

Features of the Transformation of Management Principles in the Era of Digitalization: the Experience of Public Administration

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Abstract—The economy is undergoing a radical transformation in all its structures, completely changing the methods of management. Changes are taking place on a global scale based on the digital technologies being implemented. The role of the state and executive authorities is being completely rethought. They are transforming themselves into "digital governments", IT platforms, and forming their own digital structures with a list of services that are necessary for the population. In this study, the following 4 directions of development of the public administration system were identified and reviewed in detail: digital reforms in the public administration system; long-term balance and sustainability of public administration; focusing on improving the quality and efficiency of public services; implementation of project management methods for the development and implementation of state programs. Based on the research conducted, current trends in public administration have been highlighted, and it was concluded that the trends in the development of modern economies include the mandatory participation of the state.

Keywords—System of public administration, Digital reforms, Balance, Sustainability, Quality, Efficiency, Public services, Project management methods.

I. INTRODUCTION

Economic trends and prospects for the growth of national and economic potential of countries have predicted dynamic development paths. It is necessary to note the periodicity of dynamic development, consisting of recessions (recessions, depressions) and rises. They are characterized by cyclical economic crises of varying duration. Such cycles are divided into medium-term (about once every ten years), long-term (according to Kondratiev N.D.) and ultra-long-term - these are centuries-old on the scale of civilization. The transition of the economy from planned economic relations to market relations does not mean the exclusion of the state from economic relations and the life of society. On the contrary, during the formation of new economic relations, the need to increase the volume of the public sector was determined. This is dictated by the fact that the market mechanism of equilibrium price formation and distribution of resource potential, economic interaction between subjects is unable to solve a whole list of problems.

The state, managing the economy in market relations, takes all measures to create favorable conditions for social partnership and for the development of a certain sphere of relations that does not function according to the laws of the market.

II. METHODOLOGY

In the study, the authors used the basic methods that are used in economic science: search for information sources, data collection, systematization, analysis, comparison, clustering of data, identification of general trends, testing the scientific hypothesis about the attribution of the trend of economic development of public administration to the class of modern ones. In addition, foreign sources of literature, long-term development programs, foreign websites, regulations and scientific articles were analyzed.

The methodological basis of the research is formed by the general scientific principles of the system approach; methods of logical analysis, factor analysis, comparative analysis, strategic and managerial analysis, etc., methods of economic modeling; organizational and structural modeling, qualitative research of the fundamental directions of digital infrastructure development. Also, the methodological basis of the research was the fundamental concepts and approaches of different scientists in the field of management, system analysis, strategic management and planning, design of management systems, project management. This allowed us to study the scientific problem and show its significance.

III. RESULTS

The study identified the following 4 areas of development of the public administration system:

1) Digital reforms in the public administration system. The main direction in increasing the productivity of public services and the apparatus as a whole is the centralization and robotization of the processes of providing services to consumers [10]. The goal of this transformation is to reform the state apparatus according to the laws, standards and established rules of the market mechanism operating in the economy in order to optimize public spending and improve performance. To do this, it is necessary to recruit or train

competent, highly qualified managers in departments with a clearly defined area of responsibility [4].

While implementing administrative management reform, the state is carefully studying the robotization of automated processes in its daily strenuous activities. This study is based on analytical and statistical data, the existing experience of large commercial companies. The existing practice of providing a range of public services requires the use of high-quality tools when testing robotic systems. It should be noted that robotic systems provide the proper level of confidentiality [6].

The decisive element in the activity of the apparatus is a stable connection between the government and the population. The trend, customer orientation as it is carried out in the market relations of business and consumer, carries in its activities a change of priorities in the departments of state bodies and their services. Improving the efficiency, accessibility and quality of public services is the main direction and strategy of the ongoing reform of the administrative apparatus. For this purpose, the goals and objectives of the relationship of state institutions with customers and consumers of services are formed, i.e., a customer-oriented model of the activity of the apparatus is created.

This trend of transformation obliges state bodies to focus on the existing market relations in the economy, to interact with civil society and business, giving priority to the population, which is the consumer of services. From this it should be concluded that:

- public services are in demand only when they fully meet the needs of the population. Performing this indicator can be judged on the effectiveness and efficiency of the work carried out with the population.
- it is necessary to proceed from the fact that the client is the reference point to which the state is obliged to provide high-quality and timely services, minimizing its losses in time and costs, both material and physical.
- the government should always see itself not as a petitioner, but as an equal partner in the chain of established relations: the state with its administrative apparatus is a service that the apparatus – an equal partner – is obliged to provide.
- state bodies involved in the provision of services should be controlled not only by higher-level structures, but also should be accountable to the population.

Modern trends in the development of computer technologies provide lots of services to consumers [5]. Automation improves the working conditions of employees and service specialists, all working in the field of management, eliminates the human factor, frees from the exhausting operations of the human performer. In the era of digitalization, the IT industry has received intensive development, providing hardware workers with high-quality working conditions.

2) Long-term balance and sustainability of public administration.

In order to ensure the long-term balance and sustainability of the state system, various countries have implemented a number of measures in recent years, including those aimed at:

- ensuring greater stability and predictability of economic development, reducing the dependence on external factors, forming the basis for increasing investment activity and increasing the potential growth rate of gross domestic product;
- formation of the necessary regulatory framework for the implementation of long-term planning, which determines the main priorities of state policy and contains indicators for ensuring state programs for the period of their implementation.

With the end of the adaptation period, the goal of ensuring a balanced development of the country and expanding the potential of the economy in difficult conditions of increased mobility of the external and internal market conditions comes to the fore of the state economic policy.

Ensuring the long-term balance and stability of the state system is the most important prerequisite for maintaining macroeconomic stability, which, in turn, creates the basic conditions for ensuring sustainable inclusive economic growth, implementing strategic objectives, and increasing the well-being of the population.

Maintaining a balance between ensuring sustainability, long-term balance, and sustainable socio-economic development requires that the formation of the main budget characteristics and budget policy in general take place exclusively on the basis of a new design of "budget rules". Strict compliance with quantitative restrictions on budget parameters is an essential means of reducing the risks associated with fiscal policy to macroeconomic and financial stability.

The key objective of developing a budget forecast should be to assess, on a variable basis, the most likely trends of the state system, allowing to ensure stable macroeconomic conditions and the achievement of strategic goals of socio-economic development of the country.

3) Focusing on improving the quality and efficiency of public services.

Despite the results achieved in the social and economic development of many countries, as well as the growth of budget expenditures on the social sphere over the past 15 years, the reforms carried out in the Russian Federation to improve the provision of state and municipal services have not yielded the expected results [12]. A number of issues related to the activities of state and municipal institutions remain unresolved. Despite significant efforts aimed at creating a system of regulatory financing of state and municipal services, there is still a practice of calculating the amount of financial support for the provision of such services not on the basis of economically justified costs, but on the basis of the amount of budget allocations.

A separate problem that reduces the overall efficiency of budget expenditures is the inefficient use of property complexes of institutions. The lack of indicators of the effectiveness of the use of property forces public legal entities to finance the expenses of institutions for the maintenance of unused property. The regime of disposing of property secured by the right of operational management does not create incentives for the institution to effectively use state (municipal) property (including for the modernization of fixed assets).

Barriers to the development of the system of providing public services is also the distribution of state tasks among state institutions by the administrative method. As a result, the authorities are not interested in improving the quality of services and the efficiency of their activities. On the other hand, the non-governmental non-profit sector is currently actively developing, and there is the greatest potential for its formation and involvement in the provision of public services.

Social entrepreneurship should also be developed in the provision of public services. Despite the fact that many objects of social infrastructure, such as health, education, culture, sports and social services of the population, can be objects of public-private partnership, private partners are only responsible for the creation and operation of the corresponding objects. In many countries, there is no regulation on the ability of a private partner to provide public (municipal) services using these facilities, and a public partner to finance the provision of such services, which is an obstacle to the conclusion of relevant agreements.

Along with the development of existing forms of public-private partnership in the social sphere, it is necessary to develop new mechanisms that ensure compliance with the economic interests of the private partner.

4) Implementation of project management methods for the development and implementation of state programs.

A large number of countries are developing project management methodologies in the public sector: the United States, the EU, the Russian Federation, Portugal, Croatia, Poland, etc. [7]. States mostly develop their own methodologies, relying more or less on external professional organizations, such as IPMA or PMI, PMAJ, SOVNET. This trend is primarily aimed at improving the efficiency of public administration through the development of a standardized approach to management, as well as through the development of the project manager profession.

One of the key areas for improving the efficiency of public administration remains the development of program-oriented planning based on the methodology of project and program management. To date, the regulatory and methodological framework for the formation and implementation of state programs do not yet allow us to consider state programs as a full-fledged tool for organizing the project activities of federal executive bodies, as well as a tool for improving the efficiency of budget expenditures:

- state programs in most cases are considered by developers exclusively as a tool of budget planning, as a result of which the issues of coordination of activities in the relevant areas of state companies and other legal entities, municipalities, as well as measures that do not involve direct budget expenditures remain outside the state programs [2];
- the evaluation of the effectiveness of state programs is of a formal nature, a unified methodology for such evaluation has not yet been established [8];
- the state budget does not fully correspond to the program budget. While in countries that successfully implement program budgeting (for example, Australia, Austria, France), the program structure of budget expenditures is the main, and in some countries, in Russia for example, it is only one of the approved budget expenditure sections, which also contains other classification features

(functional classification, as well as classification by expenditure areas);

- the lack of the ability to maneuver financial resources between the structural elements of government programs, which in turn calls into question the importance of government programs as a management tool.

In 2018 the next stage of program-oriented management – the implementation of large-scale national projects - was officially launched in Russia [11]. In this regard national projects, that is, the project component of state programs, will be of key importance in achieving the goals outlined by the Russian President. However, national projects are not only new measures. Many previously initiated activities are actually aimed at achieving the goals of national projects [3]. Such a resource should also be taken into account when forming and implementing national projects.

Long-term foreign experience showed that there were no equivalent alternatives to program-target management [4]. However, the formation of a full-fledged system of such management requires considerable time and consistency in the implementation of the ongoing reforms, changes in the management culture in the federal executive bodies, support and constant attention of the executive and legislative authorities.

IV. DISCUSSION

The history of the concept of "e-government" goes back to the 1970s, but it acquired a real shape only in the early 2000s. The necessary prerequisites for its implementation appeared due to the rapid development of the Internet and the creation of new areas of private entrepreneurship-e-commerce and e-business in the 1990s. The use of information technology in government organizations in a number of countries was already in full swing in the 1990s. However, it soon became clear that "e-government" is not just a new technology of office management, but a whole concept that requires a systemic restructuring and the introduction of new models in public administration.

The developers of the "e-government" programs pursued similar goals in many respects. They can be reduced to the following:

- orientation of public services to the needs of citizens;
- ensuring greater accessibility of the state and its services;
- implementation of the principle of social equality in access to public services;
- more efficient use of information;
- development of "e-business" and promotion of innovation based on market principles.

"E-government" is an essential component of the information society, the transition to which has begun in the most economically developed countries of the world. However, the international community does not have a single universally recognized strategic goal for the introduction of "e-government". The political elites of individual states represent it in different ways, which is reflected in the development of specific projects.

For example, for the United States, the information society is a mechanism for completing the globalization processes, which will result in the legalization of economic

and political power on a global scale by US-based multinational corporations. In this regard, American projects pay great attention to electronic commerce, and the promotion of its developments in the private and public sectors of other countries and regions [9].

For the European Union, the information society is, first of all, a means of preserving the multinational wealth of Europe [1]. Therefore, European e-government projects are aimed at solving the problems of the individual and ensuring equal access to public services for all citizens.

The construction of an "electronic country" in Japan is aimed at strengthening the ties between different segments of society, perceived as a single corporation [1]. Therefore, Japanese projects involve achieving a balance between the state, society and business, as well as increasing the country's competitiveness on an international scale.

V. CONCLUSION

The current trends laid down in the development programs of public administration have a close connection with such a structure as the economy. The transformation is taking place in the following directions:

- the basis for the state digital platform is being created, on which robotic information systems for management in state bodies are created;
- increases the productivity of employees of the state apparatus and the digital information systems and technologies they use;
- the availability of services is ensured, the efficiency of their provision is increased, which is expressed in obtaining the maximum possible return at the minimum cost;
- the digital revolution in the system of public administration is being implemented in the shortest possible time.

The state bears the main responsibility for the management and development of the economy, because the market: is not interested in and does not contribute to the conservation of resources of non-reproducible natural potential, often ignoring the consequences of its negative production and other activities; does not implement employment programs; is not interested in implementing long-term development programs, where the invested funds will be returned in the distant future; is not engaged in applied fundamental research and development in science. It is necessary to remember that the pauperization that took place during the formation of capitalist relations in Europe during the industrial revolution, after the wars of conquest, as well as after the destruction of the indigenous population in North America, is the consequences of the establishment of market relations, propagandized by the anti - social goal – profit at any cost.

Thus, the trends in the development of modern economies include the mandatory participation of the state. The leading and guiding role of the state consists, firstly, in solving problems that do not involve direct profitability, are long in time and costly for a competitive market, and secondly, in creating safe conditions for the functioning of a complex market structure and favorable conditions for the development and functioning of society.

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