This paper looks at the actual day-to-day activities of the local government CEO in Western Europe and assesses the roles they fulfil. The varied roles of the CEO are analysed through the utilisation of evidence generated by both the UDITE Leadership Study and from evidence gained from previous studies of the roles of CEOs. Hence, the paper will provide an image of the CEOs role that is continually evolving to meet the ever-changing demands on this important position.

The changing role of the CEO can be divided into two aspects (Asquith, 1994, forthcoming; Morris and Paine, 1995). These aspects are the role dealing with the internal management of the authority - encompassing the generation and subsequent communication of an appropriate vision; human resource and political management, and the role which focuses on the external environment within which the local authority functions. Of chief concern in this latter networking role is the procurement and maximisation of resources (primarily financial) for the authority and the maintenance and development of relations with other organisations from within the public, private or so called ‘voluntary’ or ‘third’ sectors. Hence, the CEO role can be divided into these two separate, but by no means mutually exclusive roles. The role of the CEO will therefore be examined in detail using this basic, but important division of function.

However, in order to assess the current functions of the CEO, it is important to place this role in context, and importantly to see how this role has developed over recent years. The most appropriate means of carrying out this assessment is by a comparison to the general managerial trends which have impacted upon the public sectors in many countries in recent years (Hughes, 1994). These managerial trends have seen a distinct shift in managerial/leadership functions and values within local government (and indeed within the wider area of public service organisations) from traditional bureaucratic/administrative systems...

The so-called ‘post war social democratic settlement’ which saw an enhanced role for the public sector in the provision of services to citizens since 1945 began to be questioned during the late 1960s and more so in the early to mid 1970s. Along with this questioning of the role of the public sector, went a belief that the traditional Weberian public administration ethos which accompanied it must also be at fault (Flynn, 1996; Johnson, 1997). Hence, public sectors began to ‘toy’ with management models in an attempt to cure the ills which were perceived to be associated with the post war settlement. As such the traditional bureaucratic administrative model often associated with local government began to be replaced in an internally driven process based on an American model of corporate management in the late 1960’s and early 1970’s (Alexander, 1982; Elcock, 1994). This attempt to reshape public sector bureaucracies can generally be said to have been a failure in local government (Isaac-Henry and Painter, 1991a, 1991b; Madelin, 1980; Painter, 1997). Within the UK and the USA the ‘big is beautiful’ theme which was associated with the corporate ideal was seen as having failed to produce public sector organisations which were deemed to be ‘relevant’ to the needs of individual citizens. This failure was graphically illustrated in the UK by Cockburn (1977) in her study of corporate paralysis within a local authority. The oil crisis and the subsequent world recession in the early and mid 1970’s effectively marked the end of internally driven consensus public sector institutions and their internally driven management reform programme to be replaced by systems and structures dictated not by bureaucrats or managers but by (national) politicians.

The intellectual thinking which had underpinned the post war consensus was deemed by the mid-1970s to be bankrupt. What replaced the established school of thought was that of 19th. century economic liberalism which argued that collective state provision of services was inherently inefficient. Rather what was required was service provision designed to meet the needs of individual consumers of public services. Hence the development of ‘public choice theory’. Driven initially by the work of economists like Hayek (1944) and Stigler (1975), the public choice theorists such as Downs (1967) and Niskanen (1971, 1973) argued that public services and public sector organisations should be managed rather than administered. They further argued that only with the introduction of management and leadership techniques traditionally associated with the private business sector, would the public sector be able to concentrate not on inputs, but rather on the outputs of institutions. Public choice theorists argued that only by concentrating on the output of process could an organisation begin to meet the demands of individual service users/customers, via the provision of quality public services tailored to meet individual citizen needs rather than mass ‘Fordist’ markets (Brooke, 1989).

The arguments of Niskanen (1971, 1973) et al met with sympathetic approval in a number of countries which were ravaged by the recession of the 1970s. Most notably conservatives in the United Kingdom led by Margaret Thatcher and in the United States of America by Ronald Reagan embraced the arguments advanced by public choice theorists (Pollitt, 1993). Upon gaining elected office in 1979 and 1980 respectively, both Thatcher and Reagan unleashed reform programmes upon the public sectors which were to reshape both their structure and their roles fundamentally. It would however be incorrect to state that public choice theory found support solely amongst conservative politicians and parties. In countries governed by political parties perceived to be on the ‘left’ of the political spectrum (Socialist, (Social) Democratic and Labour parties) during the 1980s and 1990s have sought to utilise some of the reforms once associated with Thatcher and Reagan. Hence, during the early 1980s the Mitterrand led socialist government in France sought to apply some of the principles of the market to the public sector, as did radical Labour governments in both Australia and New Zealand (c.f. Gosling, 1997; Castles et al, 1996; Watt, 1997). Later in the 1980s and into the 1990s Clinton’s Democrats in the USA and Blair’s Labour Party in the UK stressed the importance of many of the
managerial reforms within the public sector which were introduced often against concerted opposition from public servants by their respective conservative predecessors. It should however be noted, as Painter (1994) eloquently observed, that public sector reformers driven by Osborne and Gaebler (1992) believe in a positive ‘re-invented’ role for government rather than the anti-state minimalists who provided the intellectual justification for the actions of Thatcher and Reagan et al.

Before going on to assess the roles of CEOs in local government, it is firstly important to assess the form of these fundamental public choice derived reforms which have generally taken place within public sector organisations. Whilst this is not the place to have an in-depth analysis of the arguments advanced by the ‘new right’ ideologues, it is nevertheless important to gain some understanding of these reforms. It is only after this has been done, that the roles of CEOs can be correctly placed in context.

As indicated above, the changes in both the organisation and functioning of the public sector can best be characterised by the transference of managerial ideas from the private business sector into the public sector. This process has been given a number of names by different commentators, all of which essentially identify a similar set of actions. Hence Hood (1991) identified ‘New Public Management’ (NPM); Osborne and Gaebler (1992) characterised ‘entrepreneurial government’ and Pollitt (1990) gave us ‘managerialism’. All represent a similar set of basic processes - albeit somewhat different when subjected to the whimsical interpretations of politicians. For the purpose of clarity, we shall refer to the processes as NPM.

It is possible to identify a number of common themes or strands within NPM, irrespective of in which guise it actually appears. Already mentioned above has been the infusion of private business sector management techniques into public sector organisations to often replace a more consensual management style. Such an introduction has not though met with wholehearted opposition. Whilst critics such as Pollitt (1993) decry the undermining of professional autonomy at the behest of managerial accountability, it is not too difficult to identify well respected practitioners within local government who welcome the opportunities offered by NPM (c.f. Caulfield and Schultz, 1989; Isaac-Henry and Painter, 1991a, 1991b; Painter, 1997). Alongside the managerial revolution, NPM also places great emphasis on the need to reduce financial expenditure whilst at the same time improve both the quantity and quality of services provided - the concept of ‘value for money’ (VFM). This shift towards VFM has seen great emphasis placed more on outputs than on the inputs of a particular process. Hence, managerial prowess is measured not on the size of budget you are able to command, but rather on the effectiveness of the results you are able to achieve with a given (or reduced) budget.

Having established, amongst other things, how the CEO role has developed from that of an administratively to a managerially based one, it is now appropriate to assess the actual functions performed by CEOs. This will be undertaken using the internal and external distinction outlined above. It should however be noted once again that to a certain extent this distinction may be artificial and that the internal/external divide does not isolate either function from the other.

**Internal management.**

In terms of the internal management roles of the CEO, these can be loosely divided. Firstly we will deal with the management of relationships with fellow paid officials, bureaucrats or more latterly, managers. These relationships can be loosely grouped together as ‘human resource management’ (HRM). Secondly we will deal with the political management skills, the knack of dealing with politicians on a daily basis which differentiates the public sector manager from his private sector counterpart.

Within local authorities the impact of NPM has been immense. The traditional rule bound, input driven culture which for so long was the embodiment of local authorities in many countries has been swept away. In the place of this Weberian culture (c.f. Alexander, 1982; Headrick, 1962), evidence
abounds of organisations which are not only administratively and managerially leaner, but which are also representative of a clearly ‘post-Fordist’ means of operation (Brooke, 1989; Skelcher, 1992). Significantly, local authorities can no longer afford, both in a literal and metaphoric sense, to be concerned solely with the inputs into a given procedure. Rather, their attention must clearly be focused on the outputs they are producing or are being produced on their behalf (see below), and what level and quality of service is being provided for their citizens. Hence, it can clearly be seen that such a major sea change in approach to the activities of local authorities requires a major cultural shift on the part of all stakeholders concerned with effective local government. It is no longer acceptable to expend public funds on projects and policies without adequate checks on the ‘value for money’ the expenditure is providing.

Within the local authority by far the most important role of the CEO is the transformation of the political agenda developed by elected members or councillors into a realistic management agenda (Elcock, 1994; Morris and Paine, 1995; Norton, 1991). Once this task has been completed, the CEO must then effectively communicate this management agenda to the other stakeholder within the organisation, most importantly to the employees within the organisation. Hence, the development and subsequent communication of an appropriate vision within the local authority and the role of strategic human resource management, evidence is which is abundant in the UDITE Leadership Study data, are deeply interwoven together (Bichard, 1990; Sabin, 1990). The inability to mesh these two core issues together can result in the failure of the CEO’s attempts to deliver the party political aims of the politicians.

What is of particular interest are the differing attitudes of CEOs to the management of change in an era driven dominated by NPM. With the exception of one country participating in the UDITE Leadership Study, all CEOs expressed a view that it was of greater importance to discuss their change management agendas with employees rather than with trade unions. This clearly indicates the shift away from institutionalised collectivism. What is also of interest is the identity of the country which flouts this general principle - the United States. It was an unexpected discovery to find that American CEOs consider it of equal importance to consult both employees and trade unions, given that it has already been observed that the United States (along with the United Kingdom) has been very supportive of the tenets of NPM (Pollitt, 1993).

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This changing role for local authority CEOs is one which to a certain extent mirrors actions taking place within the wider community, where commentators have remarked about the absence of, or the quality of, leadership within organisations (c.f. Bennis, 1989; Hesselbein et al, 1997; Kotter, 1982, 1988, 1990). What is indeed emerging is a picture of a manager, within the private business, public and the third or voluntary sector undergoing a radical transformation. Rather than simply fulfil the traditional Weberian anonymous bureaucrat role, managers, local authority CEOs included, are beginning to take a much higher profile role within their respective organisations. Not only are CEOs beginning to actively espouse their vision to the organisation they lead, but they are also becoming more open in the way they perform their tasks. Whilst local authority CEOs, like their counterparts elsewhere, are seeking to achieve a higher profile within the organisation, public sector managers are wary that the role of the ‘public’ leader must remain that of the mayor or council leader (this will be examined further below).

Closely allied to this strategic HRM role is the whole question of the separation of strategic and operational management agendas within the local authority. Whereas traditional Weberian public administration faltered because it did not succeed, amongst other reasons, in identifying strategic issues, and corporate management ran out of steam because it failed to differentiate effectively between strategic and operational management matters. NPM, with its private business sector orientation, effectively seeks to overcome these inherent weaknesses by clearly differentiating between the
strategic and operational management agendas (Asquith, 1994, forthcoming; Hughes, 1994). Hence, whilst the CEO must identify and then concentrate his/her time on the strategic issues facing the organisation (along with their senior most colleagues and senior elected councillors such as the mayor or council leader - the so-called strategic management/political interface), less onerous tasks relating to the operationalisation of council policies are delegated to junior middle managers and street-level operatives.

Whilst this division is widely accepted by commentators and writers alike (Ansoff and McDonnell, 1990; Bryson, 1988; Certo and Peter, 1991; Clarke and Stewart, 1990), it should nevertheless be noted here that there is still a continuing debate within local government about both the feasibility and practicality of such a division of roles. During the late 1980s in the UK a central government appointed local government watchdog, the Audit Commission (1988) published an influential report calling for the clear separation of the roles. However, one Danish CEO interviewed for the UDITE Leadership Study expressed his concerns about the split. This Danish CEO felt that an effective CEO must have a grasp of operational matters if he/she were to have any idea as to the success of the overall organisational strategy. Whilst it is possible to argue that this operational role should be left to junior managers, who through effective internal management information and communications systems should be able to alert senior strategic managers to issues, though this is not always the case.

**Politician management.**

The extra dimension of operating within a political environment is perhaps the defining factor that differentiates the local government CEO from his private business sector counterparts. It could be argued that this significant factor effectively makes the role of local government CEO (or indeed any other public sector manager) a far more complex one. Whilst non public sector managers have to deal with organisational politics (and occasionally with politicians), public sector managers must deal with these issues within a ‘Political’ institution.

The failure of the CEO in local government to fully appreciate this important distinction, and the importance of astute management of the strategic managerial/political interface is demonstrated by data from the UDITE Leadership Study. In five countries (Denmark, France, Norway, Sweden and United Kingdom) 20% or more of CEOs encountered difficulties with their political masters. In what was a reflection of this instability in the UK, where CEO turnover is around 25%, one CEO at the 1996 UDITE Congress observed that he and his colleagues were only able to attend simply because they felt secure in their positions, and had no major differences with the politicians they served. Further evidence of this insecurity can also be found in the data which shows that 81% of UK CEOs seek political support to their change management agenda - you do not act without solid political support to underpin the change programme. It is also interesting to note that in Ireland, where the local government manager (the equivalent of the CEO) enjoys considerable powers defined by statute, no manager indicated any difficulty with politicians!

The CEO must be an astute manager of the differing political interests within his/her local authority. This ability of course is largely influenced by both the formal legal power afforded to both the CEO and to elected members, and by the political composition of the local authority he/she serves. Hence, a CEO of a local authority in a country such as France, which provides large degrees of autonomy and power to its locally elected councillors and who has a strong mayor or council leader, will have a very different role to fulfil from that of a CEO in a country such as Ireland, which delegates few real powers and responsibilities to councillors, and who has to manage within a loose coalition of differing political parties.

What is most striking about the myriad of data, both qualitative and quantitative, which has been generated by the UDITE Leadership Study are the diverse degrees of political power and
autonomy afforded locally elected politicians or councillors in differing countries. Countries such as Denmark and USA (cf. Mouritzen, 1996; Svara, 1996) appear to afford real power to some local authority councillors, whilst other countries such as Ireland and the UK (Asquith and O’Halpin, 1996, forthcoming; Cochrane, 1993; Elcock, 1994; Roche, 1982) afford them little real power, and in fact in recent times have done much to restrict the actual roles of local government, rather choosing to focus on local administration of centrally prescribed services, rather than local government in the provision of many local services. Indeed an important point to emerge from the quantitative data was the extent to which CEOs felt that there had been a trend towards increased centralisation of power and authority from local government to central government. With the exception of Germany, all the other participating countries identified (to differing degrees) this trend - an indication of the control and direct themes derived from scientific management which exist within NPM.

Within this framework of vastly differing power and roles afforded to local authorities by central governments, there are obviously varying degrees of political management skills required. The UDITE Leadership Study survey sought the opinions of CEOs on their relationships with politicians in relation to their management roles within their respective local authority. What the data reveals, to differing degrees, is a pattern of delegation of roles, responsibilities and powers from elected politicians to managers. Whilst this appears to illustrate the removal of councillors from operational management roles for legitimate reasons, it may also indicate an abdication of roles for political purposes. Evidence exists with Ireland of powers being given up by councillors because it is beneficial to them (elected councillors) to be able to blame a decision on a ‘face less’ bureaucrat, most notable on issues relating to a number of policy areas, most notably that relating to local authority housing allocation.

What is abundantly clear from the evidence presented above, is that within the realms of internal authority management, a local government CEO has two primary groups of constituents s/he must effectively manage. On the one hand he/she needs to be an effective organisational leader, providing an appropriate vision to the employees of the authority. This role also demands that the CEO be capable of providing a suitable environment by means to allow the employees to carry out their roles in order to ultimately achieve the political objectives prescribed by the councillors. Alongside this human resource role, the CEO must also be an astute political manager. The failure of the CEO to realise and understand the political pressures exerted upon councillors, and the allied importance of the delivery of positive policy outcomes, may ultimately lead to both the demise of the mayor/council leader and majority party politicians, and to the CEO themselves.

**External management.**

The role of the local authority CEO in managing the external environment is to a certain extent more complicated than that of managing within the internal environment. Within the organisation the CEO is expected to maintain a relatively high profile in order to communicate his/her vision to the employees and other stakeholders effectively; in relation to the external environment, the CEO generally adopts a low key role, deferring to the public face of the authority, that is the mayor or council leader. This is best exemplified by one retired English CEO who noted that whilst he must refrain from appearing in local newspapers - which were felt to be the sole domain of the councillors whose constituents would be more likely to read them - he was free to appear in national newspapers which would have little influence over local political events (private information).

Within the external environment, the major, predominant role of the local government CEO is that of networking. The ideas of networking owe much to the work of both Clarke and Stewart (1987, 1990) in the UK, and in a more international sense to the ideas espoused by Osborne and Gaebler (1992) and Peters (1997) in the USA. There is a weight of evidence across countries to illustrate that networking is an approach which is not only actively pursued by the majority of CEOs, but is also seen as essential. In an era of declining (primarily financial) resources, the CEO continually
endeavours (often along side his/her political masters) to maximise the resources available to the local authority.

Whilst Clarke and Stewart (1987, 1990) wrote about local authorities ‘managing influence’ to achieve ends in a period of intense resource constraint, Osborne and Gaebler (1992) made it fashionable to discuss government at all levels as ‘steering and not rowing’. Thus governments should concentrate on developing strategies and monitoring outputs, whilst others (from either the private, public or voluntary or third sector) should be concerned with actual service delivery. We have, however, already noted that dissent exists on this point, with one Danish CEO observing that such a distinction between strategic and operational management, whilst being fine theoretically, was in actually a false and almost impossible one to operationalise.

It was observed above that two of the major themes of NPM has been the dual activity of continued resource constraint and the persistent calls of politicians and national exchequers not just that local government provide more services with less resources, but also that it should increase the quality of such services and enhance ‘value for money’ (VFM). CEOs are now attempting to meet the policy aims and objectives of their political masters through increasingly creative resource procurement processes, and through aggressive management of local authority funds and debt to minimize the impact of fiscal drought on their operations (c.f. Nichols Clark, 1994). It is interesting to note that only in the Netherlands, where local authorities have a uniquely stable and generous funding relationship with central government, did CEOs consider resource procurement to be of only ‘moderate’ importance - their counterparts in all the other countries studies regarded the role as either ‘very important’ or of the ‘utmost importance’.

An excellent example of this resource maximisation can be found within the role of local authorities in the promotion of economic development. Whilst national governments in the post-Keynesian era have generally adopted policies firmly based on free market economics in an attempt to regenerate areas affected by economic malaise, local authorities often took a more proactive stance in order to combat the effects of poverty brought on by industrial decline (c.f. Nevin and Shiner, 1995; Robinson and Shaw, 1994). In such matters the networking roles of CEOs can be subdivided into three: local; national; and international.

Locally the CEO will increasingly be seeking to develop linkages with other organisations based within the boundaries of the local authority. In terms of economic development, these links will be driven firstly by the need to retain existing employment within the area, and secondly to ascertain what can be done to increase the employment levels within the area. Hence, these linkages will not only be with existing employers, but with other organisations or stakeholder who are concerned with the physical, social, cultural and economic well being of the area (Kavanagh, 1995).

Given the nature of and importance of local networking to the CEO, what is surprising is the apparent lack of input ‘partner’ organisations have into the core policy making process - the local authority budget. In only two participating countries - the Netherlands and France - did CEOs view this aspect as of even ‘moderate importance’. In an era of continually declining financial resources and increased demand for public services, the inputs of potential partner organisations into local authority policy making processes are surely crucial if they (local authorities) are to remain strong, viable organisations which act as the legitimate voice of local people. Isolated partner organisations may resolve to deploy their scarce resources by other means.

On a national scale, the CEO will be concerned with relations between the central government and his/her local authority. Along with other CEOs, he will be jockeying for extra financial resources for their local authority and through their national association for a better deal for local government
as a whole (Union des Dirigeants Territoriaux de l’Europe, 1997). What is striking is the fact that despite the centralising tendencies of most central governments in the participating countries, there is evidence to suggest that relations between CEOs and central civil servants have, on the whole, improved. Indeed one Irish manager took particular pride in his ability to ‘do deals’ with the national government. We should however note that in two of the most southerly countries of the European Union, Spain and Portugal, local councillors reportedly play an important part in financial negotiations with the regional and central authorities.

Traditionally the ability of the CEO to network internationally, other than through organisation such as UDITE or the International City Managers Association, was limited. This position has, however, changed dramatically in the last twenty years for those countries which are members of the EU. CEOs throughout the EU are now acutely aware of the considerable funding for economic and social projects available from Brussels, particularly in those peripheral states recognised as comparatively disadvantaged. It is interesting to note that local authorities from any given member state have tended to lobby individually rather than under a collective national banner in their hunt for EU funding.

CEOs have played a major role in such lobbying, to an extent playing an ‘ambassadorial’ role in relations with Brussels. This reflects the wider point that, whether proactively or in response to the novel pressures of NPM, local authority CEOs are clearly now more focused on the potential opportunities which lie outside the organisation they lead. No longer, it seems, is the inward looking Weberian bureaucratic approach appropriate to the world of European local government. Evidence abounds of CEOs who seek new innovative means by which to finance and to deliver programmes, through the use of other agencies, through collaboration with private industry, or through partnerships with local community groups outside the formal structures of local government. In this CEOs are undoubtedly reflecting a shift away from processes towards ends, ensuring that policy objectives are met by whatever means and agencies can do the job most effectively (c.f. Clarke and Stewart, 1994). The ability of CEOs to identify and then to pursue suitable network partners is crucial to this process.

Conclusion

This paper has clearly demonstrated that the role of the local government CEO is one which is continuing to change rapidly. What remains for debate is whether this change has been in anticipation of, or is a reaction to, the effects of NPM on local authorities. In either case, evidence abounds that CEOs are a resilient as well as an adaptable breed. Many of the changes experienced by local government CEOs mirror those seen in other spheres of management. Hence the concepts of leadership, vision, cultural change and empowerment are no longer the rhetorical domain solely of private sector management. A cross public/private sector managerial language has emerged.

The political and communal dimensions of their environment which still differentiate public service CEOs from their business counterparts have seen less change in recent years. The UDITE survey demonstrates that the ability to interpret the mood and intentions of local councillors – an idiosyncratic breed at the best of times – remains a crucial element in the CEO’s portfolio of skills. Recent years have brought a considerable and on-going reorientation in the preoccupations and attributes of CEOs, with an increased emphasis on strategic leadership, on networking, on administrative delegation, on communications within the organisation, on customer awareness, and on service quality. This is, however, an evolutionary rather than a revolutionary process for CEOs generally. As local authorities gradually abandon traditional and rigid modes of operation for more fluid and modern styles of governance, CEOs will continue to discharge the key role within their authorities of transforming political aspirations and policies into effective action.
References


