УДК 342;331

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STRATEGIC SKILLS OF LITHUANIAN SELF-GOVERNANCE INSTITUTION PERSONNEL IN THE CONTEXT OF MANAGEMENT

Abstract

This paper is analysing the models for strategic management of personnel reveals the importance of the municipality personnel strategic skills in the context of management, provides requirements for the strategic skills of assignation holders, members of the municipality council, the municipality administration and its departments, elders, municipal budgetary institutions.

Key words: *personnel, skills, straining, management, planning*

Аңдатпа

Мақалада персоналды стратегиялық басқару үшін модельдер талданады, басқару контексінде кадрлық стратегиялық дағдылардың маңыздылығы көрсетіледі, ассигнация ұстаушылардың, муниципалитет кеңесінің мүшелерінің, муниципалды мекеме әкімшілігі мен оның бөлімшелерінің, муниципалды бюджеттік мекемелердің стратегиялық дағдыларына қойылатын талаптар түсіндіріледі.

Тірек сөздер: *персонал, дағдылар, басқару, жоспарлау, шиеленіс.*

Аннотация

В статье анализируются модели стратегического управления персоналом, показывается важность кадровых стратегических навыков в контексте управления, представлены требования к стратегическим навыкам держателей ассигнаций, членам совета муниципалитета, администрации муниципального учреждения и его подразделений, старейшинам, муниципальным бюджетным учреждениям.

Ключевые слова: *персонал, навыки, напряжение, управление, планирование.*

In recent years Lithuania's municipal institutions pay more and more attention to personnel management: methods for searching for and selecting employees are continually updated, various trainings for all level employees are organized, however there are still no personnel strategic plans created. The municipal strategic plans and the objectives listed there are not the basis for developing the requirements for the strategizing skills of the personnel. The project of the law of Civil Service proposes to use the competences model when setting the requirements for civil servants, according to the model only managerial and leadership level competences emphasise the strategic perspective, while the large number of strategic planning documents, their interrelations, a complex system of assignation management, unenforced and not sufficiently effective strategic planning, document implementation monitoring and accountability system, unclear distribution of the functions and responsibilities in the area of strategic planning, a complex cycle of strategic activity plan drafting, consideration and approval shows that the personnel's strategic skills should be given more attention at municipal institutions. To this day the Lithuanian legal acts, regulating local self-governance have not clearly defined the functions, competences and required skills in the area of strategic planning for municipal institutions (municipal, councils, directors of municipal administrations) and their

subordinate institutions. Many municipalities do not pay enough attention to the strategic planning function: there are no departments or even at times a single civil servant, in some cases there are only work groups operating for this.

In academic literature many authors describe the strategic management of personnel as the union of personnel management, the organization's management strategy and its goals. According to G. Dessler [4, p. 33] strategic management of personnel means that the workforce is considered as a strategic partner when developing and implementing the company's strategy, which is grounded in the mutually coordinated parts of human resource management, including personnel recruitment, selections, training and remuneration. He posits that the strategic management of personnel is the combination of personnel management with the strategic goals and objectives aimed at increasing the results of the business and creating such an organizational culture that would encourage innovation and flexibility. S. Puškorius [6, p. 168] believes that the strategic management of personnel is the planned model of personnel using, whose goal is to help the organization achieve its goals. I. Bakanauskienė [2, p. 302] thinks that the strategic personnel management is a strategy of the functional level, which includes the specific aspects of personnel management: the sourcing of the workforce, their training, remuneration and etc. The goal of this strategy is to support the general strategy of the organization, integrate and to form with it and other functional strategies a coherent unit. Lithuania's Civil Service Department [5] regards strategic personnel management as the planned model of using personnel to achieve the goals of the organization. J. Bratton, J. Gold [3, p. 37] think that the strategic management of personnel is a process that connects the human resource function with the strategic goals of the organization to increase performance.

Summarizing the different perspectives looking at personnel strategic management we can posit that many theorists consider the strategic management of personnel as a planned process, related to the strategy of the organization, which manages such activities of the personnel as: planning the demand for the workforce, selection, incentivising, motivation and etc. In fact, the strategic management of personnel is a functional strategy, whose goal is to implement the objectives of the activity. Integrated activities that aim to fulfil the demands of consumers can not be possible without the actions of the personnel. The leaders of organization should to be interested not in only the strategic planning of personnel, but also in the coordination of these activities with other functional strategies (services, marketing, finance, innovation). The strategic management of personnel provides the systemic basis for the organization's activities, that is why it differs from the simple coordination or organization of activities. It is a strategic opportunity to involve the workforce in the making of strategy decisions. The creation of a personnel strategy is an ambiguous process that is always under discussion. However, we may distinguish several models of personnel strategic management as the basis for creating a strategy.

M. Armstrong [1] proposes a model for developing a personnel management strategy, according to which the formulating of the organization's mission should be done after the analysis of the internal and external environment. According to the results of this analysis the created strategy would meet the requirements for the environment. Finally, there should be created specific personnel management programmes that would help to implement the personnel management strategy.

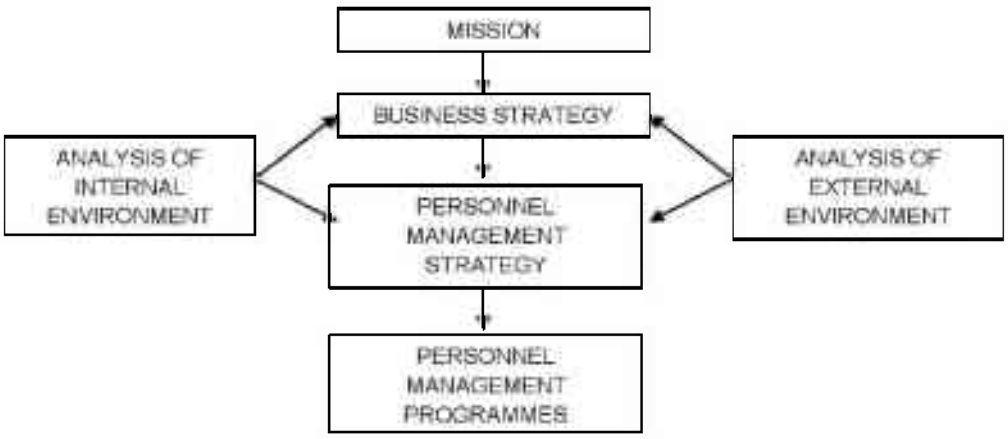


Fig. 1. ***Systemic model of strategic personnel management [1, p 23]***

The structure of M. Armstrong's proposed systemic strategic management model is not very detailed, its elements are not interrelated. The model can be applied in a flexible fashion, because there are not many elements or a constrained structure of the model. Modifications of this model without violating its concept are also possible.

Ulrich and Brockbank [8] propose a very similar model for personnel strategic management (see fig. 2). These authors propose to carry out these six steps:

Determine the organizational unit and organize a seminar.

Determine the business environment trend priorities.

List the sources of competitive advantages and each of their evaluation criteria.

Define the preferred cultural skills along with their behavioural expression.

Name the most important practical personnel management methods that would influence the desired organizational culture development and preservation.

Create a general implementation plan.

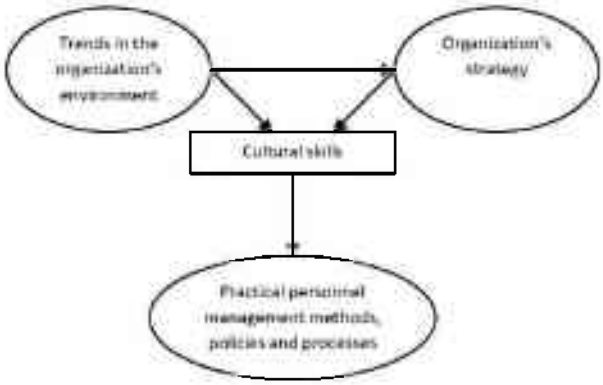


Fig. 2. ***System of personnel management based on culture and skills [8, p 316]***

D. Ulrich and W. Brockbank provide a system of personnel management strategy that is aggregated into 4 elements: trends in the organization environment, organization's strategy, cultural skills and practical personnel management methods, policies and processes (Fig. 2). According to these authors, the core of strategic personnel planning is made up from the priorities of the trends in the environment, sources of competitive advantages and practical personnel management methods. The internal factors of the organization are not emphasised in this model of strategic personnel management.

Underis [9] summarizes the principles of strategic personnel management in a model, which breaks down the three main stages of strategic personnel management into smaller steps (see fig. 3).

The structure of three stage model of strategic personnel management in his proposed model is detailed; the components are closely connected with each other. This model emphasises to determine the most important factors related to the personnel for the implementation of the strategy. When creating the personnel management strategy, emphasis is put on setting the strategic goals of the personnel, the evaluation of the importance of each of the personnel management functions and the selection of models for implementing the functions of personnel management. The model reveals the possibilities of implementing this model in regard to the creation of personnel management structures, systems and programmes. Three stages of personnel strategic management are distinguished, they are in turn influenced by the external and internal factors of the organization.

We can agree on the most propositions of the three stage model of strategic personnel management are quite acceptable, but nevertheless we would still have to modify the personnel strategic planning model in these ways:

In the first stage of determining the strategic demand for personnel it is not enough to determine the most important personnel related strategic skills, their scale of evolution. It is needed to combine the strategic skills with the development of strategic requirement for the personnel and the evaluation of the personnel's compliance to the strategic requirements.

V. Underis proposed stage of personnel management strategy creation should be supplemented by two additional steps: determining the need for investments and compiling benefit packages

according to the effectiveness of investments and the strategic importance of personnel management functions.

A large number of planning documents determine the importance of the strategic skills of the personnel of Lithuanian self-governance institutions and institutions subordinate to them. Municipalities are tasked by many legal acts with the creation and approval of more than 50 planning documents: plans, programmes, strategies. The most important plans are considered the municipality strategic development and strategic activity plans (fig. 4).

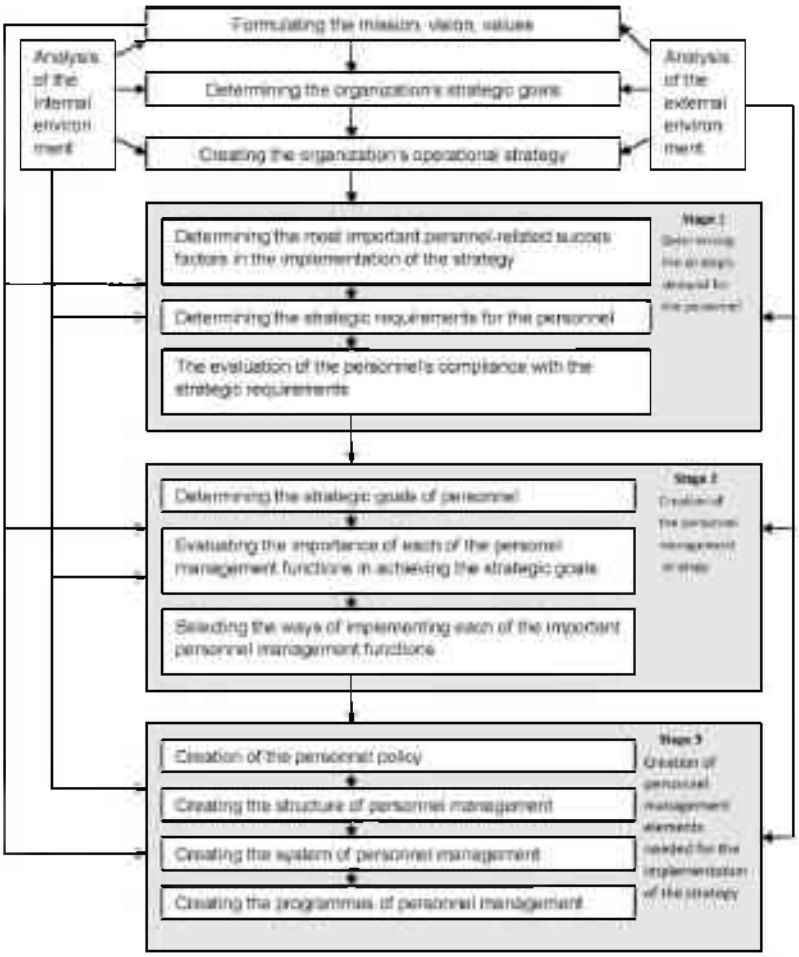


Fig. 3. ***The three stage model of strategic personnel management [9, p. 11]***

The importance of strategic skills in Lithuanian municipalities is also connected to the specificities of the strategy management process, the complexity and shortcomings of the strategic planning system. The current strategic skill of municipalities do not always ensure clear (or there are none) relationships between the municipal strategic development plan, municipal strategic activity plans, strategies, programme and other strategic planning documents (annual activity plans), thus not always are the long-term planning documents implemented through short-term planning documents. The compatibility of the budget and the strategic activity plans are not sufficiently ensured, it is common that the municipal budgets are formed without following the approved strategic activity plans. Different budget and strategic activity plan revision procedures are used – changes in the budget are carried out using the existing practices in the municipality without following the common principles, and if there is a need the budget changes are given priority and the activity plans are revised afterwards.

The municipal budgetary assignations allocated for the programmes of municipal strategic plans are controlled not by one but several assignation holders. The municipal budgetary funds for these programmes are given not to one, but in some cases to several and in rarer cases to several dozen assignation holders. That is a contradictory to the structure of the state budget, where assignation

holders have a separate programme (programmes), who are then responsible for its implementation, utilization of the state budgetary funds and the final results. Municipalities usually share the responsibility for the implementation of programmes, use of funds and achieved results with more than one assignation holders. It is quite difficult to carry out the effective control and monitoring of the municipal strategic activity plan programmes and the funds assigned to it, because of the large number of assignation holders, their relative autonomy, and them belonging to several different types. The strategic skills of Lithuanian municipal institutions and the institutions subordinated to them should ensure the cycle of creation, consideration and approval of the strategic activity plans (fig. 5).

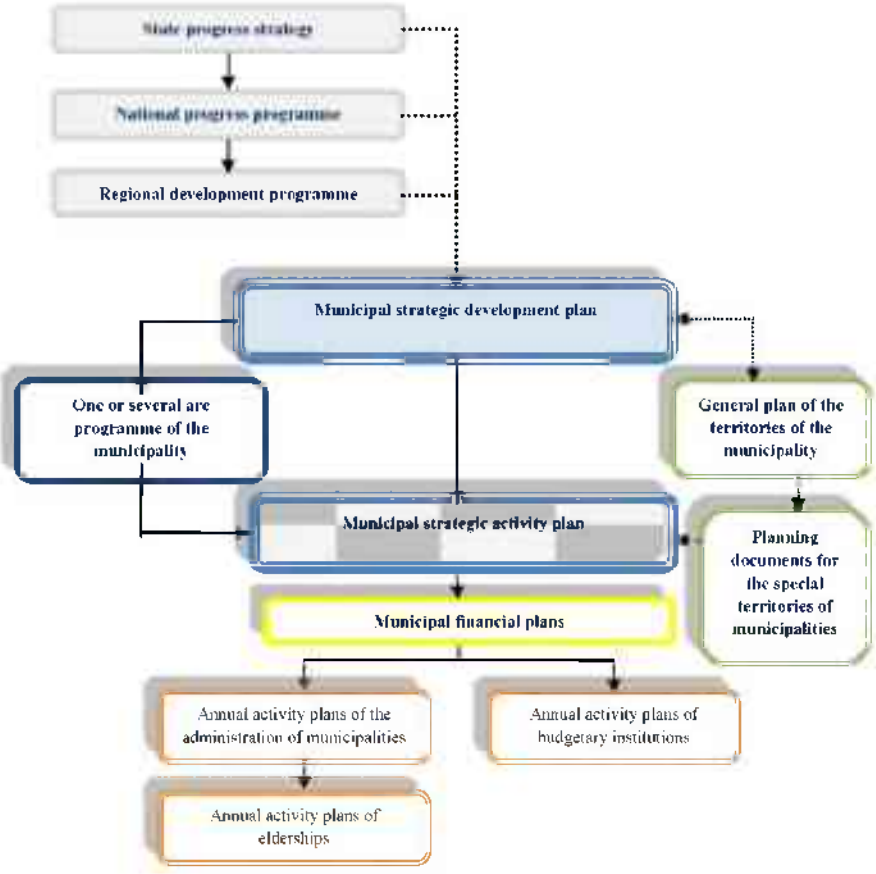
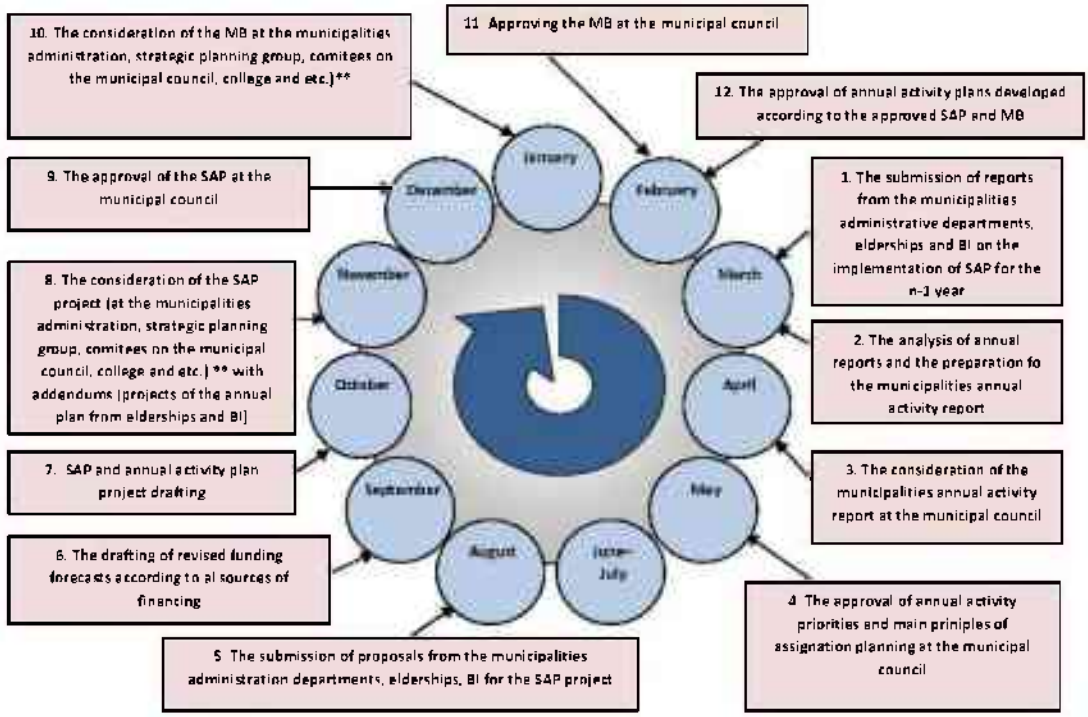


Fig. 4. ***The document scheme for Lithuanian strategic planning in municipalities [7]***

When improving the competences of assignation managers more attention should be paid to improve the strategic skills in annual planning and setting the needs for budget expenses, since they approve the annual activity plans of the municipality administrations, elderships and budgetary institutions, as well as their expenditure estimates or can entrust their approval to elders or heads of budgetary institutions after coordinating this with the assignation managers. The strategic skills of municipal councils should be oriented towards the identification of the most important strategic problems in the long and middle term perspectives, foreseeing possible directions of development, coordinating agreements with other institutions, conflict resolution and ensuring the needed financial and legal intervention, because the council approves all of the mid and long term plans, follows the implementation and performance of strategic development plan, strategic activity plan and other strategic planning documents. The strategic skill of the municipal council should be best featured by providing summarizing strategic proposals (after their consideration at the municipal council committees) on strategic development and the content of strategic activity plan and programme projects.

The municipality's administration's director's strategic skills should be oriented towards the essential strategic problems of the municipality, their projection in the strategic plans, the status of the budget the monitoring of the implementation and result achievement of the strategic development

plan, strategic activity plan and other strategic planning documents not only of the administration itself, but the elderships and budgetary institutions as well.



Abbreviations:
SAP – municipal strategic activity plan;
MB – the municipal budget.
* the recommended final deadline for the respective stages of the cycle
** municipalitles choose subject they are thlnk are the most appropriate

Fig. 5. ***The cycle of strategic activity plan project drafting, consideration and approval at Lithuanian municipalities [7]***

The structural department of the administration/civil servant responsible for the strategic planning usually can be found only in the larger municipalities of Lithuania. Being directly subordinate to the director of the administration this department should be able to create strategic plans and perform their monitoring.

Elders should focus on the skill addressing the strategic problems in the territory of the eldership, providing proposal for the municipality's strategic activity plan and the annual eldership plan as well as evaluating the results of the annual eldership plan of activities.

The skills for performing monitoring are especially important to the structural departments the municipality's administration responsible for the implementation of planning documents or their specific parts (programme/measures) and the coordination of implementation, but also to the elder and heads of budgetary institutions:

– when evaluating the progress of implementing the measures and the budget, comparing the target indicators and the factually achieved ones;

– analysing the reasons why the target indicators were not achieved or not achieved in full;

– drafting proposals for the director of the administration on how to address the identified problems, remove obstructions or other unwelcome factors, and reallocate assignations between measures/ programmes.

For the municipal budgetary institutions the skills for preparing annual activity plans according to the approved municipal strategic activity plan is the most important.

Conclusions

1. During the first stage of determining the strategic demand for the workforce it is not enough to determine the strategic skills and their measurement scale related to the personnel. There is a need to combine the strategic skills with the development of strategic requirements for the organization's personnel and the evaluation of the compliance of the organization's personnel with the strategic requirements.

2. The stage of personnel strategy development would be well served to be improved with two additional steps: determining the need for investments and compiling benefit packages according to the effectiveness of investments and the strategic importance of personnel management functions.

3. When improving the competences of assignation holders focus should be given to improving strategic skills in annual planning and determining the need for budgetary expenditures. The strategic skills of municipal councils should be oriented towards the identification of the most important strategic problems in the long and middle term perspectives, foreseeing possible directions of development, coordinating agreements with other institutions, conflict resolution and ensuring the needed financial and legal intervention.

4. The strategic skills of the municipal council board should be best featured by providing summarizing strategic proposals (after their consideration at the municipal council committees) on strategic development and the content of strategic activity plan and programme projects.

5. The municipality's administration's director's strategic skills should be oriented towards the essential strategic problems of the municipality, their projection in the strategic plans, the status of the budget the monitoring of the implementation and result achievement of the strategic development plan, strategic activity plan and other strategic planning documents not only of the administration itself, but the eldership and budgetary institutions as well.

6. The structural department of the administration/civil servant responsible for the strategic planning usually can be found only in the larger municipalities of Lithuania. Being directly subordinate to the director of the administration this department should be able to create strategic plans and perform their monitoring.

7. Elders should focus on the skill addressing the strategic problems in the territory of the eldership, providing proposal for the municipality's strategic activity plan and the annual eldership plan as well as evaluating the results of the annual eldership plan of activities.

8. The skills for performing monitoring are especially important to the structural departments the municipality's administration responsible for the implementation of planning documents or their specific parts (programme/measures) and the coordination of implementation, but also to the elder and heads of budgetary institutions. For the municipal budgetary institutions the skills for preparing annual activity plans according to the approved municipal strategic activity plan is the most important.

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Дата поступления статьи в редакцию 2.04.2015