

CHAPTER 3

LITERATURE REVIEW

3.1 Introduction

In this chapter, It focused on the study on the planning and organisation structure perspectives that have been done in Asia, Japan, Europe, Soviet Union, United States of America and other parts of the world previously.

Due to the difference in time, period, cultures, social, economy and geographical situation, the findings may vary from place to place.

3.2 Patterns of Local Government

According to Alderfer (1964), there are four basic patterns of local government structure are found in the world today. There are the *French*, the *English*, the *Soviet*, and the *traditional*. Each one has variants and there are partial combinations of patterns, but essentially any particular system in present operation belongs to one of these classes. For example, the Turkish is not exactly like that of France, but it belongs in that category; the Indian is not English in all details, but it could not be placed under any of other. The French system includes those in West Europe, the Near, Middle, and Far East, Central and South America and large portions of African continent. This system of local government was an integral part of the new and modern state fashioned by French revolutionary and nationalistic ideas and it followed these ideas wherever they went. The basic characteristic of the French pattern of Local Government is hierarchical system where the higher local units have administrative and financial controls over the lower echelons. The English pattern mostly the Commonwealth Countries who are the colonies of the Great British in the nineteenth century. The English local government is characterised by decentralisation, legislative dominance, co-option through the committee system, multipurpose

activity and voluntary citizen participation. The term “ *traditional local government*” means that a government is *indigenous* to the place where it exists that is *non-western*. Traditional local government, in most places, may be described in terms of a chief, a village head, or some kind of local leader, either acting as sole authority or more often assisted by a council of elders. The power structure is in terms of an extended family, clan, tribe, religious elite, or economic class. The functions of government are consonant with the cultural stage of the people, and the jurisdiction is limited to a village or a group of villages in a contiguous geographic area. A substantial part of the land is owned and worked in common, but there is also individual ownership, especially of movable property. The traditional local government is found in Afghanistan, Mongolia, Java, Malaya, Abyssinia, the Sudan, the interior of Africa, the Pacific archipelagos, and North and South America before the coming of the Westerner. The Soviet Model of Local Government is made up of several levels of administration. All levels under the All Union, Union republic, and Autonomous Republic levels are considered as local government. The first and highest level is composed of the *administrative units* directly subordinate to the Republic governments: the *krais*, the *oblasts*, the *okrugs*, and the larger cities. The second level consists of rural *raions*, towns of intermediate size and city *raions*. The third level includes the village soviets, settlement soviets and small-town soviets.

However, according to Humes (1991)'s finding is slightly different from finding of Alderfer(1984). He said there were five models of Local Government System, namely, the *French Model*, *Germanic Model*, *Soviet Model*, *British Model* and the *Mixed System*. According to him, French Model was the dual supervision model which was found in France, Morocco, Colombia, Spain, Portugal and Italy; the Germanic Model was a Hybrid (areal subsidiarization) model that was found in Germany, Scandianvian, the Netherlands, Germany and Japan; the Soviet Model was a dual subordinate (intra-organisation) model that found in Cuba in the Americas, Mozambique, Tanzania, Zambia in Africa, Soviet Union and China; the British Model was functional regulation (inter-organisation) that was found in

United Kingdom, Commonwealth Countries and United States and the Mixed System was the combination of Salient features of two or more that was found in Nigeria and Brazil. (Please refers to appendix J-M).

3.3 Planning in Local Government

One of the primary responsibilities of a leader is to decide where he or she wants the organisation to be in the future and how to get there. In some organisations, typically small ones, planning is informal. In others, managers follow a well-defined planning framework. The organisation establishes a basic mission and develops formal goals and strategic plans for carrying it out. They undertake a strategy planning exercise each year, reviewing their missions, goals, and plans to meet environment changes or the expectations of important stakeholders such as the community, owners, or stockholders.

Among the four-management functions planning, organisation, leading, and controlling, planning is considered the most fundamental. Everything else stems from planning. Yet planning is the most controversial management function. Planning cannot read an uncertain future. Planning cannot tame a turbulent environment. Most organisation planning is like a ritual rain dance; it have no effect on weather that follows, but it makes those engaged in it feel that they are in control. Most discussions of the role of models in planning are directed at improving the dance, not the weather. A plan is a blueprint for goal achievement and specifies the necessary resource allocations, schedules, tasks, and other actions. Goals specify future ends; plans specify today's means. The level of goals/plans from top level down are: *Vision* (external message), which is the highest level followed by *Mission* (external message) *Strategic Goals/Plans*, *Tactical Goals/plans*, and *operational goals/plans* (all are internal messages). *Vision* and *Mission* are legitimate for investors, customers, suppliers and community. The *Strategic Goals/Plans* is at Senior Management Level, the *Tactical Goals/Plans* is at Middle Management level and *Operational Goals/Plans* is at lower Management level of the organisation. The word *planning* usually

incorporates both ideas; it means determining the organisation's goals and defining the means for achieving them. (Daft and Marcic ,1998.)

A well-conceived vision consists of two major components: *core ideology* and *envisioned future*. Core ideology, the *yin* in our scheme, defines what we stand for and why we exist. Yin is unchanging and complements *yang*, the envisioned future. The envisioned future is what we aspire to become, to achieve, to create- something that will require significant change and progress to attain. Core ideology defines the enduring character of an organisation- a consistent identity that transcends product or market life cycles, technology breakthroughs, management fads, and individual leaders. Core ideology is divided into two parts, there are the *core values* and *core purpose*. Core values are the essential and enduring tenets of the organisation. A small set of timeless guiding principles, core values require no external justification; they have intrinsic value and importance to those inside the organisation. The Walt Disney Company's core values of imagination and wholesomeness stem not from market requirements but from the founder's inner belief that imagination and wholesomeness should be nurtured for their own sake. Core purpose, the second part of ideology, is the organisation's reason for being. An effective purpose reflects people's idealistic motivations for doing organisation work. It does not just describe the organisation out put or target customers; it captures the soul of the organisation. Purpose (which last at least 100 years) should not be confused with specific goals or business strategies (which should change many times in 100 years). Whereas you might achieve a goal or complete a strategy, you cannot fulfil a purpose; it is like a guiding star on the horizontal-forever pursued but never reached. Yet although purpose itself does not change, it does inspire change. (Collins and Porras, 1996).

An organisation without *vision, missions and goals/plans* is just a sailing boat sailing in an ocean without any *destination*, just following the direction of the wind. The sailors may run out of food due to no planning and destination and

ended up in a disaster.. With vision, missions and goals/plans the advantages are our life is more meaningful, we can save a lot of times, energy and money. For example if we manufacture a product, we can achieve zero defect at the first time and save a lot of times, energy (labour) and money to ratify the problems later. The defect in our product may reduce the confidence of our customers toward our company and consequently cause the decline of our business. Furthermore with goals, we will know how much we have achieved, it serves as a measurement for our achievement and also we can achieve our target in time.

According to Slater (1984),the *objectives of the Local Government planning* is firstly, to apply the skills of comprehensive and project planning, budgeting, negotiation, personnel management and communication, secondly to bring public, quasi-public and private interests together and thirdly to transform policies and proposals into completed work. A primary goal of all planners in the local government today is to improve the quality of public policy outcomes. To achieve this goal, planner will have to engage in more management than has traditionally been the case. Planners and managers working together do local government's planning in United States of America. The role of the *Chief Executive Officer (CEO)* is important. He is responsible for the future of the organisation, which of course involves planning. The manager can improve public policy by planning for ways to do so, and planners can contribute to the management practises that buttress better policy. Managers can help elected officials by providing information on the possible outcomes of alternative decisions. Planners are in a position to provide this information and this aid the manager.

City planning as a profession dates back to 1917 in the United States and with the formation of American City planning Institute. The United States was rapidly developing into an urbanised nation at that time and its burgeoning the communities to recognise that planning was a useful tool in developing large city parks, controlling the worst kinds of housing, developing suburbs, and locating utilities, highways, and commuter railroads.(Slater,1984).

Slater(1984) shown that the planning process in United States encompasses both technical and political work. For example in the planning activities in the area of transportation, where analytically derived measures of land use and transportation modes can be used to forecast transport demand for a new bus system. At the same time, impressionistic and intuitive forecasts can be made on the basis of the likelihood of political support in the form of funding and of local approval.

Planners and *politicians* might have different interests in planning for a city. However, planners learnt that not everyone can be satisfied on any given issue. By using negotiating and reconciliation skills, they are able to serve the needs of elected and appointed officials. In fact, the planner is turning more and more to the political process to get the job done. Perhaps the area in which the planners can be of the greater utility to the politician is in broadening the latter's perspective. People may complained about the short term horizon of the politician (resulted from politician's personal interest or necessity to win in the election). To the extent that planner can translate long term and interrelated perspectives into short-term benefits to fulfil both their interest and politician's interest. (Slater,1984).

Project planning process is carried out in accordance with ordinances, administrative regulations and procedures. Do not underestimate the importance of the forms, procedure, fees, staff qualifications, records, and even office hours that constitute the process. Careful work will not eliminate the applicant's pain in coping with the costs, delays, complications and tedious tasks, but it will make the process as effective and pleasant as possible. The local government staff can lay the groundwork for identifying the interests that hold benefits for both the public and private sectors.(Slater,1984).

Based on the finding of Slater (1984), there is no model organisation for long term planning. Experience tells us that a well organised Local Government can fail to deliver services in a socially responsible and cost effective manner for example, production is low, funding is inadequate, equipment is poorly maintained, community dissension exists or policy-making and operation roles are not clearly defined. On the other hand, poorly organised local government may be able to deliver services in spite of organisation barriers. One researcher has pointed out that it is likely that the utility of organisation as the sole key to effective planning is questionable. It is feel that there is a need to keep proving that promised improvements will materialise rather than of evidence that organisation has actually been fundamental to effectiveness.

Slater (1984) stressed that in organising for comprehensive planning, the chief administrator, the planning director and others concerned need to think first about the many possible ideas, places, methods and group that can be the "focus", the point of emphasis for planning program. Hose points are budgeting, executive management, research and analysis, political input, citizen participation, economics and public finance, neighbourhoods and social services.

Slater (1984) explained that the financial planning is both broader and deeper than the typical budget routine of most local governments. It goes beyond the earliest budgeting objective of financial control and the later budgeting objective of management information to the current objective of a policy agenda with revenue and expenditures attached.

Community relations always have been an on going part of local government planning. Although community relations are tied up with intangibles like power structure, political considerations, feedback, and networking, they can be learned. Part of the learning is paying attention to what is going on around, listening to people and steering clear of snap judgements. The *local government management* should put themselves in the other person's shoes. They may not

agree with his or her assertions but they will discover that the person is not stupid or irrational. There are two methods-*networking* and *citizen surveys* to nurture community relations. Beside that the most important items are known themselves and their community and balance special interest and the community interest. (Slater,1984).

The *planning for personnel* involves job description, recruitment and selection, motivation, performance evaluation, anticipating work load, continue education, on-the job training and others.

Employee motivation is stimulated in many ways, which vary with the individual and prevailing job circumstances. Typical priorities for increasing employee motivation are income, responsibility with authority, fringe benefits, job security and opportunities for professional training and advancement.

Slater (1984) found that *continuing education* become more important to planners as they become involved in the dollars and costs of community development issues- a topic that is not usually emphasised in University Curricula. Many opportunities are available for participating in seminars and conferences as part of on-the-job training. In-house training using quality circles and staff members to teach other staff members is another important way to upgrade technical and administrative skills.

The *information* needs for planning especially strategic planning are greater than ever before. The information needed ranges from data on a single parcel of land to the financial resources, economic base and exogenous variables that impinge on major decisions.

The information framework should include mission statement, operating objectives and work programs, management indicators and performance measures. The most important for planners may be time, money and staff. The

staffs are paid to use their time productively to get the job done. The important thing is to control time wasters like going to meetings, visiting on the telephone, chatting with visitors about items that are not in the agenda and daydreaming. The most important is the time management. This means planning and follow-through. The follow-through can be measured by checking agree-upon starting and date to complete the tasks and projects.(Slater,1984).

As for data which is the major information element in planning. The data should be focused, accurate and timely. Otherwise it will be garbage in garbage out which is a waste of time and energy.

To manage is to *communicate*, so it is with planning. In the earliest days of urban planning, planners depended on written reports, maps, diagrams, speeches and other means of communication. But today the organisational environment has changed: more people are involved; more people depend on information; information is more complex, subtle, and subliminal; and communication depends for more on technological devises. (slater,1984).

Planners are well educated, intellectually inclined and imbued with a strong sense of social consciousness. A planners values and actions will be noticed and judged in a local government. The wise planner holds his or her value, recognises that others may have quite different values, and adjusts action accordingly. Most planners believe that their values will enable them to improve society, influence political decisions and convince others that their recommendations are correct. In applying these values, planners must recognise but not judge the values of others. The developer who is out to maximise profit by all legal means is not unethical. The neighbourhood spokesperson who is not necessarily narrow and selfish, If the planner and other people or group can agree on the facts underlying a problem or issue and acknowledge the differences in values, the discussions, hearings and negotiations will be much more effective.(Slater, 1984).

3.4 Structure of Local Government

When local representation and executive institutions are established and how decision-making power is focused or diffused among them reflects and reinforces not only the exigencies of central government oversight, but also the extent to which local government operate as integrated entities in responding to central directives and local conditions. Local government vitality depends on the institutional capacity of its leadership to secure support, not only from the council, its committee members, staffs and local constituents but also from central institutions. Thus how a local government structure is structured is how its council, committees, executive are selected, appointed and empowered and the extent to which how leadership can convert plurality into unity, discussion into decision and diversity into a sense of general direction. (Humes, 1991).

Moeljarto(1992)'s study shows that in Indonesia, the present structural arrangement of central-local relations, which become the structural framework of people's participation is regulated by the *Public Law No.5/1974* on the Principles of Government in the Localities. There are some important basic ideas of the Laws: (i) the local government is based on the principle of " *real, dynamic and responsible autonomy*"; (ii) the weight of autonomy is located at the second level of local government, i.e. the district level; (iii) there are three types of central-local relations applied: "*decentralisation*" which grants Local Government authority to conduct its own governmental affairs; "*deconcentration*" , the delegation of authority to field officers of central departments to carry out certain government functions under the co-ordination of the governor; and "*mede bewind*"- the right and obligation of Local Government to help Central Government to carry out functions in their respective region.

In India the structure of Local Government consists of three different components. There are (a) the *district administration* (b) the *urban local self-*

government institutions and (c) the *rural local government institutions*. However none of them have an independent constitutional status. Since Local Government is a subject under the state list, therefore, the local administration at district and the self-government institutions both in rural and urban areas are the creatures of the State Government. They have to carry out only those functions and responsibilities which are specifically delegated to them under the state legislation. Thus the composition and functions of Local Government institutions may vary from one state to another in the twenty-five states and the seven union territories existing in the federal system of India. (Dr.Jaix, 1992).

The study of Lee (1992) shows that the current *multi-hierarchical system* of Local Government of Korea with three or four local levels has posed some administrative problems. Each local government with its own traditions, cultures, and needs. Thus local institutions' functions were created in response to the demands of its own citizens who have different situations and goals in many ways from those of the central government. The current system of local government has failed to co-ordinate harmoniously with the residents mainly due to the lack of interaction between the county government and the residents. Its has created over-lapping functions for the county government. It also operated as an intermediary between the town and townships governments and they needed to refer to the provincial government. This practice reduced the township governments to secondary roles, because preparation of unnecessary reports for higher levels became a major portion of their duties rather than functioning as self-government units. These unnecessary problems could be lessened, if not eliminated, by reorganising the system into a two-tier local governments system with the province as the large local government unit and the county government as the small local government unit. Furthermore, instituting county branch offices where necessary can prevent the problems, which could arise from distance as a result of rearrangement.

The Philippines reverted to a presidential form of government under the Constitution of 1987, relegating to a historical footnote Marcos' alliance with the semiparliamentary system patterned after the French. Local Government continue to be financially dependent on the national government and are subjected to stringent controls in their exercise of delegated power. (Carinos and Carada,1990).

As a unitary state, the Philippines has no intervening level between the national government and local governments as in federal system of government. The lowest levels of governance are the local government units: provinces, cities, municipalities and "barangays". The Constitution guarantees that they shall enjoy local autonomy. But being in a unitary state, the national government defines or delimits the criteria and manner of their creation; their rules, powers and organisational structure; the rules for the selecting their leaders and the modes of citizen participation in local governance. As the head of government, the president exercises general supervision over local government. The Philippines local government system is a network of seventy-three provinces, two sub-provinces, sixty cities, one thousand five hundred and thirty-four municipalities and about forty-one thousand six hundred and fifty-seven "barangays". As mandated by the 1987 constitution, these political and territorial subdivisions should enjoy local autonomy and should have power to create their own sources of revenues. They are also entitled to just share in national taxes and to an equitable share in the proceeds of the utilisation and development of national wealth that they are not enjoyed previously. Local government units are created to govern local affairs and administer the delivery of local services. (Carada, 1992).