

Contemporary Challenges In Local Government

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The Bertelsmann Foundation, the largest in Germany, sponsors the Carl Bertelsmann Prize for innovative solutions to public problems. In 1993, the award was given for exemplary practice of “democracy and efficiency in local government.” After extensive research, 10 cities—including Phoenix, Arizona, and Christchurch, New Zealand—received the prize.

The recently published research¹ that led to the awards describes the compelling issues facing contemporary local government professionals. The research has stimulated our thinking about the trends that will challenge these professionals for years to come and the perspectives that will be needed to address them.

Of the many forces affecting local governments, two emerging trends will shape the future for local government professionals. The first is the movement to modernize the organization. The second is the movement to build and maintain a sense of community, capturing the essence of governing at the local level.

Local government professionals must understand each trend in order to contribute effectively to their communities. In this article, we describe the two trends and selected challenges in more detail. In the second half of the article, we identify six responses necessary to deal with these issues.

Trends

Modernizing the organization is a worldwide trend whose goals are efficient customer service and added value. Accomplishing it involves a results orientation, budgeting as policy making, integrated and sophisticated administrative systems, activity-based costing, performance measurement and benchmarking, quality assurance, and flexibility in work arrangements and personnel policies.

The second trend defines local governance in terms of building and maintaining a sense of community. In a world that is increasingly interconnected through telecommunications, financial markets, and accessibility to technology, our personal connections to community are challenged as our sense of place and control over our lives erode and as diversity in our population increases. The renewed sentiment for community signals an enduring desire for identity, grounding, and tradition.

There are many challenges associated with each trend, and we outline a few of these in the next section.

Challenges in Modernizing The Organization

The gap between politics and professional/technical administration. If we do X, we are confident that Y will occur. This is the logic that underlies the “best practices” movement. We adopt a best practice because we are certain that its adoption will produce desired results. Modernizing through these rational administrative practices—that is, processes that are driven by means–ends relationships—produces a gap between the competencies of elected officials and those of professional staff that continues to grow.

When rational methods and nonpolitical thinking lead to technological innovation that improves efficiency, modernizing the organization becomes virtually unstoppable. For example, once an organization has adopted a

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mathematical revenue projection formula that works, the practice becomes part of the budget process and over time is taken for granted.

Making politically motivated estimates then becomes an exception and, if publicized, would be subject to public criticism. Even if individual instances of political micromanagement of the budget remain, the big picture is clear. Budget preparation today is far more rational and analytical than it was 25 years ago.

Given the trend toward modernizing the organization, the gap between the perceived competence of elected officials and professional staff will continue to grow. Many managers today believe that governing bodies are less capable than their predecessors, failing to recognize that elected officials may not have gotten worse but that professional staff may have gotten better. The gap grows—but not for the reasons many managers assert.

The consequences of this gap are twofold. First, the chief administrative officer’s job has become more political because someone needs to translate and interpret between politics and administration. Without the help of the CAO, it has become hard for political bodies to understand the administrative capacity of the professional staff. Even though elected officials and professional staff use the same words, they speak different languages that reflect their perspectives.²

The second consequence of this gap is that training of elected officials has

become more important. Training should help officials to:

- Develop a legislative agenda that establishes a sense of community purpose and provides a clear relationship between administrative processes and strategic goals.
- Know how to engage the full capacity of administrative staff.
- Integrate constituent services into their policy development role.
- Fulfill their oversight responsibilities without becoming mired in “administrivia.”

Although these are incredibly challenging tasks, the competencies associated with them are rarely included in elected officials’ orientations or continuing education.

Decentralized service delivery poses a second challenge associated with modernizing the organization and calls into question central management’s role. The goal of customer service is to satisfy citizen demands quickly and appropriately. In rapidly changing environments where decisions are based on specialized knowledge, customer service requires decisions about service delivery at points where customers come in direct contact with government.

This organizational principle brings up two issues. First, it calls into question the role of central management. If decentralization minimizes the command and control role of central management, what role is left? The obvious answer is that central management in concert with the governing body sets values, vision, and mission, providing the criteria on which lower levels can base decisions.

In local governments, where services run the gamut from public safety to public housing and where the governing body changes, this task is incredibly difficult. It cannot be done by formula. Governing bodies change, values are vague, services are diverse, and the time needed to work through these issues is scarce.

The second issue involves accountability. While service delivery is being decentralized, political accountability is not. Chief administrative officers cherish the ideal that political bodies should not be involved in administrative detail. But if they are not, the elected officials will demand a single point of accountability—the CAO's office.

The manager's office now will actually know less about service delivery decisions and have less control over them than in the past. This always has been the case in large communities, but we anticipate that it will occur more in smaller ones as well.

Specialized staff and the challenges of coordinating teams. As technology continues to drive innovation, departments will hire more specialized staff. The majority of the work can be accomplished routinely within existing departments—and a hierarchical structure is appropriate in these settings—but an increasing number of problems cannot be dealt with in a single department; they require interdepartmental teams of specialists.

While hierarchy helps manage routine work, it is less likely to work with team-based problem solving, where mutual accountability and group investment are essential to success. The manager's challenge is to build an organization that can structure itself hierarchically for some problems and non-hierarchically for others. The coordinating and mediating roles that managers play with respect to external constituencies will become more prevalent within the organization as well.

Challenges of Building Community

Accessibility of citizens to administrative processes. Despite an enormous amount of political apathy, citizens become active when governmental actions affect them. For example, when a development threatens to produce increased stormwater runoff, potentially affected home-

owners petition their elected representatives and show up at city hall.

In the past, the administrative apparatus of government was a mystery. Now citizens not only expect access to their representatives, they are learning that influencing professional staff can make a difference. This is particularly true in land-use issues, where informed citizens no longer defer to planning staff expertise. And since neighborhoods are focal points for community building, the trend will continue.

Problems that are regional or sub-local and boundary problems. As more people populate metropolitan areas and as the consequences of their actions increasingly affect others, jurisdictional boundaries may not coincide with the boundaries needed to solve problems. While it once was possible to view local politics as special interests arrayed against a larger good, represented by at-large elected officials and professional staff, that increasingly is not the case. The greater good—whether it be in terms of stormwater management, transportation, or environmental concerns—is regional, not municipal.

Thus, the politics of problem solving increasingly is at the neighborhood or regional level. And as government has become more accessible to citizens, it is the neighborhood issues that invoke the average citizen's passion. It is hard to energize citizens around regional issues.

Serving customers versus allocating values. One of the biggest challenges in building the communities of the future will be incorporating distinct ways of thinking about government. On the one hand, citizens expect to be treated as customers; and when it comes to paying water bills, having utilities turned on or off, having trash removed, or being able to use parks and recreation facilities, there are few reasons why they should not be.

On the other hand, governing processes must deal with conflicting values: for example, building a highway that will alleviate traffic congestion but may threaten wetlands. Most controversial

public policy discussions involve such conflicts, which cannot be resolved without time-consuming processes.

The question is whether citizens and public officials can distinguish between these two responsibilities of government and appropriately differentiate their expectations. We simply do not know the answer. And how does a locality's embrace of e-government affect the willingness of citizens to tolerate the traditional processes that are necessary to achieve policy consensus.

The Gaps

The broadest and most compelling leadership challenge centers on the ambiguity inherent in simultaneously modernizing the organization and building a sense of community. One could argue that meeting this challenge will be measured by how effectively we deal with various gaps:

- Between elected officials and professional staff.
- Between departments as they become more specialized.
- Between governing institutions, legal authorities, and formal processes versus community-based values, citizen engagement, and direct expressions of democracy.
- Between specialized staff and community-oriented citizens.

Responding to the Challenges and Gaps

To respond successfully to these challenges and the gaps associated with them, six approaches are necessary:

- Building leadership capacity.
- Thinking strategically.
- Promoting learning and change.
- Developing partnerships and alliances.
- Appreciating diversity.
- Understanding technology as a driver of innovation.

In Figure 1 we show how these six

Figure 1. Trends and Themes Affecting Local Government in the Future.

Trends → Responses	Modernizing the Organization	Building Community
↓ Leadership Capacity	Develop a culture of innovation, mutual accountability, and self-reflection.	Foster an orientation among staff that makes administrative processes accessible to citizens and promotes a partnership with citizens.
Strategic Thinking	Think strategically about ways to connect disparate organizational units and create teams focused on problem solving.	Think strategically about the long-term future of the community in terms of vibrant neighborhoods and responsibilities to the region.
Learning and Change	Create a learning organization that successfully anticipates, plans for, and adapts to change.	Build community processes that lead to the “deliberative citizen,” including the regional citizen.
Partnerships and Alliances	Add to organizational capacity without adding more bureaucracy and without increasing resources.	Connect community groups and perspectives with formal governing processes.
Diversity	Acknowledge differences and understand the strengths of individuals in building innovativeness and teams in the organization.	Foster dialogue and problem solving among disparate segments of the community and promote inclusiveness and equity for a better quality of life for everyone.
Technology	Use technology as a driver of innovation and efficiency while understanding the organizational impact of technological innovation on traditional organizational processes.	Use technology that will bring citizens closer to governing processes and institutions and increase citizen participation.

approaches can be applied to modernizing the organization and building community.

Leadership capacity. Local government professionals will find it difficult to separate themselves from their work, especially as uncertainty undermines hierarchy and change calls for flexible structures. Where a formal structure does not exist, leaders must depend on their own character—that unique combination of values, personality attributes, and competencies—to set the boundaries and definitions of responsible work.

What is the work? How is it to be accomplished? Who is to be involved? How do I lead without being in control? How do I know I am adding value to the enterprise? These questions apply whether the manager is working on

modernizing the organization or helping to build community.

Under these conditions and with these tasks, managers have far too few opportunities to talk with others about managing and leading. What influences have made you who you are? In your youth, who embodied public service as a virtue for you? In what ways do you see your father/mother in how you have developed as a manager/leader? To what extent do you identify problems based on your strengths in problem solving? These are deeply personal questions, but to avoid the arrogance that comes from mistaking personal needs for organizational needs, they must be considered.

We seem to be satisfied with imploring each other to act like leaders—whatever that means. We are told in articles, books, and speeches that the leader’s job is to help the organization set its mis-

sion, values, and operating principles believing that if we say this enough, somehow it will happen. In an environment of uncertainty, where stress comes from managing the gaps, satisfaction and a sense of comfort only can come from knowing what you bring to the table and seeing whether others value your assets and, more important, the way you see their world.

Strategic thinking. Change means uncertainty, potential conflict, and ambiguity regarding purposes, goals, and objectives. Strategic thinking is designed to anticipate future needs and to channel investments in appropriate ways; that is, to provide a guide to the future. But since the change itself defies the planning that is needed, strategic plans cannot always be relied on.

Therefore, adaptability may be the

more valued attribute. When Charles Lindblom wrote about incremental decision making in the 1950s, he not only was describing what he saw, he also was describing the way of thinking and acting that he considered most rational in certain kinds of circumstances.³

Thinking incrementally when strategic thinking is possible is a wasted opportunity. But thinking strategically without being able to predict and then exercise some control over one's environment may yield little of value.

Learning and change. To adapt purposefully requires deliberate efforts to learn—individually, organizationally, and as a community. There must be a willingness to re-examine how things are done and what results we desire. To accomplish this, we must seek feedback from a variety of sources.

Another aspect of learning is understanding the underlying tensions between change and stability. On the one hand, efficiency requires stable and predictable goals, resources, and expectations. With this predictability and reliable technologies, it is possible to produce desired outcomes and improve efficiency.

Where organizations are judged on efficiency, they work hard to protect themselves from environmental turbulence that can threaten that stability. But protecting stability creates a culture contrary to the change that is required to maintain legitimacy with stakeholders.

This tension between stability and change is not a new way of looking at organizations. What is new is the degree of environmental and technological transformation and the increasing specialization of professional and technical staff. With transformations and specialization, controlling the change/stability dynamic is more challenging.

Partnerships and alliances. Privatization is a worldwide trend that takes many forms, depending on the country. In America, it tends to be focused on contracting for services. This is one kind of partnership, but there are many oth-

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ers. Some are driven by an ideology that uncritically advocates private sector over public. But there are other reasons to partner with other jurisdictions, agencies, and organizations.

In an environment of change, partnerships are prized because they extend an organization's capacity to marshal diverse skills and other resources to address problems that do not ordinarily fall within its scope of services. Partnerships can provide added capacity at little cost and permit an organization to add value to existing structures and people.

The challenges of partnerships are great, however. Who defines the problem the partnership is supposed to address? How are partnerships convened? How is accountability established? How do the different cultures of the organizational partners help or hinder achievement of a common goal—especially when the partners come from different sectors? Can the partnerships be sustained without being ultimately incorporated into a new or existing organization?

Diversity. Diversity has been a topic of discussion for years. It is time to go beyond the usual talk of racial and cultural differences, of recognizing, tolerating, and even appreciating those differences. The diversity within an organization and a community must be used for the benefit of modernizing the organization and building community.

Diversity encompasses more than

race and culture. While it is still important to address racial prejudice and discrimination, there are other differences that cause divisiveness. For example, in organizations, generational differences often are the cause of mistaken assumptions that lead to stereotypes. In communities, socioeconomic differences often present more difficult issues than race.

In appreciating diversity, we need to develop more positive ways to address the issues. Ethnic culture, for example, provides an anchor for some groups of people and is a source of strength and confidence. Acknowledging and using differences is critical to developing confident and committed employees and citizens.

Building a climate of inclusiveness begins with a basis of equal status rather than a paternalistic, "do-gooder" attitude. Structured dialogues seem to be the most effective and nonthreatening way to bring together different parts of the organization and the community.

As members of organizations become more diverse, the concept of "organizational justice" will become more pertinent in the employer-employee relationship. In return for loyalty and commitment to organizational goals and values, members will expect to be treated more fairly. Democratic values like rights, equity, and representation increasingly will be carried into organizations as a way of mediating conflicting expectations stemming from more diversity.

Technology. The most pervasive and seemingly unstoppable driver of change is technology—better, simpler, and faster ways of working and living. Can you imagine working without e-mail, computerized databases, and spreadsheets?

Technological change that promises to increase efficiency carries with it several consequences. First, it homogenizes our lives. Every traffic signal in America (and eventually, we suspect, in the world) will be technologically similar. Every Wal-Mart is designed virtually the same way. Every word-processing pro-

gram is virtually the same. Every new gas station and supermarket is familiar, no matter where in America it is found. This homogeneity, which comforts us and makes our daily lives easier, also challenges our need for identity and community.

Communities are distinct groupings of people defined by what they have in common within their boundaries and how different they are from those outside. When those differences are erased, the cultural anchors of community erode. In other words, at the same time we are building a sense of community, we are destroying it.

The second consequence is that technology has affected the pace of our lives and our expectations. E-mail differs from the telephone and the paper memo because it changes the pace and frequency of communication. Whether good or bad, you cannot conduct business today without e-mail—and who knows what tomorrow will bring?


The pace of technological change has altered our way of thinking in ways that go beyond the citizens' expectations for how rapidly government will respond to their needs. Transitions are disappearing because there are fewer pauses in technological development and even fewer periods of rest.

In a recent issue of *Wired* magazine, entrepreneur Jim Crowe is quoted as saying, "What we now call the Web is a halting, Model-T version of the next Internet."⁴ Can you imagine what the next version will bring? What kinds of values and culture are appropriate in an organization where there are no clear beginnings and endings, only processes? What kind of an organizational culture incorporates change with little disruption? What kinds of effects do technological changes have on different cultures within an organization? We don't know the answers to these unavoidable questions.

Conclusions

Local government professionals are embarked on one of the most challenging

journeys of the past hundred years. It is appropriate that we start the century thinking about new ways to engage in public service. We have seen six responses to contemporary governing challenges. Without the perspectives implied in these responses, contemporary organizations and professionals will become misaligned with their environments.

In an environment of uncertainty and stress, it's impossible to lead by formula. Lessons learned are personal and specific. Successful managers understand those lessons, and with them they integrate their self and their work into a productive life. With the uncertainty that we foresee, leadership capacity only can be built if we are sensitive to opportunities to explore, to be curious, and to ask of each other questions that will help us sort out where we fit and what value we can add to our organizations, our communities, and the enterprise of public service. 

¹Frieder Naschold with Glenn Daley. "Learning from the Pioneers: Modernizing Local Government: Part One." *International Public Management Journal*, 1999, volume 21 (1), 25-51.

²John Nalbandian. "Reflections of a 'Pracademic' on the Logic of Politics and Administration," *Public Administration Review*, 1994, volume 54 (November/December), 531-536.

³Charles E. Lindblom. "The Science of Muddling Through," *Public Administration Review*, 1959, volume 19.

⁴Frank Rose. "Telechasm: Can We Get to the Future from Here? First We Have to Get Telecom Out of the Stone Age." *Wired* (May 2000), page 135.

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