

location, historical, economical connections, a role and place of every region in this framework.

To provide functioning of the economic and social complex of regions requires effective mechanisms. Regional management is directed to achieve strategic priorities. It requires “the presence of an appropriate legal framework that normalizes the implementation strategies; definition of the purpose of management activity; financial support for strategy implementation; definition of institutions responsible for implementing the strategy; establishment of subjects, mechanisms and instruments of regional governance [3, c.21].”

To summarize, a changeable environment forces public administration dealing with a paradox of state strategic planning and effective regional development. It requires strengthening cooperation between state power, regional authorities, active involving of the civil society and delegating of authority in a right place and in right time, and conducting flexible strategic planning.

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FLEXIBLE GOVERNING IN THE CHANGEABLE ENVIRONMENT

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Governing is critical to make the state (system) effective in the changeable environment. Achievement of an established goal and satisfaction of the community can define effectiveness of the system based on the principle of getting of a maximum result by minimum means. Ideally, under a condition of equilibrium between the system and the environment the system is balanced and, therefore, effective because there are no any problems and conflicts. However, in reality, the system is unbalanced and only seeks the balance in conditions of the changeable environment. To do this successfully the system should be smart and sensitive enough to react to any change through the decision-making process (DMP).

The system should achieve an established goal and maintain national interests. The task of governing is to balance and develop the system through

establishing equilibrium between the system and the environment. Adaptation of the system to the environment and/or shaping of the environment by the system can maintain equilibrium between the system and the environment.

Adaptation can be a primary way to make the system effective. It is a continuous process of reforms, which transforms a current structure of the system to a new one. To do this the system should apply all means, ways and abilities (intellectual and emotional), influence on people by motivation, coercion and change of the system structure in order to compete and survive. Competition among diverse systems of the environment changes the environment itself and, therefore, forces own system for change. During this process the system will be developed and get new experience and knowledge.

An ability of the system for adaptation and an ability to recognize a positive change and resist to a wrong change can determine effectiveness of the system. It is a relative notion that may be described by domains of Gross National Happiness such as “living standards, education, health, environment, community vitality, time-use, psychological well-being, good governance, and cultural resilience and promotion [2].”

Adaptation goes through the DMP that is based on two distinct kinds of thinking, one that is intuitive and automatic, and another that is reflective and rational [1]. It complicates implementation of change because of resistance of the system. The DMP as a human process defines a delay in change that can create a problem. Therefore, the problem exists is only because a decision-maker is wrong. To “nudge” the governance on the right way of thinking can improve decision-making.

Human biases and traps, beliefs, values, perception, ambitions, national and organizational cultures influence the DMP. These notions are relative and mutually connected because we cannot change social reality without participation of people with their expectations and imagination. Applying of critical, creative, and system thinking may allow minimizing of influence of human biases and traps on the DMP.

The leadership task is to motivate for change and build “a learning organization [6, p. 3-4].” This system is open and always seeks equilibrium with the environment and aims to achieve an optimal coefficient of dynamic equilibrium between the system and the environment ($K_{eq\ opt}$) [5, p. 216] that can correspond to maximum possible system effectiveness. This system learns itself and the environment based on active participation of the SA and the CS in the DMP and quick feedback.

“The eight-stage change process [3, p. 23]” can provide successful transformation through alter strategies and reengineer processes that can allow changing the system. It may look like a process of cooperation between the state authority (SA) and the civil society (CS) when a leadership and the system are ready for change.

Change of the system can require a complex approach. To change a part of the system may not be effective because the system has own archetype with its connections and relationships. Therefore, it is important to identify a critical element of the system with so called a Center of Gravity (COG) of the system and influence on it. The COG is “primary sources of moral or physical strength, power and

resistance [7, p. IX].” The COG of the system can be a leader and/or a leadership that have to understand the need of change. For instance, understanding of the need of change by the SA and the CS is decisive to implement change of the system in time.

Resistance of the system to any change creates a paradox of system development. The system concentrates all means and ways to protect an existing system structure and avoids innovations and creativity. The existing COG can become obsolete for a future desired system. Change of the system structure, including physical and mental structures, as a required action for adaptation, can create a new COG. Therefore, the COG of the system should be changed in order to adapt the system to a new environment. Leadership, as a possible COG, should be flexible based on a certain level of delegation of leadership power between the SA and the CS.

Thus, reform planning should look like identification of new possible COGs as a visualization of a desired future system before implementing change. A new developed COG can allow achieving the end-state by minimum means and simple ways. Replacement of the existing COG by a new one without conflicts is a matter of negotiation based on understanding and respect of beliefs and values by previous and desired structures of the system.

Conditions can change a shape of the system. For instance, a thing without a shape itself under a certain condition can acquire a visible shape. For instance, under temperature below zero water becomes ice. Does water have a COG? Water is difficult to squeeze, but water shapes its course according to the nature of the ground over which it flows and reaches the goal. The system also has to be flexible enough in relation to the opponents whom it is facing. A certain proportion of participation of the SA or the CS in the leadership process that can provide this flexibility. Philosophically, influence on the COG of the system is critical for this process.

The question is how and when to change the COG of the system (physically – the system structure). The system is the most vulnerable in a transitional phase when there no a stable system structure. Entropy of the system defines a critical level of Keq_{crt} [4, p. 146] when the system has to be changed because lack of system balance, for instance, satisfaction of the community. In this moment, the CS may become more active and the COG of the system can shift from the SA to the CS. It forces focusing more on cooperation between the CS, as a powerful leadership component, and the SA.

On one hand, it is a time for change implementation based on clear vision and proper leadership. On the other hand, the system should be protected from possible destruction and losing functionality. The structure of a social system has physical and mental parts. System adaptation requires simultaneous changing both parts. Change of the mental part of the system can be the most difficult because it is based on human perception, beliefs, and values. Participation of the CS in the governing process generates a process of learning that helps to change mental models through better understanding of the system and the environment.

To summarize, governing plays a critical role in order to make the system effective in the changeable environment. The system should be open for adaptation, smart and sensitive enough to react to any change through the DMP based on proper

participation of the SA and the CS. Also, change of the environment requires change of the COG of the system as physical and mental parts of its structure through involvement of the CS in governing.

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