

Public and Private Relations – a New Philosophy of Management

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Abstract. *Public administration presents a specific and intricate system of components and relations. The recent period of development in our society has been characterised by a lot of transformation processes of Slovakia as well as of other countries. The significant transformation processes brought about reform processes in public administration which have been accomplished in recent years but nevertheless globalisation is the reason for introducing new conditions pointing out many open questions and revealing problems to be solved and many challenges to met as well. In the submitted paper we consider managing self-government in a wider context and the position of public university as a medium of scientific research and development in the economy of state.*

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JEL Codes: H11, H41.

REL Codes: 3B, 5B, 13I.

1. Public administration in development

New reforms, introduction of various components and a different comprehension of public administration in Slovakia lead to decentralisation, all these processes have had a significant influence on teaching process of economical subjects at the Faculty of Public Administration which educates experts in the field of state administration as well as of self-government. Public administration is enriched by new dimensions which are apparent in the following fields:

- a competitive environment has been created but our communities could not get accustomed to it easily because of previous monopoly power. This new environment accentuates the quality of provided services by public administration. Universities, as part of public sector, could meet challenges if they acquire the new philosophy of teaching process, i.e. a closer interconnection between theoretical proficiency and application of practical skills, both of them have to produce a common output – providing services to citizens at a required level;
- the next target is not only to create but also to accumulate responsible reserve knowledge as well as verify interconnection between theory and practice, on the other hand a new dimension is arising and it is developed in the field of scientific research in close cooperation with foreign universities predominantly within the EU;
- new trends in public administration lead to creation of partnership with companies and entrepreneurial environment which is very suitable for gaining financial support as there is a permanent lack of it in public administration. It influences the content of education process in which we have to combine output of public administration and economical features of very precise performance evaluation which is still applied in entrepreneurial environment.

In the regional development universities play a new significant role. It is presented by the model “triple helix”: region – public administration – university. The university is entitled to become an active initiator as well as the medium of practical application of knowledge in the process of creation of economical and social development schedule.

There is a necessity of permanent improvement and updating of education process as nowadays transformations are implemented into praxis as soon as possible and therefore it requires an immediate reaction of universities.

From economical point of view the task resp. the mission and aim of self-government is to carry out activities which the private sector is not ready or able to ensure. The operation of self-government is determined by existing legal

regulations which define jurisdiction, competence and responsibility and as a consequence a self-government unit acts as a legal one which stands for a community of citizens and has to operate in order to prove its vitality. The supposition of qualitative fulfilment of tasks carried out by self-government and nevertheless the justification of its existence require arrangement of a system which has to answer the following four questions.

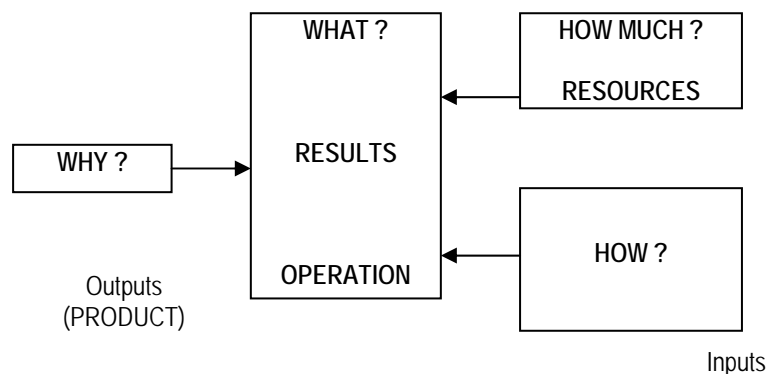


Figure 1. *Philosophy of management*

The main point of different approach to private sector is that the aim of activities of public administration is generally not targeted at making a profit. In fact it does not mean that the self-government should not operate in an effective way and that it should not search for chances how to improve its activities and to achieve a higher efficiency. Both sectors, the private one and the self-government have in common the requirement on managing all processes (activities, operations). The current selfgovernment and its ongoing transformation require the application of modern managing approaches and methods. It concerns the reconstructional process targeted at the following fields:

- transformation in the field of tasks and executed operations – a continual development/technological, informational, etc. in the society claims a higher demand on qualitative parameters of executed operations and, at the same time, it requires a more competent approach of self-government at fulfilling these tasks and the self-government is supposed to become an initiator and creative producer of new approaches and products as the self-government should and is able to provide it.
- transformation of general arrangement of organisation (e.g. financing). A system of transformation has been started in the field of financing

self-government by fiscal decentralisation the main point of which is the requirement on multisource financing and this way the vitality of organisations of self-government can be proved concerning first of all the ability to get these resources;

- transformation in the organisational structure and in approaches;
- transformations in the field of company culture (it is inevitable that the self-government is responsible for relations with public and using its own initiative it can change the negative attitude of its clients, etc.).

The successful restructuralisation process should lead to improvement in the fields of finance, property, organisation, personell and information.

In recent years many aspects mentioned before have been dealt with in the transformation process of public administration. However, we are sure that a great amount of transformation which influences the organisations in market economy concerns the public administration as well and it has to meet the challenges of ongoing conditions in its external and internal environment as well. Traditionally, public administration has been characterised as an inefficient and inflexible unit. At present it is necessary to shift from traditional model of management of public administration to innovative one. (Véřeš-Balážová, 2006).

In 90-ies, as a consequence of transformation of economics and society, the competitive advantage started to be based on ability to apply knowledge in an appropriate way. The trend is to achieve a “knowledge-based economy”, in which knowledge is the key resource and education – the most important process. The regions have to adopt the principal way of knowledge creation and life-long learning as all the regions have become learning ones because learning is a process and each process is connected to a certain environment (Bučěk, 2006).

The general task of each university is to ensure university education and basic or applied research. Providing this product universities enter the market of education and a new component appears – market competition.

There is an increasing trend to emphasise the importance of knowledge for economical development and for creation of an information society; as a result it could lead to foundation of a knowledge based economy.

Nowadays we highlight the diffusion of knowledge within the system consisting of four media of knowledge shown in Figure 2.

The scientific sphere consists of two components. The educational one, which includes educational and training organisations. The other component is the scientific one, including research centres/also as a part of the university/which create and disseminate knowledge and deliver scientific publications.

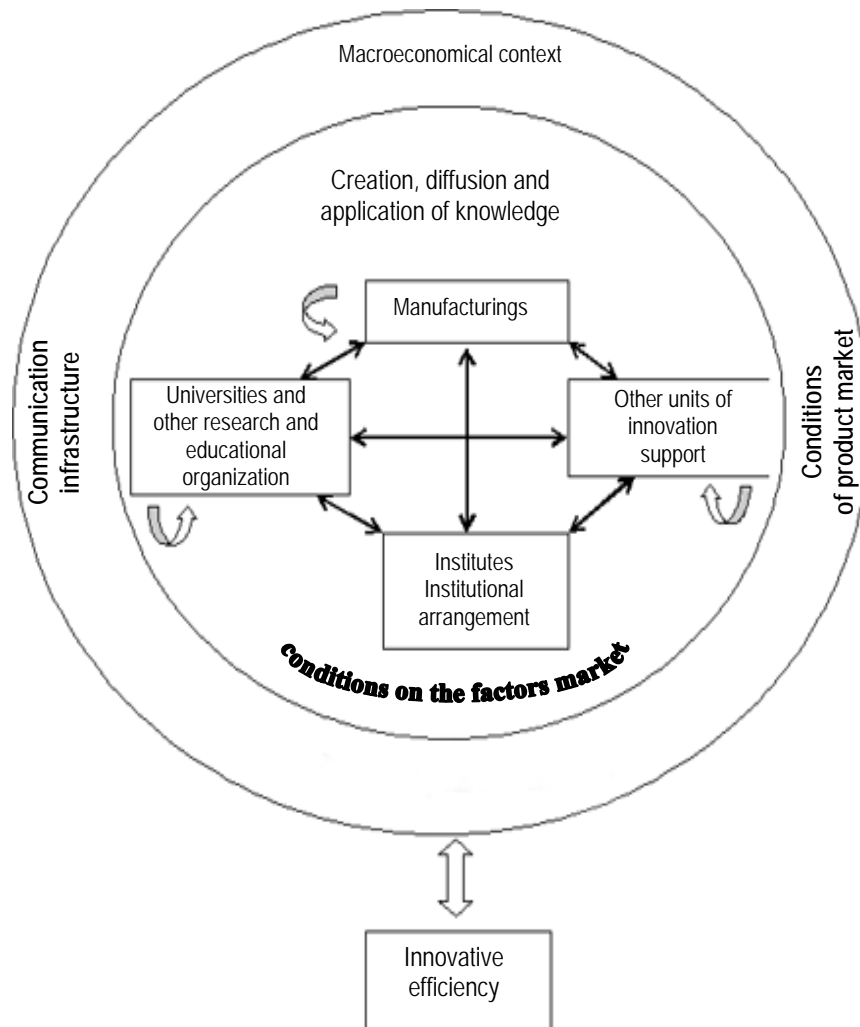


Figure 2. Basic components of an innovative system

Education is becoming very important and the overall tasks of the universities can be divided into three groups:

1. educational component – the university as the highest educational and research organisation delivering scientists and experts determines the quality of human potential;
2. research component – the university as creator and medium of knowledge in various ways such as seminars, scientific publications, books, papers;
3. transfer of knowledge and technologies from university research into praxis.

We can consider two significant ways how universities can influence the human potential and public and entrepreneurial environment. In this case the spatial dimension of influence of knowledge in different regions has become more dominant. At this point we determine the status as “infectious diffusion” – it means that the influence of knowledge decreases due to distance from its resource – i.e. university. At the same time universities become competitors to each other and due to their products, students-graduates they gain a competitive advantage compared with individuals without education. Education also influences the economical development of a region. Universities play a key role in education of highly skilled workforce and should fulfil the following requirements:

- cooperation with private sector and regional institutions at creation of curricula;
- provision of lifelong learning and transfer of knowledge;
- active participation in the activities of regional organizations;
- support of interconnection between private and public sectors with the aim to develop the region;
- foundation of institutes supporting cooperation of universities and organizations;
- supply measurements on commercialization of intellectual property of university which support a more effective distribution of knowledge.

In addition to prove the actuality of above mentioned ideas we present the foundation of the Faculty of Public Administration in Košice and its establishment in competitive environment of Slovakia.

The Faculty of Public Administration is a specialised faculty for the sphere of public administration focused on:

- education of experts for public administration and public sector by providing university education in study branch “Public Politics and Public Administration” in bachelor and master degree “Public Administration”, implementing knowledge and experience applied in educational processes of EU countries taking into consideration the requirements of current praxis in the field of public administration;
- delivery of knowledge concerning public administration and all the other similar fields and research branches by carrying out research and disseminating its results via informational and communicational technologies.
- providing services for public as advisory and expertise activities, disseminating the latest knowledge from the field of public administration in the further educational process with emphasis on relations with local municipalities at state level and higher territorial units.

2. Position of Faculty of Public Administration Košice in Slovakia

In the field of public relations the Faculty of Public Administration focuses on following activities:

- International relations (project ERASMUS):
 - a) students and teachers mobilities;
 - b) participation in 7 RP Framework program;
 - c) FPA as member of “International Forum of Public Administration (IFPAM)” takes part in information exchange, processing of common curricula, respectively gathering materials, organising common conferences and meetings.
- Public relations:
 - a) cooperation with local municipalities and with selected state budget organisations at submitting diploma thesis;
 - b) application of results of project VEGA under some titles
 - measurement of efficiency of provided services by public administration;
 - informatisation of public administration;
 - professional education of staff of public administration;
 - ethical dimension.
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- Private relations:
 - a) present relations of the faculty to private sector of profit organisations which enable to provide life long learning at different institutions;
 - b) advisory services concerning predominantly legal and economical spheres on the base of private relations and according to requirements of given institutes on given teacher and nevertheless membership in different commissions and participation in various events taking into consideration the reputation of given teacher.

Returning to the aim of our paper: public and private relations...

Public administration has to cooperate with private sector. It creates legislacy, rules and it targets to achieve a well/performing successful private sector. Public administration determines the revenue of state budget by taxation – this revenue is the basis of financing public services including education, which covers public universities, as well as the Faculty of Public Administration in Košice, as a result there should be a reciprocity of legislative arrangement for private sector and an optimal partial income contribution in an efficient economy in order to get sufficient financial resources for non-productive sphere – for public administration.

The importance of interconnection of “3 Ps” public-private partnership is often dealt as a barrier because incorrect decisions made in public sector moreover non-transparency in decision-making of a given closed group of people who are just at power bring about economical consequences and weaken the market relations, they do not allocate resources in an optimal way, deform economic competition. The interconnection market-public administration has been disrupted which is reflected in the 3 sector. As a consequence, well-performing universities do not have sufficient financial resources and the results of research, which are inevitably important for public and private sectors as well, are adequate to given situation.

3. Conclusion

The new context in scientific research provides possibilities for many types of cooperation; however certain conditions have to be available. In my opinion at present time they are not present and, therefore, the efficient interconnection between public and private relations appears only rarely.

The Faculty of Public Administration plays a key role in development of region and, due to its results in scientific research, could successfully contribute to implementation of results into praxis and support the efficient performance and development of public administration in cooperation with partners.

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