

## **REORGANIZATION OF THE CONTROL SYSTEM OF HOUSING AND COMMUNAL SERVICES ON THE BASIS OF THE BALANCED APPROACH**

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**Keywords:** housing and communal services, managing company, the principals of balanced management, a balanced management system.

The article considers the problem of managing housing and communal services in Samara region. The necessity to transfer branch management to big managing companies is proved. A balanced system of managing housing and communal economy is developed.

The problems of housing and communal services management in the Samara region are considered. The necessity of transferring management of this branch to large managing companies is substantiated. The balanced control system of housing and communal services (BCS HCS) is developed.

Key words: housing and communal services, the managing company, principles of the balanced management, the balanced control system.

Housing and communal services is a complex of various subindustries, aimed to provide necessary conditions for a man's well-being and functioning of social and industrial structure of the territory.

Such factors as an unsatisfactory financial position of housing organizations, high costs and absence of economic stimulus for reduction of costs on rendering services, undeveloped competitive environment and ineffective system of management for many years have led to the crisis of housing and communal services.

Inhabitants of all regions of Russia without any exception even of those that are considered to be economically safe face significant and insignificant failures in work of communal system. Samara region is not an exception in this situation.

The planned and compulsory repair for preservation of building constructions and engineering equipment is not carried out, and it lessens the term of complete depreciation and lowers expenditures for the current repairs. Depreciation of heat and water distribution system in the region accounts for 60% up to 80%. The most run-down elements of dwellings are roofing system, water distribution and power systems, lift facilities.

Commercial interests in business development of housing and communal services require development of effective instruments of management of communal infrastructure objects, building a new type partnership between an owner of the communal systems and business, reduction of administrative and operational costs in communal sphere, optimization of rates on services and other outer factors of doing business.

Focusing economic activities on a consumer calls forth rebuilding of management system, changes of objectives and tasks of economic activities, deviation from traditional forms of management.

According to D.V.Lifshitz "nowadays the perfection of the management quality of available and not available housing is the most effective way of preservation of available housing and improving house and communal services provided for people. Expert management of these houses on the competitive basis can facilitate improvement of the management of these houses".

In government regulation of the Russian Federation № 797 dated November, 17, 2001, that confirmed subprogramme "Dwelling" for 2002-2010 special attention is paid to the role of management companies in the development of market mechanisms of housing economy functioning.

Management problems that exist and that are aroused by the available housing should be solved with the help of specialized organizations - management companies that are interested in getting profits from this type of activity. Commercial approach towards management of available housing will allow reducing the ex-

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penses on housing maintenance, and the cost of provided housing services for population in case of their good quality sustenance.

In this case a management company should use such system of management of housing and communal services that can provide accurate and balanced interaction of all organizational structures, and chiefly, interaction of consumers and producers of housing and communal services.

We think that under the conditions of market relations the necessity for changing methodological approach to housing and communal services management and constructing an improved system of management becomes more and more urgent. Such system of management should encourage effective development of housing and communal services and competitiveness of their services.

Research showed that the most suitable model of housing and communal services management currently is the system of management on the basis of a balanced approach to enterprises' economic activity of housing and communal services.

The concept "balanced management (planning)" requires certain reconceptualization, considering conditions of developing market economy and field characteristics of housing and communal services.

From our point of view, business notion "balance" as realization of a balance between a producer and a consumer (balance of supply and demand) in the system of housing and communal services should have common (unified) criteria from the point of view of usage of these resources by a producer (primarily - material, labour and financial), and on the part of a consumer's needs.

Understanding the balance as interrelation of "needs and resources" can be specified through the main connection - "production and manufacturing". The constitutive criteria of balance are the congruence of volume, structure and quality of provided services with the current market (public) needs.

The notion "balance" should include not only congruence of production with the consumption, but also achievement of a concise interrelation of actions between business units of housing and communal services through time and space.

M.E. Konovalova notes that "achievement of balance should be considered not as one-time action but as a sustainable process".

From our point of view, according to its functional purpose, balanced management is a complex of decisions and actions that enable task-oriented, balanced and coherent interrelation of business units. Balanced and coherent interrelation means cooperative business bonds between market entities that are built on previously stipulated duties in realization of a unified target programme.

According to procedure-oriented approach, **balanced management** is a process of purposeful impact upon the business activities of an organization that aim at making it cohere with a market entity.

Relating to production **the system of balanced management** means development and realization of managerial decisions that predict the track-off of production from its coherent and balanced planned parameters.

Therefore, **balanced management of organization** suggests mainly purposeful and coherent character of managerial influence on organization's activities that lead to the possibility of timely riddance of current production and business difficulties with correlated business entities.

The main principles of balanced approach in housing and communal services management are:

**Purposefulness** of the balanced management is connected with its focus on market. Business entities in market economy can function in case of accurate understanding of their objectives and tasks. Objectives are the basis for the development strategy and tactics and serve as criteria in managerial decision-taking procedure.

**Dynamism** characterizes ability of managerial system to take prompt decisions and possibility of immediate riddance of current discords with interrelated business entities.

**Integrity** is a complex interrelated planning and management of separate business processes of separate interconnected subjects, considering the realization of common target function.

**Principle of preclusiveness** means prediction of situation development and response to this situation. Prognostic activity and identi-

fication of actual possibilities of purposeful regulation of enterprise activity of housing and communal services helps to eliminate areas with free decision-taking process.

**Principle of information relevance** means use of such information in managerial process that meets the demands of authenticity, operational efficiency, brevity and relevance.

**Flexibility and adaptability of the system.** Flexibility means ability of the system to solve non-standard tasks. Adaptability means ability of a system to change in accordance with the demands of the environment. Important aspect of successful management of housing and communal services is raising adaptability of the system to management in dynamically changing market conditions.

**Principle of balance and coherence** of a system characterizes effective development of housing and communal services enterprises in conditions of stochastic fluctuation of market needs (sphere). Coordination is revealed in formation and maintenance of real stipulated negotiated relations between an owner, a tenant, managers and organizations that offer housing and communal services.

**Principle of economic viability** means economic relevancy of taken managerial decisions.

**Principle of social targeting** should be focused on quality improvement, including increasing reliability and durability of housing and communal services offered to public.

Creating the system of balanced management with the consideration of above-mentioned

principles is a process that requires accurate understanding of objectives and tasks in current changing system of management.

In this case there comes a necessity for the development and theoretical objectivation of balanced system of housing and communal services in market economy.

Business mechanisms research for effectiveness of housing and communal services is actual because of necessity of urgent transformations of ingrained low-efficient forms and methods of housing and communal services management, their adaptation to market conditions.

Research has helped to form the system of balanced management of housing and communal services. Its key element is the block of managerial decisions on the basis of balanced approach, including the sub-system of analytical managerial decision taking and the model of optimal managerial decision taking procedure (see figure).

**Informational sub-system and organizational sub-system** are integral elements of managerial system of a modern enterprise and are considered to be foundation for the improvement of the system of balanced management.

**Financial and economic sub-system** realizes functions of management with the help of financial flows, budget planning, commerce, economic planning and analysis, guarantee of sustainable economic situation of housing and communal services.

**Block of managerial decision-taking process** based on balanced approach is a complex of methods and models that are aimed at taking reasonable managerial decisions from the

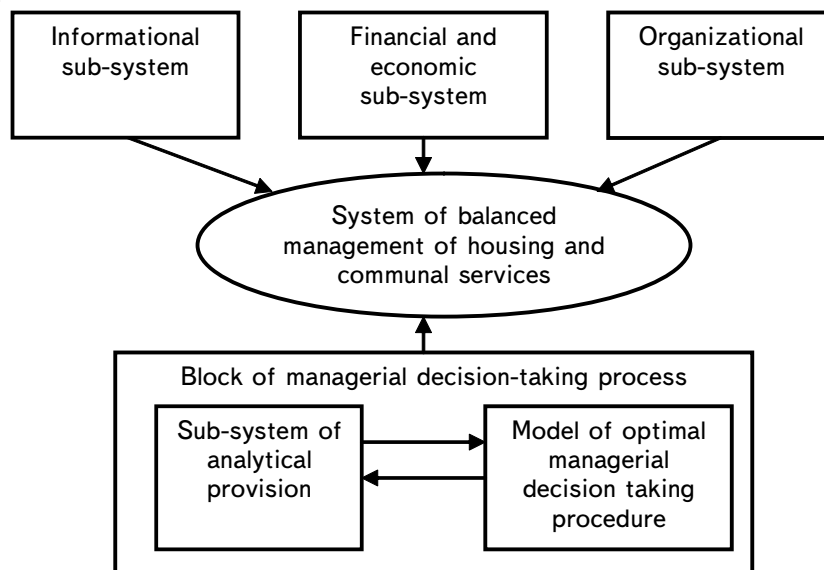


Fig. System of the balanced housing and communal services management

economic point of view. The block functioning is realized on the basis of interrelation of subsystem of analytical provision and the model of development of effective managerial decisions.

**Subsystem of analytical provision** is the system of methods, including traditional as well as economic, mathematical and specific methods of business activity analysis. Emphasizing this system of methods is justified by objectives and tasks that it decides in the process of management.

**Model of development of effective managerial decisions** allows taking rational managerial decisions on the basis of information that is received by the subsystem of analytical provision. The model justifies taken decisions by enterprises of housing and communal services. This model is closely connected with the complex of analytical methods, as it uses their information at all the stages of the decision-taking procedure.

Gradual decrease of the share of the municipal housing in the structure of available housing as a result of privatization and increase of the

level of the housing and communal services cost in future will intensify the problem of housing and communal services management. In accordance with this, modern stage of housing and communal services development presupposes achieving the result mostly due to the organization and because of that the system of management improvement will be structured. That is why the development and implementation of a new system of housing and communal service is of current importance on the basis of balanced approach.

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