims forming behavior, relations, people's activity that characterizes the principles and rules of their communication and cooperation in the processes of activity and development of a definite system. It is remarkable that such set of values, beliefs, aims, assumptions and informal rules making organizational culture isn't usually said openly and isn't formed as any code, but it will inevitably form ways and standards of behavior. Generally the top management of the system (structure) has a considerable influence on formation of this or that organizational culture. It must be also kept in mind that almost everywhere the bureaucratic organizational culture in the developed management system needs serious and essential changes. To create the corresponding organizational culture in the system of the regional management in strategic aspect and taking into account nearly non-satisfactory relation of the public to governing bodies, the recommendations assuming the following basic actions of the top management were developed:

- official declaration of values, beliefs and standards of behavior both in administrative system and in the relations with an external environment: population, public organizations, business community, federal and municipal bodies and structures;

- proclamation of objective criteria during hiring, selection, training, promotion of civil servants of different ranks;

- establishment of an order to form a personnel reserve and a system of motivations for the career growth of employees;

- broad familiarization of civil servants and the public with methods of carrying out competitive procedures on replacement of vacancies, personnel certifications on different positions, and also with the criteria used to assess the heads of administrative structures activity.

- transparent definition of level and size of compensations and various remunerations;

- establishment of an order to delegate powers;

- clear expression of the top managers' relation to creativity, creative persons and creative development;

- declaration and full implementation of trust, justice and obligations in relation to employees;

- accurate appreciation of commitment to public service, duration and faultlessness while performing functions;

- reconstruction of organizational customs, traditions, rituals in the activity of the staff of administrative structures;

- clarifying the priority of positions of control and assessment of subordinates' actions by the top-management;

- statements about the relation of the top management to display of corruption, bureaucracy, red tape, clannishness and other negative manifestations and the actual following the declared principles.

At successful realization of these basic actions by the top management the special organizational culture in the regional management system, urged to stimulate creativity and to favor cooperation, improvement of relationship, increase of labor productivity and quality of the work promoting innovative activity of workers will be strategically created. The organizational culture doesn't change fast, its formation and development doesn't happen in spurts and demands considerable organizational, psychological and time expenditure. As a result of updating the organizational culture, figuratively speaking, will present a soul of the management body. And at the same time, it carries out a role of the informal institute of regulation and development of human relations in the internal environment of the regional management system. The positive organizational culture predetermines many progressive processes and the events in the management system, favorably affects the satisfaction which civil servants get from their work.

4. IMPLEMENTATION OF THE CONCEPT OF HUMAN RESOURCES MANAGEMENT

The basic points of the "human resources management" concept were quite convincingly characterized by M. Armstrong (2007) as a strategic and consecutive approach to manage the most valuable asset of the organization. The majority of adherents of the human resources management recognize that this concept is not a revolutionary discovery but only a new model, intensification of specific aspects of the human management. At the same time, in many scientific works it is claimed that its advantage is in the fact that it emphasizes the attitude towards workers as to key resources, who should be managed by the top and middle managers. This concept assumes the coverage of broad aspects of organizational development, implementation of progressive changes, aspirations to activate flexible approaches, development of new methods of human resources management. It has a direct relation to various administrative structures on a regional level (governments, administrations, ministries, departments) where a reasonable conceptual approach to develop the people occupied in these structures is required. There are the human resources departments which involve in hiring, promoting, dismissing workers and carrying out general personnel procedures.

The main objectives of the human resources management, according to D. Gest (1998) are strategic integration as the ability of the organization to integrate problems of human resources management into the strategic plans, allowing the top and middle management to consider prospects of managing people while making decisions; the high commitment to the organization which is necessary for achieving the agreed targets, including own identification with the organization; the high quality relating to all aspects of top managers' behavior which is transferred to quality of goods and provided services (including capital investment in getting and developing highly-professional employees); flexibility i.e functional flexibility and existence of adaptive organizational structure which gives the chance to acquire innovations. These purposes have methodological character in perception of the essence and the content of the human resources management in the regional management system.

Successful realization of the specified purposes promotes implementation of the following transformations allowing to organizationally project the internal environment of the regional

management bodies and to put forward the human resources management into the category of prior competences of the top regional management. Firstly, human resources should be admitted as the most valuable asset, which management is built in the system of the strategic management and what becomes the core, a binding component of effective functioning and developing of the management system. Secondly, while developing human resources management the role, functions and the value of HR departments extends. Thirdly, there happens reorientation of management to individual work with the employees, causing identification and attraction of talents, growth of employees' creativity and interest. Fourthly, in human resources management the accent is moved to the executives and experts as their competence appears to be a key element in developing potential and a modern system management effectiveness. Fifthly, the human resources management technologies aim at increasing effectiveness of the investments into the human capital, providing professional growth of the employees and improving their work conditions (in contrast to the economy on the expenses, peculiar to traditional human resource management). Sixthly, the human resources management relies on a pervasive strong and adaptive organizational culture (at the same time creating it), stimulating the atmosphere of mutual responsibility, aspirations to make the system " the second home" at the expense of an initiative, participation, commitment, creativity, progressive changes, taking various interests into account, but the interests of the system as the priority. Seventhly, the human resources management is purposefully guided by an increase of activity effectiveness.

Among the powerful factors forming satisfaction with the work in the regional management system, the following ones are more and more being put forward: tactful management; friendly relations with colleagues; interesting and various official functions; sufficient degree of independence; possibilities to perform official procedures and to solve tasks creatively; justice and recognition of the top-managers; social privileges; real opportunities to be promoted.

From the point of view of satisfaction with work and increase of efficiency of official performance in administrative structures it is necessary to develop the multifunctionality of employees which assumes a combination of related specializations and functions of close qualifications; performance of wider range of tasks; exceed of traditional borders between powers; development of new functions and duties; rotation to new positions or other departments (units), etc. Multifunctionality of employees in various regional administrative structures gives such notable advantages as ensuring the fullest use of human resources, working hours, computer equipment, multiplying and copy equipment, means of communication; interchangeability of employees; reduction of excessive number and economy of the certain types of expenses connected with it; increase of professional skills of employees; enrichment of the content of the official activity; possibility to introduce new methods of performing routine procedures quickly; occurrence of potential opportunities to show creativity and to solve current and perspective tasks in a non-traditional way. All this is of great importance in the conditions of reforming the public service and developing the system of regional management.

5. ACTIVIZATION OF THE INTELLECTUAL CAPITAL OF THE REGIONAL MANAGENMENT SYSTEM

The world practice testifies that it is knowledge and the intellectual capital that become the powerful accelerator of scientific and technological and economic development, increasing competitiveness of various organizations. Hence there are new requirements for the management to meet. According to Milner (2008) today formation of the organizational strategy is based on new functions of management which include accumulation of the intellectual capital, distribution of available information and experience, creation of prerequisites for transferring and assimilating knowledge. It has a direct relation to the sphere of public administration, including the regional management system.

Systematic and integrated use of main ideas and actual regulations for creating an organizational culture, developing competence of employees, cognition and dynamic abilities of a management system will allow to activate the intellectual capital of the regional management system. In modern conditions it is knowledge, the intellectual capital that become the powerful accelerator of social, scientific and technological and economic development, increase of competitiveness of various social

and economic systems. The intellectual capital of a management system is considered as a complex of three components (figure 3):

- human capital (knowledge, ability, cogitative and creative abilities, culture, health of civil servants);

- social capital (stocks, storage, accumulation, transformation, transfer, movement of the knowledge occurring as a result of network communications, interrelationship within the system);

- organizational capital (the institutionalized knowledge which the system has and which is put in databases, instructions, rules, standards of procedures performance, regulations, techniques, management technologies).

Due to close interrelation of the specified major components there appear competence, cognition and dynamic abilities of a management system. Dynamic abilities of a management system means its ability to increase, update, transform, adapt and to activate the cognition and competences to adapt to new conditions on the basis of recognition and use of the opportunities created by the fast-changing

environment in order to increase activity efficiency and innovative development.

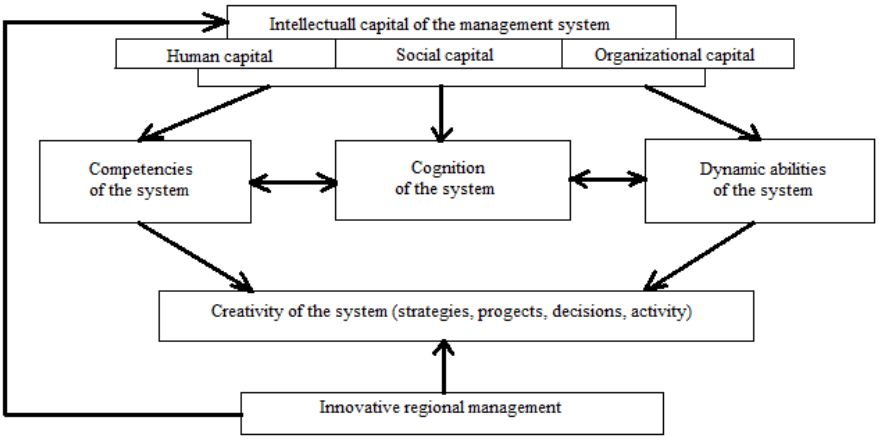


Figure 3. Model of interrelations of basic components of formation innovative regional management

The interconnected set of the above-designated components generates the system creativity (strategy, projects, decisions, activity). The interrelation of the basic (intrinsic) elements making the intellectual capital of a management system active and resulting in formation of an innovative management of the region, is shown in the model presented in figure 3. In the system of regional management the competences of employees such as knowledge, experience, skills, behavior, critical for achieving strategic results of the organization's activity remains strongly underestimated.

Development of the intellectual capital, competences, cognition, dynamic abilities and creativity of the regional management system will have progressive impact on its organizational culture, giving it innovative character. In turn formation of innovative organizational culture will begin to serve as institutional support to development and transition to innovative regional management.

6. INTERNAL ENVIRONMENT OF THE MANAGEMENT SYSTEM AS THE MOST IMPORTANT FACTOR FOR IMPROVING THE QUALITY OF THE REGIONAL MANAGEMENT

System, scientifically grounded use of the above components of the internal environment of a regional management system, their implementation into practical activities will allow to increase the quality of

managing the regional development. The main idea of improvement of this quality consists in creating conditions for versatile progressive development of the population and the whole regional community as well. The quality of the regional management is a system characteristic of the activity performed bt the executive authorities and officials of all ranks and levels. It is estimated due to public importance of the purposes put and results planned from the point of view of completeness and efficiency of their achievement within resource, time, large-scale and other parameters.

Substantially social and economic wellbeing of the concrete region in the near-term and distant outlook will be defined by the quality of management, effective use of progressive methods, technologies, achievements of modern management. Application of new technologies and tools of regional management demands systematic updating of knowledge and professional development of the administrative personnel, use of modern information and communication systems. For this purpose it is necessary to attract fresh forces i.e. heads and analysts of a new format of thinking, and to retrain available employees, constant investments in the human capital, growth of quality of human capacity of the regional governments and administrations.

According to a modern conception the quality of the regional management means mainly professional abilities, knowledge, abilities and the qualified actions of heads and specialists of the governing bodies in the process of organizing effective interaction between all categories of the population, entrepreneurial, public, government and municipal institutions in order to achieve primarily strategic objectives and plans for developing the region which create new quality of people's activity. Thereby, the growth of people's life quality in many respects depends on improvement of the regional management quality.

At the same time, formation of a new quality of regional management requires appropriate tools. Definition of the purpose of the management system development anda complex of the actions taken to solve the tasks and to achieve the objectives put to form a new quality of regional management is shown in.

At the same time, formation of a new quality of the regional management requires appropriate tools. The model of formation of a new quality of the regional management system i.e. determination of the purpose of the management system development and a complex of the actions taken to solve the tasks and to achieve the objectives includes the following components (figure 4).

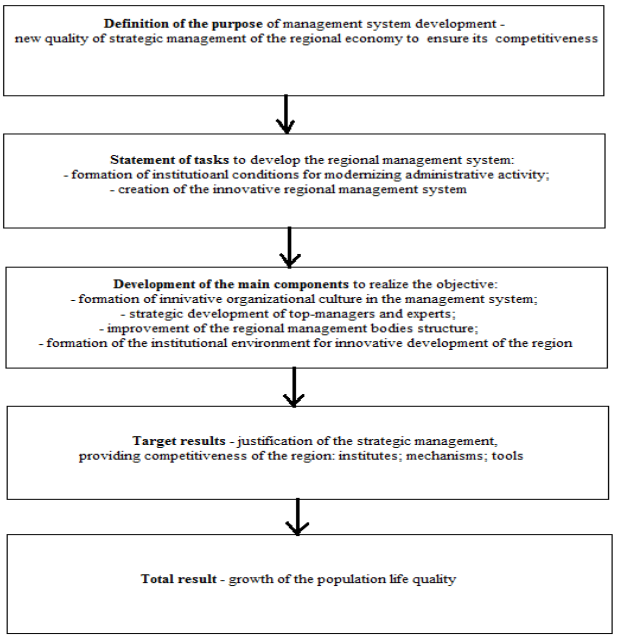


Figure 4. Model of formation of a new quality of the regional management system

In our opinion, it is necessary to understand development and application of effective institutes, structures, mechanisms, tools and the technologies of management providing growth of competitiveness of the region and productive improvement of life quality of the population as the term "a new level of regional management quality". Therefore, the system of the regional management must become professional, creative, responsible, accountable, and based only on the institutional principles and personal qualities of the civil servants, possessing innovative properties and highly estimated by citizens and a business community.

7. CONCLUSIONS

The directions considered in the article are important components of the methodology of organizational and institutional development of the regional management system developed by the author which includes the methodological principles of development and is based on synthesis of system, evolutionary and system and integration approaches (Akhtariyeva, 2009). Within the burning organizational and institutional changes it is required to use a strategic approach to develop the people who are the center of the internal environment of the regional management system.

Increase of business and innovative activity of the regional community demands creation of the effective information system which should be formed by the government of the region and it also should provide accurate feedback from various categories and structures of the regional community. It seems to be quite urgent to create a system to monitor public opinion about efficiency of public service and productivity of the regional management.

In the stable institutional environment tolerance, creativity, democracy, strengthening of public control over a state machinery performing discipline, particularly strict observance of established terms of programs and events, establishment of a rigid order of sequestering management expenses and elimination of duplication, overlapping in the work of administrative structures by interdepartmental coordination of the activity and decision-making on the basis of program and target approach are formed. Now in the regions at an example of the federal center it is necessary to establish parliamentary control over the governments (administrations), providing the right to listen to the annual reports on the results of executive body's activity to a legislative authorities. Public forms of control and the state bodies' conscious, highly moral and self-critical relation to work and its results will promote the growth of quality of administrative activity, and thereby will increase efficiency of functioning of the whole regional management system.

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