

## Hypothesis

# Dynamic Leadership Model of Local Administration Systems

Milan Krajnc, PhD\*

Department of Psychology, London Health School, Keppel Street, London WC1E 7HT, UK

\*Corresponding author

Milan Krajnc, PhD

Professor, Department of Psychology, London Health School, Keppel Street, London WC1E 7HT, UK; E-mail: [ddr@milankrajnc.mc](mailto:ddr@milankrajnc.mc)

### Article information

Received: September 6<sup>th</sup>, 2022; Revised: December 16<sup>th</sup>, 2022; Accepted: December 19<sup>th</sup>, 2022; Published: December 28<sup>th</sup>, 2022

### Cite this article

Krajnc M. Dynamic leadership model of local administration systems. *Psychol Cogn Sci Open J.* 2022; 8(1): 21-29. doi: [10.17140/PCSOJ-8-166](https://doi.org/10.17140/PCSOJ-8-166)

### ABSTRACT

The purpose of the article is to encourage local community leaders (mayors) to have a different mindset and awareness that the whole world is created on the basis of local movements, which then become global changes. So, it's about raising self-confidence and opening the eyes of the local authorities, what kind of power they really have, they don't realize it. That in reality, it is the local communities that direct the world. Municipal administrations today have become very moldy and rigid. They think very little about development, there is no entrepreneurial mentality at all; above all, they think that they are in charge, not the residents who are there. Therefore, in the next article, I want to show a different approach to managing the municipality, which will have to happen if the municipalities want something more than just building roads.

### Keywords

Municipality; Municipal Administration; Mayor; Director of Municipal Administration; Dynamic model; Strategy goals.

### INTRODUCTION

We went shopping. We entered the first shop, the closest one to the parking lot, but left it rather quickly since we were waiting in line for a significantly long time for the salesperson to 'show themselves', on top of being unfriendly, so we went to the next store. Our goal was to buy new pants but ended up buying the entire wardrobe since the staff was friendly and the service impeccable. As the municipal administration was right across the street, we wanted to inquire about the property we intended to buy, specifically, the possibilities for the building plan to be adopted in a few years. First, we waited for half an hour as the clerk had a 'personal' telephone call, followed by an unfriendly reception and a disinterest in helping us. We did not even receive a concrete answer. We thought we could exchange the municipality for a store on the way out of the municipal administration.<sup>1</sup>

Why not? We recalled undertaking the reorganization of a municipality in the Primorska region where we, among other things, simplified procedures. We felt well there, were even invited to move, and were shown a few beautiful locations. And indeed, we went there. As we were convinced by the friendliness and housing conditions, we switched municipalities and our place of residence, uhm, like changing the stores in which we were displeased with the

offer and service.

We have 212 municipalities in Slovenia. A vigorous competition developed within an exceedingly small territory, resulting in more choices now. On the other hand, municipalities have less money due to the limited national budget. This means that more municipalities have to fight for residents now. In practice, this translates to fewer budget resources being devoted to development and infrastructure, which means that housing conditions will worsen. Each municipality needs money for maintenance, which was not necessary until now. Subsequently, our country will become even more expensive since maintaining it costs a lot. Additionally, municipalities are also expensive. Let's take a look at the structure of municipal budgets. We can see that 15% of all funds are used for wages, material costs, maintenance, and everything necessary for a municipality's formal existence.<sup>2</sup> Thus, employees within municipal administrations will have to be exceptionally friendly if they wish to retain residents.

There are other ways of acquiring financial assets to increase development and housing conditions, namely, European Union (EU) funding for various projects. This means that each municipality will have to specify goals regarding its future and find the necessary resources in the EU according to a detailed strategy.

To avoid becoming ‘spoiled,’ we will have to change our current working methods and procedures at the municipal and state levels. The EU will not have money that is intended for projects forever.

**HOW TO IMPLEMENT THE DYNAMIC LEADERSHIP MODEL INTO A MUNICIPAL ADMINISTRATION**

Changing working methods means the municipality reduces its administration and automates procedures. Unfortunately, some procedures are dependent on laws and regulations that apply to the whole country, and, as such, the state will have to establish an intensive dialogue with municipalities regarding their wishes (which will first have to be established). The municipality can do much on its own, naturally, especially by adopting decrees, by declaring zones, with swift action, and by decision-making. The same goes for companies-they need to optimize their processes and improve their quality of service if they wish to remain competitive in the market.<sup>3</sup>

**WILL MUNICIPALITIES COMPETE WITH EACH OTHER?**

We will have to change our way of thinking and simplify procedures. The first municipalities to recognize they need to start behaving like businesses are sure to increase their wealth sooner. Namely, people that will see an opportunity for themselves in a municipality will start moving there, especially if there are no everyday administrative hindrances, waiting, and arguing. Individual municipalities will become rich since municipal budgets are filled with the personal income tax of citizens. This will allow them to invest more into infrastructure, which translates to companies moving into the municipality. Those bring new employment possibilities, and the ‘wheel’ begins turning with new positive energy. The residents will stop thinking about bad things and start thinking about positive progress. They will stop wishing the pox on someone else just because they are down on their luck but will rather wish them all the best as they understand that it will be for the common good. The more municipalities realize this, the better it will be for the country.<sup>4</sup> Such thinking will create competitiveness among the municipalities to fight for residents. The same thing happens to companies. Furthermore, the EU will always back projects with very concrete development goals instead of projects that maintain the ‘social’ status. This means that wealthy municipalities will be able to get even more funds.

**COMPANY=MUNICIPALITY**

We can fully equate a company with a municipality. Goods or services are companies’ products, while housing conditions are the products of municipalities. Companies are paid based on their pro-

Box 1	
Company	Municipality
Service/Goods	Housing conditions
Chair of the board of directors	Mayor
Administration	Council members
Business plan	Budget

ducts by customers, and municipalities are paid by the number of residents and their revenues from the state. This translates into the more a company sells, the more money it has; the more residents a municipality has the more money it will get from the national budget, or the richer the residents, the more funding it will receive (the municipality receives about 30% of an individual’s income tax).<sup>5</sup>

**MUNICIPALITY MARKETING**

We will start choosing municipalities for living and doing business. Municipalities will fight for citizens. As such, we will start seeing commercials in newspapers, on television, and on billboards by municipalities inviting people to come to live in their municipality, similar to what is being done today for various tourist places. They will expand their offer *via* funds they obtain through tenders. The offer will gain in quality if municipalities have a ‘story, a concept they can offer to prospective citizens based on the goal mentioned above.

**MUNICIPAL BANKRUPTCY**

The first municipalities will achieve immediate success, prompting others to follow suit. Naturally, it can happen sooner or later that some individual municipalities, which lack business ideas and concrete goals, become less populated. Such municipalities will start dying out or, figuratively, go bankrupt. Merging with a neighboring municipality will be their only solution. Maybe they will be under the auspices of a municipality located on the other side of the state but is far more enterprising.<sup>6</sup>

**The Business Mindset of Municipalities**

The business culture will start spreading from small companies to municipalities, which will have to be adopted by the state. The term ‘business mindset’ means being better than your competitor or taking over someone else’s business opportunity. We must be aware of the fact that everyone will not have everything. Hence, a new type of competition will have to be developed. Municipalities will be successful if they develop original ideas. They should not copy neighboring municipalities as they might not have the same potential or personnel. As such, each municipality must be original. Each municipality must be a story in and of itself.

**Mayors as Chairmen of the Board, Councilors as Board Members**

This way, mayors will take over leadership of a big company with a few thousand employees, which means that they assume the role of Chief Executive Officer (CEO) or chair of the board, voted in by the shareholders (citizens). Such a company cannot be led and managed by only one person. Thus, broader management must be formulated by transforming the current council members into board members, each responsible for their field. They will be paid accordingly for their senior function and have significant responsibilities. As such, not just everyone who craves media attention will be able to become a council member or mayor, or rather, they can. Still, they will have to assume full responsibility with all their assets (same as business people do) to do so. The current municipal gov-

ernment will assume the role of the administration.

Therefore, the citizens are purchasers of services the municipality offers us. If municipalities start acting as businesses, we will have to start thinking along the same lines and help make our environment as friendly to ourselves as possible. Where we decide to live will depend on our personal goals.

All of this may seem like science fiction nowadays. Still, we can find an analogous manner of organization in the strict city center of London, slowly spreading onto and out of the whole city. Certain attempts are being made in some American cities (Dakota, Illinois, USA) and Sydney, Australia. We have a chance to be among the first ones, and the first ones always get the best deals.<sup>7</sup>

## MUNICIPALITY AS A PROJECT OFFICE

The most common findings that lead to “chaos” or the situation in the municipal administration is an unclear strategy and the direction of the municipality, a vague definition of who the “first” superior to employees is (mayor, director, head of the office), poor communication, a consequent unclear distribution of work (a too general systematization), unevenly distributed responsibility, a different conception of projects. As a solution to the situations that arose, we saw a different way of working and organizing the municipal administration. Thus, after researching municipal organization systems for 15-years, we suggest that the municipality be organized in a project office.

When we find problems in the organization of the municipal administration, it is difficult to point to the culprit or the actual cause of the error. Most of us believe that the problems in the organization stem mainly from management, which is typical for municipal administrations, as management is changed every four years more or less, which means that there is insufficient time to implement significant visible changes. Each mayor also has their views on the municipality’s management, expectations, and way of working. Even though the municipal staff remains effectively unchanged, it still means that everyone has to adapt and change their ways of working every four years. The most significant problem employees face in the municipal administration is the unclear definition of superiority. The mayor often delegates tasks directly to individual employees, who in turn receive instructions from the director and/or now from the chief or various heads of office. The work practice suggests that most employees receive different information for the same task, often from various sources (superiors), leading to confusion. This is often the main reason for congestion in the municipality, especially when municipalities lack a clearly defined development plan as their basis for implementing a project and work activities.

### The Role of the Mayor in the Project Office

Everyone in the municipal administration performing their tasks and adhering to their responsibilities and competencies is paramount. To paraphrase, the mayor should never be directly involved with the work of the municipal administration but should only make contact with the director of the municipal administration.

The role of the mayor is more presentative than operative; namely, they are the link between the ‘people’ and the municipal administration while striving to realize the wishes of the people within the frame of the set goals during their mayoralty. As such, the municipal administration is run exclusively by the director, whose duty it is to be in constant contact and coordination with the mayor. In practice, municipalities are often founders of various public institutes and agencies. These institutions are budget users that were established for the benefit of the public. The municipality must cooperate with these agencies well, control their use of funds, and follow the municipality’s vision in tandem with them. Public institutes and agencies should be understood as an extension of the municipality to realize the vision where the mayor plays a significant role as the coordinator of strategies.

We mentioned that the mayor should not interfere in the operational work of the municipal administration but should be limited to regularly communicating with the director of the municipal administration. Furthermore, the mayor should regularly communicate with all directors of public institutes and agencies that the municipality founded or co-founded. These institutions must work in a unified and mutually beneficial manner to achieve the same goals. The mayor must not interfere in the operational work of these institutions either. This function they were entrusted with makes the mayor a close link between the institute and the municipality, especially from the points of view of the strategic development of the municipality and of following the set vision. Unfortunately, the reality of the Slovenian mayoral practices is often the opposite of this. Mayors are too involved in the operational work and are overburdened as a consequence. The decrees on establishing municipalities clearly define the responsibilities and authorities of the mayor, but that is often not the case in practice. If we were to look at how many Slovenian municipalities have a clear vision and development strategy nowadays, we would be surprised at how low the number is. We could say that mayors are insufficiently aware of their mission. To paraphrase more symbolically - the mayor is the ‘voice of the people’. Mayoralty should not be the individual experience of achieving political goals but goals set by the citizenry. Naturally, politics has a role to play here. Still, when mayors assume their function, they cannot represent only their political interests but the municipality’s interest as a whole.

But an objective that is set and written somewhere is not enough to achieve the strategic goals. The mayor’s goal should be to regularly monitor in cooperation with city representatives if the set strategy sufficiently follows the vision and enables the achievement of set goals. Here is where accountability itself comes into play. The mayor is responsible for achieving strategic goals, but established practices reveal that set goals are often too abstract and unreachable. We believe that a part of the responsibility should be assumed by those who cooperated in setting these goals, namely, council members, who have a crucial role in developing a municipality. Council members are the specific voice of the people entrusted to represent the interests of the citizens. However, it turns out that this role is often fraught with political machinations. For the sake of real efficiency, a part of the responsibility for setting unrealistic goals should fall on those who helped set them-council members.

The mayor should work more outwards to be connected to and available for the citizens and ensure inter-municipal and international integration. The mayor is obligated to assume the role of the coordinator and facilitator of strategy for all key institutions that follow the same goal set by the citizens. Furthermore, the mayor is the person who must give clear instructions to all directors, who in turn must ensure the efficient work of their employees. The Slovenian practice indicates that electing a new mayor is often followed by a municipality reorganization. This is somewhat understandable due to new interests, but this operational reorganization should not be implemented by the mayor but by the director. The mayor must give clear guidelines for the municipality's development to the director of the municipal administration. It falls on the director to determine if the current organization structure and staff can pursue the new goals or if there have to be some changes introduced to the municipal administration. It follows that the reorganization of the municipal administration and other support institutions should be undertaken only once the development guidelines are clearly determined, so when the goals that follow the vision are known and when the municipality's strategy is clearly defined.

#### **The Importance of Vision and the Development Plan as the Basis for Project Activities in the Municipality**

We all like to remember election promises that future municipality leaders promise will benefit us in the event of their victory. Which candidate will offer us a custom-tailored program for us, the citizens? Citizens who are sports fans will applaud the construction of a new sports center, cultural aficionados will side with the candidate who offers them a new cultural house, business people demand an industrial area, etc. No, this is not the description of pre-election discord in the municipality we live in. Actually, this is the description of the happenings that we feel are accurate for every Slovenian municipality. When we look back after the end of specific terms of office, which should be our duty and responsibility as voters, we realize that the promised pre-election promises came to nothing or were partially realized but still do not meet our expectations in regards to how we feel our municipality should be like. And we ask ourselves, why is this the case? Let us reminisce, when municipalities were being established left and right in Slovenia in accordance with the adopted legislation, the goal was for the new municipalities to get rid of the constrictions that the connection of joint municipal administrations represented at that time and to get a chance to develop most purposefully and preferentially possible given the local environment. Unfortunately, it is our observation that most of these opportunities remain untapped. When discussing the development of a municipality, we began comparing ourselves with the neighboring municipalities following the traditional model of Slovenian envy and, while doing so, forgot to harness the local development potential that should have been used to our advantage. It is erroneous to think that each municipality needs to be graced with the presence of a football stadium primarily and not consider the individual character of each particular municipality at the same time.

The project must not be carried out without oversight or in a flash, as we like to say, but need to be set up long-term.

The development plan for the next ten years, which broadly details what the municipality will be doing over the course of the next ten years and how it will utilize its advantages and potential at the highest-levels, is of utmost importance. Even sooner than that, the municipality needs a vision for the next 50-years, based on our estimations. The vision is developed based on a particular region's natural characteristics and history. The municipality requires clear guidance on emphasizing tourism, sports, production, and industry. Such a small area cannot have everything simultaneously; therefore, the emphasis must be on one activity while the others are partially adapted. As the African proverb goes, 'You only make a bridge where there is a river.'

After the vision has been developed, we create the development plan that defines the content and deadlines for the projects that will lead us to the desired state. It is prudent for the development plan to be developed predominantly by the citizens under expert supervision.

The municipality must tackle the development plan comprehensively and invite representatives of different interest groups, such as the economy, etc. In short, the development plan must be designed in cooperation with many different local individuals from various interest groups. Naturally, they all have to be from the same municipality. The overall design of the development plan must be managed by trained professionals specializing in the areas of strategy, project management, and communications. They should be from another city, maybe even another region, as this prevents them from being burdened by local problems and enables them to easily guide groups that deviate from the aim of the gathering or get entangled. As said, groups should be created based on interests in the fields of sports, culture, education, economy, etc.,. Each group designs its own ideas and suggestions and then forms a comprehensive document unanimously. The communication system follows the shape of a pyramid, where suggestion formulation is at the bottom and then climbs vertically, where they are developed into a final opinion at the top. This is not a political party program or the program of any faction representatives but the program of the whole municipality. This is the only way for the program to have the necessary credibility, stability, and independence. Actually, a council that ensures the monitoring and development of this program would have to be appointed. The development plan is crucial for the long-term efficient development of a municipality and the consequent stable environment. The municipal leadership must still adhere to it during execution and put aside personal interests during the change in term of office. The development plan must be designed based on the interest of the local development and strive towards a meaningful and long-term purposeful image of the municipality. The program of candidates in local elections should only include concrete guidelines with a set deadline and financial plans for implementing the accepted development plan and show its excellence in the realization of individual items of the plan. After all, the only municipalities to be successful in public tenders for drawing on national and European funds will be those that have detailed project drafts and clear projections for local development in advance. This is the direction that needs to be taken when talking about the effective development of a municipality in general.

**Preparing the Budget Based on the Development Plan**

As previously mentioned, even mayors should adhere to these basic guidelines in their election promises, otherwise, their election program has no value. The municipality begins straying from its core as a consequence, which has a particularly detrimental effect on development. The primary job of the mayor should be to work on concrete solutions, optimization, and the innovations of modern times based on their election program and the realization of the development plan. The election program should be a definite upgrade of the development plan and the basis for preparing the budget for the individual year. The responsibility for the preparation lies solely with the expert services of the municipal administration. According to its content and schedule specifications, the budget itself represents the project year in a way and should be treated as such, with a road map being drawn for the implementation of its realization. Each budget header, either individually or as a combination of multiple budget headers, represents an ongoing project and a string of processes progressing towards the set goal with a different realization regarding content, schedule, and finances (if we consider that all projects strive towards the implementation of the development plan). Therefore, a uniform interpretation of the word ‘project’ is paramount. The project management skills arise from the realization phase of the project, which has four basic stages: definition of the goals, planning, production monitoring, and project completion.

Based on our knowledge of the situation in the municipalities, we determined that municipalities create well-based budgets but lose oversight of how they monitor the realization and intermediate stages of individual projects at a later point. A timetable must be developed regarding budget appropriations.

**Tracking the Realization of Set Projects Based on Budget Headers**

**Chart 1:** The Gantt chart displays the transparent visual image of the actual state at a specific moment (Chart 1).

**Chart 2: Planning of activities**

We add the duration and execution time and create a Gantt chart based on this (Chart 2).

**Chart 3: Gantt chart**

Gathered and uniformly designed information offers a comprehensive overview of budget appropriations in a local community, even when connecting municipalities with joint projects regarding drawing on national or European funds. This type of monitoring of budget appropriations supports the idea of the expected value for project realization. It ensures that the municipality meets the scope, timetable, and financial plans for project realization with timely implemented activities individually or in cooperation with another municipality. This allows for the perfect monitoring of budget appropriations.

Next to the interdependency of human factors, we must not neglect outlining the availability of employees, responsible persons, and service providers within the municipality administration as well as their share of occupancy with a particular project, which is the basis for the planning of employee inclusion into other work responsibilities in the municipality. Such an overview produces a more rational division of work tasks for employees, ensures an equal workload for employees, and relieves

<b>Chart 1.</b>	
<b>Municipality</b>	<b>Planned Budget Value</b>
<b>Department of General Administration, Social Affairs, and Legal Affairs</b>	
Extension to the school	80,000,000.00 €
Theater renovation	130,000,000.00 €
Construction of stands for the football stadium	34,000,000.00 €
Cultural holiday	5,000,000.00 €
Remodeling of educational programs	15,000,000.00 €
<b>Department of Economy, Economic Infrastructure, Property Management, and Transport</b>	
Asphalt paving of the AD 55 road	33,000,000.00 €
Asphalt paving of the AD 56 road	12,000,000.00 €
Asphalt paving of the AD 57 road	4,000,000.00 €
The renovation of pavements on Strossmayer Street	8,500,000.00 €
Conceptual design for a bridge	15,000,000.00 €
<b>Department of Spatial Planning and Environmental Protection</b>	
Construction of CERO	3,400,000,000.00 €
Construction of a composting plant	350,000,000.00 €
Park restoration	45,000,000.00 €
Cleanup operation	7,800,000.00 €
EKO campaign in high schools	15,000,000.00 €
<b>Department of Budget and Finance</b>	
Budget	6,567,000,000.00 €

**Chart 2.**

Municipality	Planned Budget Value	Duration (Month)	Beginning	J	F	M	A	M	J	J	A	G	O	N	D
<b>Department of General Administration, Social Affairs, and Legal Affairs</b>															
Extension to the school	80,000,000.00 €	5	April				X	X	X	X	X				
Theater renovation	130,000,000.00 €	7	March		X	X	X	X	X	X	X	X			
Construction of stands for the football stadium	34,000,000.00 €	5	June						X	X	X	X	X		
Cultural holiday	5,000,000.00 €	1	August								X				
Remodeling of educational programs	15,000,000.00 €	4	June						X	X	X	X			
<b>Department of Economy, Economic Infrastructure, Property Management, and Transport</b>															
Asphalt paving of the AD 55 road	33,000,000.00 €	5	April				X	X	X	X	X				
Asphalt paving of the AD 56 road	12,000,000.00 €	4	May					X	X	X	X				
Asphalt paving of the AD 57 road	4,000,000.00 €	3	June						X	X	X				
The renovation of pavements on Strossmayer Street	8,500,000.00 €	8	February	X	X	X	X	X	X	X	X	X			
Conceptual design for a bridge	15,000,000.00 €	9	March		X	X	X	X	X	X	X	X	X	X	X
<b>Department of Spatial Planning and Environmental Protection</b>															
Construction of CERO	3,400,000,000.00 €	3	April				X	X	X						
Construction of a composting plant	350,000,000.00 €	6	May					X	X	X	X	X	X		
Park restoration	45,000,000.00 €	3	August								X				
Cleanup operation	7,800,000.00 €	5	April				X								
EKO campaign in high schools	15,000,000.00 €	8	January	X	X	X	X	X	X	X	X				
<b>Department of Budget and Finance</b>															
Budget	6,567,000,000.00 €	12													

overburdened individuals since we included a competency and responsibility matrix. The data point will show us a realistic depiction of the project execution.

### Project Design

Having sufficient time to prepare for the projects is paramount. A good project preparation does not just mean preparing a timetable or other plans, but rather a whole string of interdependent processes that significantly affect both the efficacy and successful implementation of the project and achieving the fundamental aims of the project. Data indicate that only approximately 30% of all projects are completed on time, within the frame of the expected costs, with the expected results and an end effect. Twenty percent of all projects are not completed, while 50% are completed but with changed results and expectations. The result of project analyses in Slovenian municipalities implies that the reasons for this lie in not hurrying with projects, that an insufficient number of employees are included in their implementation, that decisions are taken too late, that tenders appear at the last second. The relatively high unsuccessful project implementation rate is greatly affected by inadequate project preparation. However, the opposite is also true when discussing successfully implemented projects, namely, those prepared with high quality. In short, if we want a long-term return on the investment from the project and prevent the project from becoming the subject of new investment (correction of errors), we need to prepare for it well and adequately complete it later. Premature project decisions will result in the failure to achieve

desired results and in exceeding planned project costs.

The designed Gantt chart allows us to see which projects are realistic and how we can organize them to be realistically completed instead of just catering to our impatience. The visual depiction will help optimize our timetable and financial costs more quickly. Furthermore, we will divide the work among employees to spend 50% of the time on procedural work (what the law requires) and 50% of the time on projects and developments, representing the municipal administration's efficiency projections.

### Organizing the Whole Municipal Administration with Project Office Features

The municipal administration performs operative tasks as per the set plan of the municipality and mandatory tasks defined by law. The director of the municipal administration organizes and supervises the work of the municipal administration. All employee assignments must be allocated by the administration, the representative of which is the director. The mayor must not interfere in resolving operational problems. Employees must not turn to the mayor as they perform their work. First and foremost, they should turn to their supervisor, who can go up the ladder to their supervisor's supervisor, to the director. The road to the resolution of operational matters stops at the director. However, our experience is that employees often turn directly to the mayor. Naturally, we cannot say that this is just an employee vice since mayors often delegate tasks over the director's head. When multiple people

delegate tasks, we are talking about ‘chaos’. Information is lost in this ‘chaos,’ and responsibilities are transferred to coworkers. To exacerbate this confusion, most respondents, who are employed in the municipal administration, think that such communication within and functioning of the municipal administration is perfectly normal if not even necessary for the performance of tasks for the public good.

So, if we want the municipal administration to function effectively, we must first define efficiency itself. The municipal administration should not be different from a company on the market in its manner of operation. On the contrary, it should adhere to the principles of the market. Some would say that the municipality has nothing in common with the market, but that would be wrong. The municipality markets itself, and the potential customers are the citizens that the company wishes to bring into its midst and the citizens the municipality wishes to retain. We could say that the market share of any municipality is equal to the number of citizens in the municipality. Each individual municipality can increase its market share only if it knows how to market itself and attract as many prospective new citizens as possible. The higher the ‘market share,’ the higher the funds from the budget. We must also consider that, because they spend public funds, municipalities are scrutinized by different inspectorates and the general public itself, which should only be an additional incentive for market behavior. Effective and rational functioning is attained when each employee is aware of their responsibilities and acts as part of a team. We determined that the project approach is crucial in municipal administrations. This means that all employees must adopt a project-oriented mindset. They should understand each task they perform as a project, whether a minor or a major one. Each employee task has a purpose, a goal, a subject, a deadline, and personnel who are specifically tasked with executing it. Supervision over the individual project and project tasks must be established, and an effective communication flow, since communication is a key part of any organization.

Based on the tasks and research, we developed a Dynamic Leadership Model, a part of which is the Dynamic Communication Model, which speeds up the flow of information and establishes oversight over all goings-on. In terms of oversight, we are not talking about the director instituting oversight over the whole municipal administration, but that each employee must oversee their work and the information at their disposal. Most tasks in the municipal administration are interdependent between the employees. Each individual should clearly define the form and scope in which their predecessor should convey specific information to effectively perform their given task within a process. At the same time, they should perform their activity in a way that allows them to hand it over according to the expectations of the employee charged with taking it over after them.

A fluid exchange of information is necessary for such an approach to work. Yet, it rings true that employees must be taught the basics of the project approach, as we note that employees tend to have their own understanding of what a project is.

The practice has shown that most employees in the mu-

nicipal administration think that a ‘project’ is just one of the calls for EU funds. It will result in communication problems if everyone understands the said term differently. That is why communication must be unified, and a ‘uniform’ communication language is established with the employees.<sup>8</sup>

The same approach should be used for more difficult investment projects. The only more extensive thing here is a bigger scope of tasks and consequently a more significant, higher degree of responsibility. We suggest that the people who cooperated in creating the idea itself and are partially responsible for the project’s design assume a part of the responsibility for these projects. We are talking about council members.<sup>9</sup> All bigger and more challenging projects are carried out as per the ‘wishes’ of the council members. And if someone was involved with creating the project idea itself, they should be included in the further planning, preparation, and implementation process as project leader. This means that council members lead their areas and are project leaders, with expert colleagues serving as operational staff. Such an approach would make it easier for municipalities to reach their set goals, while part of their responsibility would also be transferred onto the ‘designers’ of the municipality’s development. By assuming this manner of working, the municipality works as a Project Office supported by the Dynamic Communication Model.<sup>10</sup> The Dynamic Communication Model does not only mean the exchange of information between employees but, first and foremost, teaches each person individually. We must learn how to communicate with ourselves and organize our workday as we do projects. Only then can we encourage the flow of information among employees and establish a project approach in the municipal administration as a whole. We can only organize our workdays as projects once we master the basics of activity planning.<sup>11</sup>

Each individual must plan their daily, weekly, and monthly activities within the scope of the project approach. The daily activity entails defining our to-do activities for the next day. The best time to do this is at the end of our workday. We follow this up the following day by checking our tasks list and addressing them based on their priority.<sup>12</sup> Naturally, such a list is not constant and will be supplemented throughout the day. The purpose of daily planning is not to forget tasks and adhere to deadlines. We repeat this daily planning process every workday. When employees master daily planning, they start tackling weekly planning. This requires a higher degree of concentration and intimate knowledge of the workplace ‘rhythm’. But if an employee previously carries out daily planning, then weekly planning will not present any issues for them. Based on daily plans, we prepare a weekly plan at the end of the week for the week ahead.<sup>13</sup> The weekly plan includes all essential tasks that can be planned given the content of the workplace. The employee checks their weekly activities at the beginning of the week and adjusts or supplements them. At the end of the week, they must check if they carried out all planned activities and reassign them for the following week. When an employee masters weekly planning, they start working on monthly planning.<sup>13</sup> They should concentrate on weekly plans, identify recurring tasks, and create a monthly schedule at the beginning of the month. It must entail all activities that are time-specific for the month of planning.

A review of the monthly activities follows at the end of the month. Employees examine their work this way and assume responsibility for their work simultaneously.<sup>14</sup>

Suppose the municipal administration is reorganized as a Project Office. In that case, we can envision the director of the municipal administration assuming the role of the Project Office leader with project leaders directly below them. Project leaders draw their human resources from various organizational units (departments and services) for project performance and leadership.<sup>15</sup> Council members are the project leaders of development projects, and department heads are project leaders for procedural tasks assigned by the state. This is how the municipal administration begins to function in a project-like manner, in the form of a Project Office. The same project organization approach must be assumed by all public institutions/agencies under the auspices of the municipality.<sup>16</sup> Each segment (municipal administration, public institutions/agencies) works in a project-like manner, and the municipality as a whole must act the same way as well. This means that coordination between the municipal administration and all public institutions within a municipality must be implemented at a higher-level. As a whole, a municipality can only successfully organize projects when the mayor, as head of the municipality's lead Project Office, coordinates the institutions under the auspices of the municipality and the municipal administration. Such an approach allows for mutual cooperation on projects and access to human resources from the whole municipality.<sup>17</sup> Namely, municipal administration and public agencies from the municipality stride towards the same goal; therefore, combining their human resources for joint municipal projects is optimal.<sup>18</sup>

### The Mayor at the Helm of the Lead Project Office in the Municipality

As stated in the beginning, the mayor is the representative of the people. At the same time, the municipal administration and all other institutions under the auspices of the municipality represent the operational side for the achievement of strategic goals. Therefore, the mayor's role is to create a balance between the set strategic goals of the municipality and the human, financial, material, and technological sources that are available. The simplest way to achieve this is if the whole municipality functions as the lead Project Office.<sup>19</sup>

### AN APPLICABLE SOLUTION TO INTRODUCING THE DYNAMIC LEADERSHIP MODEL INTO THE MUNICIPAL ADMINISTRATION

The municipal administration cannot take too much time for personal changes due to its term of office, which is why implementing changes through a change in communication is essential. We achieve this by having all employees cooperate on creating a communication codex with every person contributing their part of the codex and publicly presenting it. They indirectly take on some responsibility for applying the codex by publicly presenting it. Thus, the collective personality change begins with the shift in communication.<sup>20</sup>

A status report must be made in advance, the organiza-

tion and systemization must be changed. We will present an example of the reorganization of a municipal administration of the XX municipality where we introduced a Project Office and Dynamic Leadership Model 'charter'.<sup>21</sup>

### CONCLUSION

Given our hypothesis that 'dynamic leadership of administrative systems on the local levels significantly increases its efficacy,' we determine this hypothesis has been proven correct. When compared to classic leadership, the Dynamic Leadership Model significantly increases the leadership efficiency of local administrative systems due to better organization, better development of human resources, better assuming of responsibilities, better flow of information, better understanding, better relations, a higher degree of project leadership, better investment implementation, and reduced risk-taking.<sup>22</sup> The Dynamic Leadership Model of local administrative systems showed us that the personal satisfaction of employees and service users is much higher.<sup>23</sup>

Two more hypotheses have to be tested within this framework:

'Most elements of the dynamic leadership of administrative systems on a local level can be transferred from the dynamic leadership of business systems'.

We can confirm this hypothesis as well since a local administrative system much more resembles a company than it does the state, which makes the manner of management similar.<sup>24</sup>

Dynamic Leadership Models of administrative systems on a local level can be designed as specific models for individual categories of administrative systems on a local level.<sup>25</sup>

We confirm our hypothesis that Dynamic Leadership Models of administrative systems on a local level can be designed as standardized models for individual categories of administrative systems at a local level and that the categorization itself is the basis for choosing the suitable model.<sup>26</sup>

The key problem in the municipality's management is the function of the mayor and their personality. That is why we suggest that each candidate participates in an informative workshop where they can learn what it actually means to be the mayor before submitting their candidacy. If elected, we suggest they create a consultative body comprised of former mayors from other municipalities for the duration of their mayoralty.<sup>27</sup>

### REFERENCES

1. Alda A. *Things I Overheard while Talking to Myself*. NY, USA: Random House; 2007.
2. Bacchus GL. An evaluation of the influence of biodynamic practices including foliar-applied silica spray on nutrient quality



- of organic and conventionally fertilised lettuce (*Lactuca sativa* L.). *Journal of Organic Systems*. 2010; 5: 4-13.
3. Bavec M, Turinek M, Mlakar SG, et al. Some internal quality properties of white cabbage from different farming systems. *Acta Horticulturae*. 2012; 933: 577-583. doi: 10.17660/ActaHortic.2012.933.75
4. Berner A, Hildermann I, Fliessbach A, Pfiffner L, Niggli U, Mäder P. Crop yield and soil fertility response to reduced tillage under organic management. *Soil and Tillage Research*. 2008; 101(1-2): 89-96. doi: 10.1016/j.still.2008.07.012
5. Beus CE, Dunlap RE. Conventional versus alternative agriculture: The paradigmatic roots of the debate. *Rural Sociology*. 1990; 55(4): 590-616. doi: 10.1111/j.1549-0831.1990.tb00699.x
6. Beus CE, Dunlap RE. Measuring adherence to alternative vs. conventional agricultural paradigms: A proposed scale. *Rural Sociology*. 1991; 56(3): 432-460. doi: 10.1111/j.1549-0831.1991.tb00442.x
7. Birkhofer K, Bezemer TM, Bloem J, et al. Long-term organic farming fosters below and aboveground biota: Implications for soil quality, biological control and productivity. *Soil Biology and Biochemistry*. 2008; 40(9): 2297-2308. doi: 10.1016/j.soilbio.2008.05.007
8. Brejc M, Vlaj S. Local government in Slovenia: with special regard to regionalisation. In: Gál Z (ed). *Role of the Regions in the Enlarging European Union*. Pécs: Centre for Regional Studies, Hungarian Academy of Sciences; 2001: 101-112.
9. Jayasree P, George A. Do biodynamic practices influence yield, quality, and economics of cultivation of chilli (*Capsicum annuum* L.)? *Journal of Tropical Agriculture*. 2006; 44: 68-70.
10. Joergensen RG, Mäder P, Fliebach A. Long-term effects of organic farming on fungal and bacterial residues in relation to microbial energy metabolism. *Biol Fertil Soils*. 2010; 46(3): 303-307. doi: 10.1007/s00374-009-0433-4
11. Kaval P. The profitability of alternative cropping systems: A review of the literature. *Journal of Sustainable Agriculture*. 2004; 23(3): 47-65. doi: 10.1300/J064v23n03\_06
12. Kirchmann H. Biological dynamic farming: An occult form of alternative agriculture? *J Agric Environ Ethics*. 1994; 7(2): 173-187. doi: 10.1007/BF02349036
13. Pavlica MK. Mirno proti krizi: O krizi v podjetju govorimo takrat, ko je podjetje izgubilo nadzor nad ključnimi dejavniki, ki vplivajo na njegovo delovanje in na delovne procese [In: Slovenian]. *Podjetnik: prvi medij podjetništva*. 2004a; 13(11): 36-37.
14. Krajnc M. Znamenja krize: Ne dopustite jih! [In: Slovenian]. *Podjetnik: prvi medij podjetništva*. 2004b; 13(12): 46-48.
15. Krajnc M. Projektno vodenje proti »organiziranemu kaosu«: Orodja, strategija. *Podjetnik: prvi medij podjetništva*. 2005a; 14(2): 42-44.
16. Krajnc M. Ali zaposleni vedo kaj je cilj podjetja: Orodja, strategija. *Podjetnik: prvi medij podjetništva*. 2005b; 14(4): 54-55.
17. Krajnc M. Koordinacijski center Evrope. *Projektna pisarna*. 2005c; 1(11).
18. Krajnc M. Podjetje kot oder. *Podjetnik: prvi medij podjetništva*. 2005č; 14(8): 35.
19. Krajnc M. Projektno vodenje (Management). *Projektna pisarna*. 2005d; 1(2).
20. Krajnc M. Projektno vodenje pri javnih zavodih. *Projektna pisarna*. 2005e; 1(9).
21. Krajnc M. Projektno vodenje pri nepremičninah. *Projektna pisarna*. 2005f; 1/9.
22. Krajnc M. Projektno vodenje pri ravnanju z odpadki. *Projektna pisarna*. 2005g; 1(9).
23. Krajnc M. Projektno vodenje pri svetovanju. *Projektna pisarna*. 2005h; 1(9).
24. Krajnc M. Projektno vodenje v bančništvu. *Projektna pisarna*. 2005i; 1/9.
25. Krajnc M. Projektno vodenje v društvih. *Projektna pisarna*. 2005j; 1/9.
26. Krajnc M. Projektno vodenje v ekologiji. *Projektna pisarna*. 2005k; 1(9).
27. Krajnc M. Projektno vodenje v gradbeništvu. *Projektna pisarna*. 2005l; 1(9).