

Management of the implementation of strategic documents of territorial development

The article deals with the application of stakeholder management concept in the territorial subsystems functioning and development management on the subregional level in order to ensure the balance of interests between the major territorial subjects. The notion of a subregion and its stakeholders is specified, their main groups are defined. The article describes the organizational-role management mechanism of strategic documents implementation which enables interfunctional and informational interaction between the main stakeholders of a subregion and determines their project roles and functions.

Subregion, subregion stakeholders, process model of territorial socio-economic development, organizational-role management mechanism of strategic documents implementation.



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At present, various strategic documents, such as concepts, strategies (strategic plans), complex programs of socio-economic development, that differ, first of all, in their content and planning time-frame, are being implemented on the regional and municipal levels. The tools of territorial strategic planning are being elaborated and improved; the strategic documents of the regional and municipal levels are being published in the form available for discussion; the main trends of territorial strategic planning within the framework of strategic management theories are being outlined.

However, in practice, in most cases, the strategic documents of territorial systems (in particular, municipalities) development are not built into the budgetary process and are not linked with the forecasts concerning the financial position of the management object, they have a declarative character and represent a set of scattered, uncoordinated program activities. There are no mechanisms implementing the territorial systems socio-economic development strategies.

Besides, the strategic planning of territorial subsystems development, regardless of their

scale [1, 3, 4], differs from the usual planning not only in the object peculiarities but also in the necessity to coordinate the interests of the key territorial subjects – state and municipal authorities, population and business entities. That's why significant attention should be paid not only to the traditional, substantial tasks of planning and management, but also to the active involvement of territorial subjects into strategic processes. Therefore, a new approach to the territorial development management, in addition to planning and management should include the third component, aimed at solving the problem of involving the territorial subjects in these processes. This third direction have already been defined in the strategic management as the strategic thinking, i.e. understanding one's own destination, future and the necessity to participate in the management activity [7].

The article considers this aspect from the position of the stakeholder theory: a stakeholder is any group or individual that can exert influence on or are influenced by the achievement of an organization's objectives [2, 8]. At present, the Russian Managers Association defines stakeholders as individuals, organizations or communities who are interested in a company's activity and have a direct or indirect relation to its activities [9], and the international standard ISO/OPMS 26000:2010 (Guidance on social responsibility) defines the stakeholder as an individual or group that has an identifiable interest in any activities or decisions of an organization [10].

Since the territorial system of any level is the focus of interests not only on the part of governmental levels (federal – regional – municipal) but also all territorial subjects, the adequate mechanism of stakeholder management concept implementation can well provide the balance of their interests in the elaboration and implementation of strategic decisions concerning the territorial socio-economic development.

It is proposed to apply this concept to the functioning and development management of the territorial subsystems of subregional level. The authors define the subregional unit or subregion as the territorial socio-economic subsystem of a region (group of municipal units), possessing integrity and distinguished according to certain common economic, geographical, administrative, environmental and other interrelated features. Defining the territory of the subregional level allows consolidating the efforts and resources of state and municipal authorities, population, and businesses and directing them towards territorial development, as well as implementing the common socio-economic policy of the region [5].

Thus, the authors define the subregion stakeholder as any subject (legal and/or natural person, state and municipal authorities), resident or non-resident of this territory, whose interests and resources can directly or indirectly affect its socio-economic development. The following main groups of stakeholders can be distinguished:

- internal: local population, economic entities (residents), the subregion administrative bodies, local self-government bodies, local public organisations and local mass media;
- external: the governmental authorities of a Federal subject of Russia, the governmental authorities of Russia, public organizations (regional, federal, and international), investors, population (non-residents – migrants), economic entities (non-residents), mass media (regional, federal, and international).

The existing relations between the region's stakeholders can be based on partnership as well as competitiveness (conflict).

The process of establishing partnership relations in the stakeholder management is called **bridging** (strategic partnership or balance of interests). The establishment of such a partnership is possible for a subregion only within the framework of the strategic development planning when the interests of all parties are fully taken into account.

Therefore, in order to increase the subregion development strategy efficiency, the stages of its elaboration and implementation should be considered as processes and their balanced flow should be ensured (*fig. 1*).

In the process of coordination of interests between all the participants, the analysis of the current situation (identification of problems and development prospects) is carried out, the balance of interests and mutually profitable economic relations is ensured [6].

As a result, the territorial development concept project is formed, within the framework of which the mission and priority guidelines are determined (the process of conceptualization). Further on, the details of the conception are worked out: the strategic choice and territorial development objectives (the result of strategizing), development programs (the result of programming), program activities, necessary

for their achievement, with defining the main executors (the result of projecting). In the course of development and monitoring strategy implementation, the assessment of its success, adjustment of the interests, missions, goals, objectives, activities and funding is carried out.

At present, the lack of the effective mechanism for the strategic documents implementation and monitoring on the regional and municipal levels is one of the main problems of the strategic territorial development management.

It is necessary to form a system of control over the actions of the authorities, business and population, aimed at the achievement of strategic and tactical goals of the regional territorial subsystems development, and including the following elements that ensure the strategic documents implementation: organizational, information-analytical, normative-regulatory, investment and risk management (*fig. 2*).

Figure 1. Process model of the socio-economic development of a territory

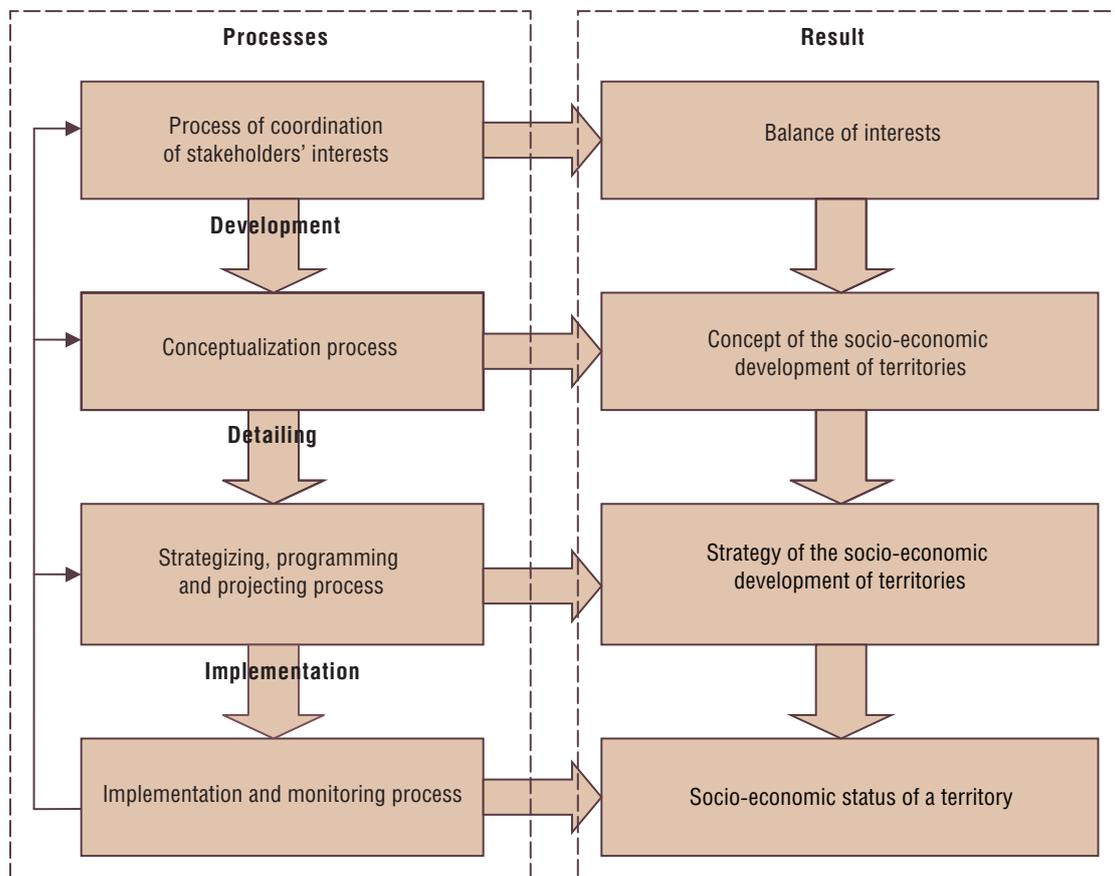
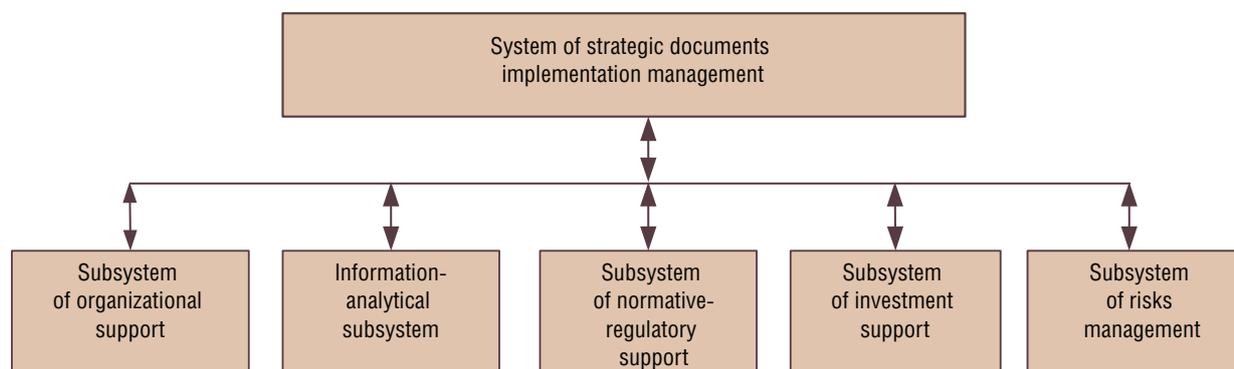


Figure 2. Structure of the management system of implementing the strategic documents of territorial development



In the **subsystem of organizational support** of territorial development documents implementing, the special place is occupied by the issues concerning the division of responsibilities and powers between the main participants of the strategic management process. For handling this issue, the organizational-role structure aimed at the management of territorial development (of a subregion and municipal units constituting it) strategic documents implementation is proposed (fig. 3).

In the framework of this structure, the cross-functional and informational cooperation not only between the state and municipal authorities but also between other stakeholders (population, businesses, public organizations) is carried out.

This structure also allows to create the list of officials and organizations (main participants of the strategic management process), determine their project roles, managerial levels of the Project of strategic document of territorial development and the functions of the main Project participants.

The following managerial levels can be distinguished:

1. The managerial level of the Customer and the Coordinating Council on strategic planning:

- control over the achievement of target indicators' planned values of the strategic document in the reporting and final periods;

- decision-making concerning the adjustment of the document: the changes in the target indicators' planned values and the amount of required resources.

2. The managerial level of the executive coordinator on the direction of the Project:

- control over the achievement of target indicators' planned values according to the Project guidelines in the reporting and final periods;

- control over the achievement of planned results concerning the fixed direction activities;

- decision-making concerning the adjustment of the works in the framework of the activities without changing the target indicators' planned values and the amount of resources for the i-th direction.

3. The managerial level of the Main executor of the Project activities

- control over the fixed Project activities implementation in the reporting periods (observance of deadlines, expenditure of financial assets).

The project roles of the officials, authorities and organizations, involved in the strategic document management, are shown in *table 1*, and their functions are described below.

In the framework of this mechanism, one of the main roles belongs to the Project Director (a person chosen in accordance with the decision of the executive powers of the Federal subject), who is able to ensure the integration

Figure 3. Organizational-role mechanism of strategic documents implementation management

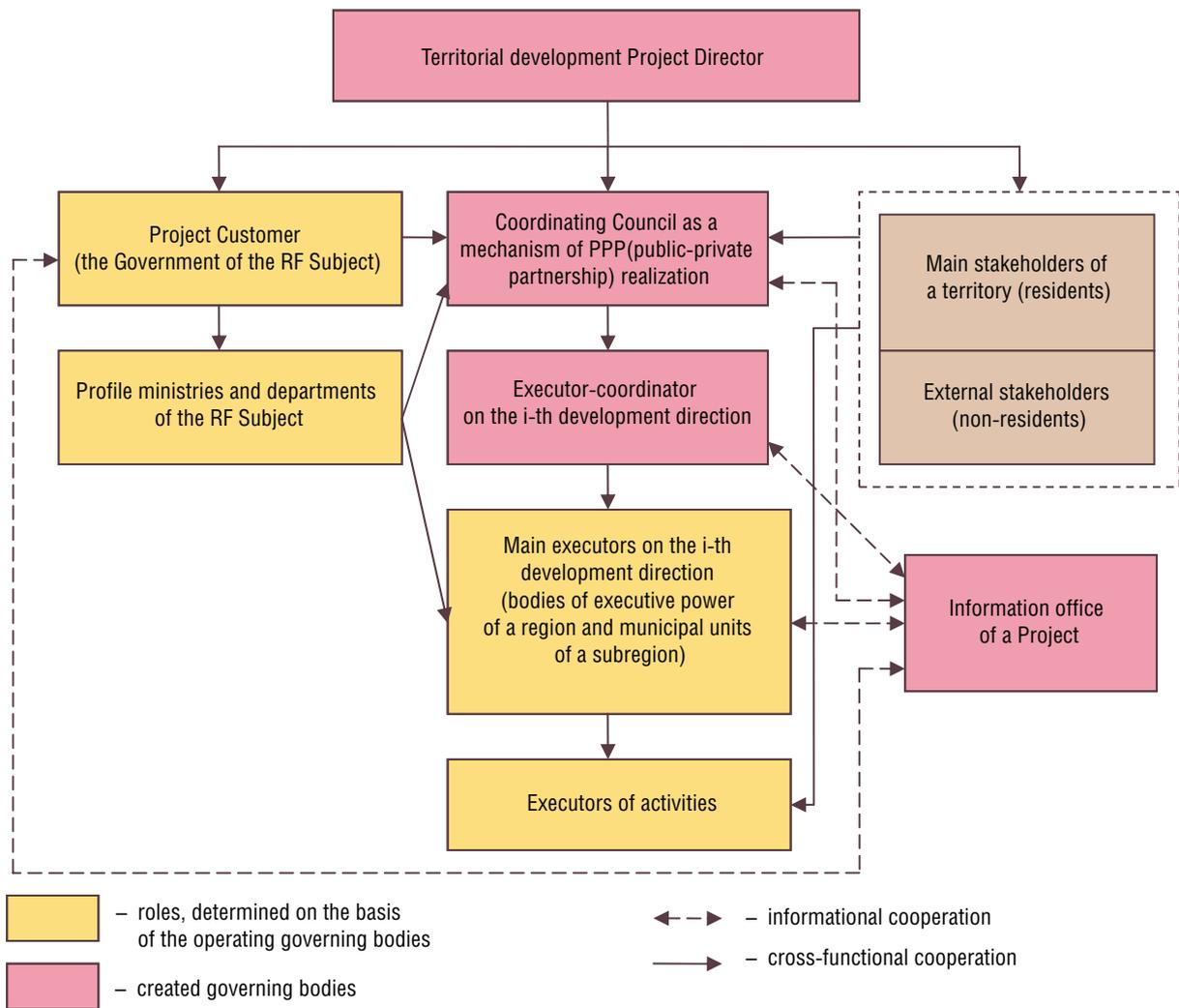


Table 1. The Project roles of officials, authorities and organizations, involved in the strategic document management

Project role	Official, body, organization
Project Director	Project Director is chosen in accordance with the decision of the state executive power of the Federal subject
Project Customer	the state executive power of the Federal subject
Main executors of Project activities	the state executive powers of the Federal subject, the administrative bodies of municipal units of the Federal subject
Coordination council on strategic planning	Advisory, expert, consultative body, established by the Project Customer-coordinator with the involvement of key external and internal stakeholders of a territory
Project information office	Body, established by the Project Customer for solving the problems of Project administration, management and monitoring processes
Executor-coordinator on the Project direction	State authorities of the subject of Federation, that coordinate the Project implementation within the framework of determined guidelines
Executor of Project activities	the state executive powers of the Federal subject, the administrative bodies of municipal units of the Federal subject, business entities, investors

of all the structural components and unity of all the project participants. The main functions of the Project Manager include: Project management; control over the Project implementation processes; benchmarking; holding of meetings to assess the implementation of the Project at the managerial level of the Customer and the Coordinating Council on strategic planning.

Besides, the Director is immediately involved into work on the project and supervises over it from the beginning to the end. The coordination between the functional units (ministries, departments, authorities of the subject of federation and municipal units) and cross-functional interaction, provided by the Director and his/her assistants, also plays an important role.

The Director constantly communicates with all project participants, i.e. an exchange of information takes place, in the course of which the project can be altered in the early stages already (losses reduction). Communication between the functional units' specialists and saving the information on data carriers leads to the creation of new knowledge that can be used in future for solving the similar tasks or in the course of teaching.

The main functions of the Project Customer should include the following:

- 1) drafting of laws, normative legal acts, necessary for the Project implementation;
- 2) development and adoption within its competence of the normative legal acts, necessary for the Project implementation;
- 3) approval of the financial plan of Project activities;
- 4) quarterly (annual) preparation of reporting materials on the Project implementation;
- 5) organization, in cooperation with main Project executors, of expert inspections of the Project implementation progress (if necessary);
- 6) annual specification and adjustment of target indicators, costs of activities, composition of participants;

7) submission, in the established order, of the proposals concerning the Project adjustment, extension of its implementation period or its termination (if necessary);

8) expert inspection of Project implementation;

9) organization of the independent assessment of performance and efficiency indicators of the Project activities, their compliance with the target indicators.

The Coordinating council on strategic planning is a consultative, expert and advisory body. It is created by the Customer with the purpose of carrying out the coordination and interaction between state executive powers of the Russian Federation, local self-governing bodies, territorial bodies of Federal authorities, economic entities (both residents and non-residents of the territory), scientific-research, educational and other organizations for the elaboration of coordinated decisions on the Project implementation.

The main functions of the Council:

- 1) ensuring the implementation of activities;
- 2) elaboration of proposals on improving the Project management process;
- 3) preparation of proposals on development by the customers of the annual departmental plans of organizational measures aimed at the Project implementation and control over their execution;
- 4) annual approval of the reports concerning the execution of the activities implementation plans, submitted by their main executors;
- 5) monitoring of the Project implementation and preparation of annual and quarterly reports for their submission to the Customer.

Executor-coordinator on the Project direction is a corresponding executive body of the state authority of the federal subject, in some cases – the organizations stated in the Project.

The main functions of the Coordinative executor include:

- 1) the main executives' work coordination on the activities directions;
- 2) organization of work aimed at achieving the target indicators' planned values of the Project implementation according to the certain direction;
- 3) control over the implementation of measures aimed at achieving the target indicators' planned values of the Project implementation in the reporting and final periods;
- 4) development of decisions on the Project adjustments in case of deviations of actual results from the planned ones.

The main executors of Project activities are the state executive powers of the Federal subject and the municipal administrations. The main executors are responsible for the timely and high-quality implementation of Project activities.

The functions of the main executors:

- 1) control over the execution of assigned activities in the framework of the reporting periods; over the compliance with the timing of work execution; over the expenditure of funds, over the obtaining of planned results according to certain directions;
- 2) development of annual departmental plans for implementation of activities and proposals for their refinement;
- 3) selection on the competitive basis of executors of works (services) and suppliers of the products according to the activities and conclusion of state (municipal) contracts (agreements) with them;
- 4) provision of the targeted and efficient use of budget funds allocated for the implementation of activities;
- 5) organization of reporting on the Project implementation.

The executors of Project activities are regional and municipal executive bodies as well as organizations, involved in the Project implementation.

The main functions of the activities executor include: achievement of the Project targets; participation in the planning and monitoring processes of activities implementation; analysis of the results of the Project implementation and development of solutions for adjustment in case of deviations of actual results from the planned ones.

The Project information office supports the Project implementation planning and monitoring processes: collection, analysis of factual data on the Project from the main executors of activities and executors-coordinators according to the directions; making reports for submission to all levels of the Project management; information support of the Project participants on implementation of management processes.

The information-analytical subsystem includes two main elements: the planning of the Project management processes and monitoring of its implementation. In the framework of the processes of Project management planning it is necessary to develop the following plans: the policy plan for the activities implementation on the basis of the annual departmental plans for activities implementation; the coordination plan for the activities implementation; departmental plans for activities implementation; the plan for individual activities implementation. To increase the effectiveness of plans development, the appropriate responsibility matrix should be created (*tab. 2*).

Planning of the Project management process is carried out on the basis of regional normative-regulatory acts, planned values of control and target indicators presented directly in the Project, plans for the implementation of Project activities, received from its individual participants.

The plans should be refined and worked out in greater detail as far as the Project is implemented according to the principle of "running horizon" with the gradual increase of volume and detailing of information. At the same time, the activities, volumes of funding and Project

Table 2. Matrix of the responsibility for the plans development and coordination

Management level	Plans			
	Directive	Coordination	Departmental	Working
Customer	D/A*	C	-	-
Executor-coordinator for a direction	C	D/A	C	-
Main executors of activities	E	E	D/A	C
Executors of activities	E	E	E	D/A, E

Note. D/A – Development and approval of a plan, C- coordination of a plan, E – execution of a plan.
* Development of a plan is carried out by the Monitoring Office (project office).

implementation target indicators are subject to annual adjustment taking into account the regional budget potential and the amount of funds attracted from other sources.

The following tasks are solved within the framework of the Project implementation monitoring:

- receipt of the accurate, timely and complete information on the course of implementation with regard to individual activities and objects as well as to the Project on the whole;
- detection of deviations in the course of activities implementation and achievement of the target indicators' planned values and control indicators of the Project implementation;
- formation of deviation estimates in the target and control indicators achievement, resource provision and planned activities implementation, identification of persons responsible for arising deviations;
- preparation of the information necessary for decision-making on the appropriate level of control, for introducing amendments in the Project;
- analysis and forecasting of the target and control indicators achievement, proactive control according to the results of the Project implementation.

As in the management processes planning, the responsibility matrix for the submission of reports (*tab. 3*) should be formed in order to increase the Project implementation monitoring efficiency.

The subsystem of normative-regulatory support includes the following elements:

1. The regulations of the calendar planning and reporting, that should contain the description of the following processes: making calendar plans on different managerial levels, making reports concerning the activities implementation and the course of the Project realization; as well as alterations management, plans updating (adjustment) on the basis of the quarterly monitoring of activities implementation. Accordingly, the description of each process should include the description of the input and the resulting information, the executors and responsible persons, the timing of execution.

2. The regulations on the Project management system should include a description of the role structure of Project management, its relationship with the Customer-coordinator, state executive powers of the Federal subject, municipal units' administrations and different organizations involved in the Project, as well as the corresponding provisions concerning the elements of the organizational-role structure.

3. Methodological recommendations – recommendations for the implementation of individual procedures of Project management, which are developed in order to provide a more detailed description of the basic approaches and principles of the Project management system.

4. Templates and forms of documents of the Program management system.

Table 3. Matrix of the responsibility for the submission of reports

Management level	Report on the implementation of activities			
	of the directive plan	of the coordinating plan	of the departmental plans	of the working plans
Customer	A	-	-	-
Coordination council on strategic planning	C	A	-	-
Executor-coordinator for the direction	D	C	A	-
Main executors of the activities	-	D	D	A
Executors of the activities	-	-	-	D

Note. A – approves, D – develops, C- coordinates.

The subsystem of investment support of the Project implementation envisages a complex of measures, implemented by the Customer-coordinator in cooperation with the other Project participants, in the following areas:

- elaboration of unified procedures and criteria for the selection of uniform projects of business-plans according to the main developmental directions;

- determination of the state support measures, provided for the investment projects implementation, and the conditions of their co-financing;

- creating the list of priority investment projects on the main directions of the territorial development, that claim to receive state support, and their further maintenance.

In order to organize effective investment support, it is necessary to form a register of the Project tools in the financial (state guarantees on loans, subsidizing interest rates on loans; optimization of the property and land taxation, etc.), informational (consulting and information support, exhibition and fair activities, training, etc.), project (target programs, investment plans and projects, etc.) and organizational (legal, infrastructure support, etc.) spheres.

The subsystem of risks management of the Project implementation is to maximize the positive and minimize the negative effects of risk events in the course of the program activities implementation.

The main tasks of risks management in the Program implementation are:

- risks management planning – choosing the approaches and planning the activities of the Project risks management;

- risks identification – the identification of risks that might affect the program activities implementation, and documenting their characteristics;

- qualitative assessment of risks – the qualitative analysis of risks and the conditions of their emergence in order to determine their impact on the success of the implementation of the program activities and the Project as a whole;

- quantitative assessment – the quantitative analysis of the risks emergence probability and the impact of the risks consequences on the results of program activities implementation;

- planning the response to risks – the definition of procedures and methods to mitigate the negative consequences of risk events and the use of potential advantages.

Thus, the proposed mechanism of the territorial development strategic processes management provides the strategic documents realization by increasing the efficiency of cross-functional interaction between the main participants of territorial development along with the definition of their project roles and areas of responsibility, consolidation of required resources and establishing the efficient system of activities implementation assessment monitoring.

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