

**NJLM Educational Foundation  
WHITE PAPER**

“The Importance of Leadership in Challenging Economic Times”

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<p><b><i>You must do the thing you think you cannot do.</i></b> <i>Eleanor Roosevelt</i></p>
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**Leadership:** It often eludes a simple definition. To paraphrase Thomas Edison, it is part inspiration and part perspiration. In government, the need for leadership falls not only on the shoulders of the elected officials who set policy but also on the administrative staff whose job it is to implement it. It is hard work. In challenging times, the quote from Eleanor Roosevelt is especially relevant. It implies a need for all the characteristics inherent in good leadership as well as the determination to get the job done.

In academic circles, leadership has been defined simply as “the exercise of authority, whether formal or informal, in directing and coordinating the work of others.”<sup>1</sup> Obviously, however, people who are good leaders or who readily recognize the characteristics of good leadership understand fully that in directing and coordinating the work of others there are myriad special qualities that come into play.

The purpose of this White Paper is to explore some of those qualities. The paper will examine closely, the affect that challenging economic times has on leadership – both the increasing need for it and its appropriate application.

In examining the various components of leadership, emphasis is placed on the relevance for public officials and the administration of public programs. The paper concludes with recommendations and a specific Action Agenda that local leaders may wish to consider in these difficult economic times.

**Exploring the Concept of Leadership**

Most everyone has heard the phrase, “Leaders are born, not made.” While this obviously refers to the many inherent traits of leadership such as natural charisma or personal appearance, it is increasingly understood that to a great extent, leadership can be a learned ability.

Organizations from small non-profits to large multi-national corporations have gotten involved in teaching their executives leadership skills. Leadership training courses are offered in government as well.

Charles I. Barnard (1886-1961) was an American businessman and pioneer in the study of public and corporate administration. Of particular relevance to the reader, he served for a time as President of the New Jersey Bell Telephone Company. In his groundbreaking 1938 thesis, *"The Function of the Executive,"* Barnard identifies three essential characteristics of organizational leadership.<sup>2</sup> These characteristics are particularly important in challenging times. They include:

- The need to establish and maintain a good network of communication;
- The ability to secure essential services; and
- The foresight and ability to define and implement the mission and goals of the organization.

So, how is this accomplished? What subsets of skills do good leaders need to fulfill Barnard's concepts and what can elected and other public officials do to augment the type of leadership that they bring to their communities? The following pages use Barnard's three essential components of leadership to frame this analysis.

## **Leadership in Action**

### **Good Communication is Critical**

Everyone wants to communicate good news. But, nobody wants to be the bearer of bad news! John F. Kennedy once said, "Success has a thousand fathers, but failure is an orphan."

Communicating effectively in challenging times is particularly essential because the stakes are higher. There is less room for misunderstanding and less tolerance for failure. What then, can local officials do to ensure better communication in their communities and organizations?

First, it is essential that a system of communication is in place that works – one that is tested and re-tested. The need to communicate effectively is an ongoing challenge for leaders and administrators because both the working and political environments are constantly changing. Staff comes and goes. Issues change. A system of communication that may have worked fine for years breaks down with new personnel, or with the rise of a different set of issues or constituent concerns.

Barnard indicated that a network of communication must be created and maintained. For government officials facing challenging economic times, this implies several things.

- A Greater Need to Explain the Challenges Internally. Any time government is asked to do more with less it means public employees must do more with less. The first step in making this happen is for elected officials and public administrators to communicate the economic and other challenges that government is facing to their employees. Employees must both accept the message and be convinced by it. The message must be conveyed with commitment, sincerity, and an obvious sense of purpose. It must be bolstered and supported by the facts.
- The Added Importance of Explaining Challenges Externally. The same message must be communicated externally, to residents, stakeholders and other constituents. And, the message must be communicated continuously. It is easy to fall into the trap of complacency – meaning a situation in which a public official may feel that the message has been adequately communicated but when – in reality – it is usually necessary to communicate through multiple media and venues in order to reach the full range of constituents. Press releases are fine, but in an era when fewer people read newspapers regularly, any public message also needs to be communicated through other media. Examples include the municipal website; community newsletters; and social media. Personal appearances are also essential. Leaders need to be seen in times of crisis.
- The Relevance of Staying on Message. The old political axiom clearly applies here. Elected and appointed officials must deliver a consistent message that is backed up by relevant actions and facts. The message needs to be repeated again and again and one that pervades every aspect of a government’s agenda.
- The Necessity to Eliminate Contradictions. The 2008 recession and the bursting of the infamous “economic bubble” illustrate the danger inherent in contradictory messages. While government was engaged in salvaging several of the nation’s largest banks, mortgage houses, and corporations, Wall Street Executives were rewarding corporate failure with huge bonuses and salary hikes for the very people responsible for the decisions that led to the economic crisis.

Public officials need to ensure that the message related to the challenges of fiscal reductions, budget cutbacks, the elimination of services or other manifestations of the current economic climate is not muddied by actions that defuse that message. Reducing the hours of operation at a local

recreation center, while at the same time purchasing new vehicles for key city administrators, clearly sends a contradictory message at best. The need for consistency and uniformity of mission among all municipal agencies and departments is critical in reinforcing the need for the difficult decisions that must be made in challenging economic times. In the public arena, perception is often reality!

- The Need to Measure and Evaluate. Is the message getting through? Is the message that constituents are receiving correct? Effective communication always involves some measure of benchmarking and evaluation – and in difficult times this is even more important. Staff needs to be held accountable for implementing agendas that address the challenges facing the community. Municipal officials – both elected and appointed – need to get out into the community and speak to people about the challenges being addressed. Where it becomes apparent that communication techniques are not working and messages are not being received, changes need to be made in the media and/or the message.

Second, it is essential that personal communication skills are employed as effectively as possible. Not everyone is a great writer or public speaker. People have different skill sets. A wise man once said that good leaders recognize both the skills that are needed to meet a challenge and the means to use them. Therefore, if the message of challenging times is to be delivered effectively, it has to be delivered by those individuals most able to do so. That means engaging the best writers and the best speakers in local government and organizing them around that mission.

One can never take too many seminars on good writing and speaking techniques. If establishing a good network of communication is the central responsibility of any leader – good writing and speaking skills are paramount to meeting that responsibility. While it is beyond the purview of this white paper to address the specific techniques of good writing and public speaking, there are plenty of self help books and courses designed to improve these skills. Take advantage of them.

It is interesting to remember, however, that in delivering a spoken message, studies indicate that 7% of that message gets delivered by the “words” that are used; 38% of the message is in the speaker’s “tone of voice;” and 55% of the message is conveyed by “body language.”<sup>3</sup> The bottom line in honing any and all skills is practice, practice, practice! Even Winston Churchill – one of the western world’s great orators – practiced the speeches he intended to give to parliament in front of a mirror to ensure that his body language appropriately emphasized and stressed those critical elements of his spoken words.

## Securing Essential Services

What constitutes “essential services?” One person’s opinion may differ from another’s. In government there are pluralistic interests that must be addressed. In meeting the challenges of difficult economic times, there are likely to be many opinions about how to trim the cost of government services and operations. Local officials can exercise leadership in defining essential services and meeting the essential needs of constituents in a number of ways.

- Engage the Community. A key communication skill not identified previously involves active and effective listening. Good leaders are good listeners. They accept feedback constructively. They learn from their constituents and their staff. They adapt accordingly. In any set of circumstances, it is important that local officials establish forums and protocols that allow them to hear from their constituents. It should not be left to a small group of government officials to determine how to deal with a budgetary crisis or how to trim or eliminate services. Taxpayers deserve and want a say in this process. Community surveys, town hall meetings, focus group interviews are all useful tools in providing for public feedback. Government officials face hard choices in difficult economic times – but so does the citizenry. If the only forums where these types of choices are discussed and evaluated are the formal city council or township committee meetings, then the only people likely to show up are those affiliated with special interests. Clearly, it is advantageous to local officials to reach out beyond the special interests to hear from as broad a base of local residents as possible. While the ultimate decision to cut back or eliminate a service may never be popular, to the extent it can be grounded in a fair and open dialogue and the opinions of stakeholders, residents and elected leaders it will help portray those decisions as community decisions and not ones that were made in a vacuum. While everyone may never agree on the priorities that are set or the specific decisions that might be made, most people are inclined to accept decisions that they may not agree with when they feel an honest opportunity has been provided to air issues and concerns.
- Act Transparently. Once feedback is received it is important that options are discussed and decisions made through a transparent process. People quickly recognize an effort aimed at giving simply the “appearance” of community involvement. If government officials do not act on the feedback that has been received and ultimately ignore it for another agenda that has not gotten a public vetting, then precious time and energy has been wasted. People want to know that their opinions matter and that essential services and resources are being allocated with honest consideration to those opinions.

- Build New Partnerships. Even in the best of times, government alone cannot solve many of the problems or deliver all of the services of a community. In challenging times, it is more important than ever that local officials find new partnerships and collaborations that can help them meet the needs of their citizens. There are many potential partners in a community that can take on some of the services or challenges facing local government. These include faith-based organizations; non-profit community development corporations; volunteer groups; civic organizations; and individual citizens. A great example of this concept in action involves what almost everyone knows as the “Adopt a Road” Program. Many years ago now, this concept whereby local government could share in the obligation of roadside clean-up and litter abatement with its constituents was implemented with what has become an outstanding track record. All over the Country, individual residents, families, businesses, church groups, civic clubs, and other organizations have pitched in to help deliver this important community service. Other such opportunities can and should be explored.
  
- Increase Efficiencies. A cliché employed during challenging economic times is the promise to make things right by eliminating the “waste and inefficiencies” in government. There are waste and inefficiencies in all organizations and bureaucracies. Government is not alone in this regard and is often unjustly singled out. Nonetheless, it is certainly fair to acknowledge that systems, expenditures, protocols and the other elements of government management can be improved and enhanced. Delivering essential government services as efficiently as possible saves money and should be a constant goal of local leaders and public officials. Challenging times puts more focus on this need and consequently more pressure on local officials to deliver. But service efficiency is about more than just time and money. There are a multitude of issues involved here.
  1. Program and Service Delivery Goals. Effective leaders are those who recognize the need to establish common goals and unified missions for the agencies and departments of government. Duplication of services is obviously wasteful and should be eliminated.
  
  2. Policy Consensus. One huge contributor to service inefficiency is the partisan bickering and in-fighting that often plagues public decision making. The lack of clear and uniformly supported policies leads to uncertainty; clouded messages; and a lack of direction. In challenging economic times it is more important than ever that local leaders put aside partisan differences to reach effective policy consensus. Without it, government is gridlocked. Decisions are not

made and the necessary changes that can enhance service delivery or improve cost efficiencies go undone.

3. Budgeting Options. All means of savings on product purchases and service delivery should be explored. This means finding ways to reduce the purchase costs of products; finding ways to share service delivery; and exploring new techniques to weigh and evaluate the effectiveness of local departments and agencies. There are text books written on variations in budgeting techniques from zero-based budgeting; performance budgeting; program budgeting and other accounting systems to measure the impact of services and the effectiveness of service deliveries. Leadership means being willing to look at these techniques and explore new ways to deal with fiscal challenges.

***Insanity:*** *doing the same thing over and over again and expecting different results.*  
- Albert Einstein

- Seek new Funding Options. In addition to new partnerships and collaborations, there may be ways to secure new funding sources for municipal services and program priorities. Grant sources should be exhausted; public private partnerships fully explored; and new ways to finance the operation and management of government investigated.
- Think “Outside the Box.” Easy to say but what does this mean? A 2004 article in Business Week illustrates this concept. Michael Dell is the founder of Dell computers. At age 18 he made a decision to compete with IBM by directly engaging the consumer. According to the 2004 Business Week Article:

*“Time and again, executives at giants such as IBM and Compaq Computer Corporation derided his low-tech approach to hawking PCs as unbecoming a true tech company -- until it was too late to respond to his market-transforming ideas.”*

*“Dell instead trained his eye on finding the most efficient way to get tech products into the hands of customers. By perfecting a simple credo -- cut out the middleman -- he turned the computer business on its head. To this day, despite a decade of effort by rivals to emulate his approach, Dell remains the only consistently profitable big PC maker. ‘Dell remade the PC industry in his image and likeness,’ says University of California at San Diego assistant professor Gary Fields. ‘He defined the terms of competition.’<sup>4</sup>*

For public officials struggling in challenging economic times, finding new and better ways to do this is essential. Working to bring more creative solutions to the challenges of government means freeing staff and stakeholders to experiment responsibly.

That means allowing people the time away from the day-to-day grind to think about ways to improve a product or service. It means being willing to try different things – not crazy ideas – but concepts that are intelligently and legitimately conceived: ideas that incorporate the database or forethought needed to demonstrate a reasonable expectation for success.

- Be a Community Builder. Engage the community in meeting the challenges that government faces. It's all about "us." Great challenges are not ones that should fall only on elected officials and government officials to solve. Everyone has a role to play. Citizens, stakeholders, businesses, and organizations at all levels need to be engaged to help resolve problems and address the concerns of the community. But someone has to set the table. This demands leadership and the courage to face challenges head-on.

### The Foresight and Ability to Define and Implement Mission

Great vision is an essential part of great leadership. But, good leaders need more than vision. They need the ability to implement that vision. Visionary leaders and detailed implementers are rarely part and parcel of the same individual. That means that good leadership demands an ability to recognize the shortcomings in an organization or agency and to take the steps necessary to correct them.

Getting back to Charles Barnard's teachings, Mr. Barnard believed that organizations that survive are those that are efficient and effective. In other words, those organizations that can get things done well. But, the goals that frame efficiency and effectiveness stem from a leader's ability to communicate a vision; instill that vision in others; and to inspire them to do those things they think cannot get done.

### Local Government Leadership in Challenging Economic Times

So, what are the steps that local governments can take to provide strong leadership in challenging times? Certainly, from what has already been stated, someone needs to clearly and succinctly articulate the challenges facing the government and community. Then, a strategy needs to be developed that tackles those challenges in a comprehensive way.

Yes, it is easy for everyone to get caught up in the crisis of the moment or the problem of the day. But in challenging economic times, strategic planning is more

important than ever. Communities need a strategic plan to address the short, mid and long term fiscal needs. Political administrations change. Mayors change. Fiscal problems, however, have a way of hanging around.

While they too often get addressed by short term fixes, or accounting tricks, the underlying trends in the ratable base, tax rates, operational costs of government and mandated expenditures that are too often imposed on local governments remain. Addressing these challenges requires a broad and a long-term look at fiscal trends and conditions.

### **Developing A Municipal Action Agenda**

A Strategic Plan has three basic components. The first is an analysis of existing conditions. In order to assess effectively where a community may wish to go, there must be a clear understanding of where that community is now! The second component involves defining that all-important vision, along with a series of goals and objectives that implement the vision. The third component is the Action Agenda. An Action Agenda is one outcome of a strategic planning process. The Action Agenda is comprised of specific strategies and concepts that implement the vision and the corresponding goals and objectives.

Challenging economic times have huge implications for local government. Businesses go bankrupt. Revenue sources dry up. Jobs are lost. Service demands increase. The cost of government becomes increasingly difficult to fund. Coupled with the often growing and vocal demands of local constituents, the fiscal and administrative obligations of government and the costs of providing services without a coherent strategy becomes almost impossible.

### **The Importance of Planning for the Longer Term**

Problems of a great magnitude do not appear overnight. So it is going to take a while to solve them. Leadership in challenging times demands a willingness to make the hard decisions today so others do not have to make harder decisions in the future. President Obama and our Congressional leaders face decisions today with huge long-term implications. They have two basic choices. They can choose to make some hard decisions regarding budget cuts, the future of social security and entitlement spending, and other issues or they can “kick those cans” down the road for others to resolve.

### **The Infamous and frequently forgotten “Plan B”**

Life is unpredictable. In local government, as in life, things happen that can radically alter even the best and most professional plans and forecasts. Leadership in challenging times needs to recognize this and have ready a Plan B.

Plan B's are often those strategies that address the worst case scenario. It has been said that successful administrators are often those who plan for the worst case scenario because anything better than that can be easily managed.

### The Importance of Teamwork

Good leaders – strong leaders – surround themselves with strong people. Strong people make for good teams and teamwork is essential in resolving problems and dealing with challenges. Leadership in challenging times requires a willingness to hear points of view that might not be pleasant – but when given respectfully and professionally are absolutely necessary in order to frame and successfully resolve difficult issues.

### Seek Technical Help

Even the best teams and the best leaders fail. Nobody has all the answers all of the time. Good leadership again, requires a recognition that outside technical assistance may be necessary. Do not be afraid of an alternative or wholly independent point-of-view.

### Summary

Leadership in challenging times can be summarized in the story of The Hedgehog and the Fox. Isaiah Berlin was a famous British political philosopher. He borrowed a comparison made by the Greek poet Archilochus to explain differences in approaches to political and other challenges.<sup>5</sup>

The hedgehog, said Berlin, knows one great thing. That one great thing is its ability to roll up into a ball to confront danger. That instinct permeates all actions of the hedgehog and in many ways defines its approach to life. The fox on the other hand, knows many things. Foxes are smart and cunning. They are extremely creative, ingenious, and born problem solvers. But they are also patient and realize that problems are too often complex and take time to solve.

In challenging times elected officials, first and foremost, need to be hedgehogs. They need to instill in their staffs and communicate to their constituents, a broad vision for their communities – that one great thing that will help confront the crisis or challenge they face. Ronald Reagan was a hedgehog. His foreign policy was driven by a singular goal – defeat communism. Hedgehogs are often not foxes. They are big picture people. Not detailed organizers.

So, elected officials often need to have foxes on their teams. They need to surround themselves with people who are the day-to-day problems solvers so they can spend their time communicating the big picture. If they don't have them, they

need to get them and keep them. Leadership is all about recognizing the value of different skills and having the wisdom to apply them effectively. Hedgehogs and foxes have complementary not contradictory skill sets and it takes both of them to meet the challenges of difficult times.

Abraham Lincoln was a hedgehog. His message: “Preserve the Union.” This message prompted him to pursue and successfully execute the Union cause during the Civil War. And, it led him to declare in what may be among the greatest and most inspiring sentences ever uttered in a Presidential Inaugural Address, the following:

*With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the nation's wounds, to care for him who shall have borne the battle and for his widow and his orphan, to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations.*

Leadership is never easy. Obviously, it can be very difficult and sometimes demands great sacrifice. Lincoln was a hedgehog and a visionary. His leadership and his vision cost him his life. But his legacy endures and his words confirm the power, the importance, and the necessity for great leadership in challenging times.

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<sup>1</sup> Shafritz, Russell, and Borick, “*Introducing Public Administration*,” Pearson/Longman Publishers, New York, 2007.

<sup>2</sup> Barnard, Charles, “*The Functions of the Executive*,” Harvard University Press, 1938.

<sup>3</sup> Denhardt and Grubbs, “*Public Administration, An Action Orientation*,” Thomson Wadsworth Publishing, 2003.

<sup>4</sup> Business Week, November 22, 2004, Andrew Park.

<sup>5</sup> Shafritz, Russell, and Borick, *Ibid*.