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**The New Deal for City Management: A Principal-Agent Theory Policy
Analysis**

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The New Deal for City Management: A Principal-Agent Theory Policy

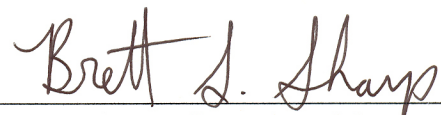
Analysis

A THESIS

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ABSTRACT OF THESIS

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ABSTRACT:

This thesis examines the historical development of principal-agent theory as it has been applied to municipal management, and how this theory helps us explain the high attrition rate in the city management profession. Current and past academic dialogue on the subject is discussed and various explanations for low city management tenure are explored. This research is based on data from a survey sent to 185 city managers in the state of Oklahoma, seeking answers from managers in the profession as to the cause of low city manager tenure. The findings suggest that principal-agent theory, as it has been applied to the manager-council local government plan, is insufficient to meet the needs of effective governing. A new organizational plan is proposed, based on adaptations of an organizational framework prevalent in the non-profit industry.

INTRODUCTION

Bent over a yellow 1969 Camaro Super Sport, David Johnson said he much preferred restoring muscle cars to solving his neighbors' utility and garbage woes as Tecumseh's city manager. "It's too political," said Mr. Johnson, 36, a former state inspector who quit City Hall in December after voters elected a new mayor and council members he regarded as hostile. Add Tecumseh, a central Oklahoma community of 6,490, to the list of municipalities around the country searching for a city manager (Blumenthal, January 11, 2007).

The scenario mentioned above is becoming an all-too familiar issue for the city management profession, and it is threatening the future of this vital occupation. Of particular significance is the fact that, although intense political pressures are often present, the position of city manager was created to provide a community with a managing professional unbiased by local politics. The philosophy of city management that has developed to address for this tension owes its birth to the adaptation of principal-agent theory to the public arena.

Principal-agent theory suggests a hierarchical or superior-subordinate relationship between the principal and the agent. The theory centers on how the principal can maintain control over the agent in an efficient manner (White, 1985). In the context of political-bureaucratic relations, the theory posits that elected officials—the principals—have political incentives to control public agencies and public employees—their agents. As in other theories of political control, public administrator agents are assumed to be accountable to their elected principals (Selden, Brewer and Brudney, 1999).

Frequently however, city managers are finding themselves immersed in political turmoil. In some instances, city managers have lost their jobs over political malfeasance perpetrated by elected mayors or city council members within the community (Banfield and Wilson, 1963, DeHoog and Whitaker, 1990). The ethical injustices of such an occurrence are clear and the consequences to the profession left in the wake of this type of political turmoil are beginning to take form.

Recent attention has been given to this problem by Donald E. Klingner, John Nalbandian, and Barbara S. Romzek, public administration scholars from the University of Colorado and the University of Kansas. These authors provide a basic outline of the expectations of elected officials and staff administrators in city governments; and how politics affects those expectations:

If we focus for an example on an urban setting and only on the political and administrative arenas and more specifically on council-staff relations, there are four sets of expectations and obligations that chief administrative officers must work with. First, there are the expectations that elected officials have of staff members. Second, there are the obligations to staff members that elected officials are willing to accept to enhance the probability that staff members will fulfill the elected body's expectations. Third, there are the expectations that staff members have of the governing body. And last, there are the obligations that staff members are willing to undertake to enhance the probability that the governing body will fulfill staff members' expectations. The chief administrative officer's role in a local government is to manage an ongoing process whereby these expectations and obligations are explored and resolved and then explored again and resolved

again and so on. In council-manager cities in particular, this is a common dynamic, and effective city managers have to be adept at it. (Klingner, et al., 2002).

Klingner concedes, however, that the expectations of elected officials in a city government can at times be in conflict with standards of professional integrity that apply to the city manager position. Proper and ethical administration is sometimes thwarted by political pressures. In a system that predicated upon the principal-agent dichotomy, the city manager is all too often finding that the system that created her job is the very system that is preventing her from doing it (*Klingner, et al., 2001*).

Considering the conflicting pressures that characterize the profession, it may not be surprising that fewer candidates are applying for city management positions, (Sheehan, 2001; Stein, 1990). In the state of Oklahoma for example, the Oklahoma Municipal recently discovered that there are currently over 60 vacancies for these positions (Dean, 2007). That is, over 60 communities in Oklahoma are without professional city administrators in government structures which require the position to function effectively. All parties involved in this debate, such as the Oklahoma Municipal League and the City Managers Association, and even city managers themselves have their opinions as to what or who is to blame for the insufficient level of interest in the occupational field.

The finger-pointing varies from a generation apprehensive of intense local political pressures, a growing body of disenfranchised candidates in the job pool who have seen the distractions that unions cause city managers via non-binding arbitration, too strict work experience criteria among communities for hiring new managers, a lack of city funding, and even a lack of salary competitiveness (Morgan & Watson, 1992;

Sheehan, 2001). All of these opinions are valid, but the issues owe their birth to the design of the profession itself.

The main source for all the problems mentioned above can perhaps be found in the manner in which principal-agent theory has been implemented in city governments. The present research examines this possibility from a variety of perspectives. What follows in the next section is an overview of the historical development of principal-agent theory as applied to municipal management, and a review of case studies demonstrating some weaknesses of this particular application of principal-agent theory. Next, a research design incorporating a city manager survey allows for an examination of factors affecting city manager tenure. Finally, an alternative to the employment of principal-agent theory, as it has been used in city management is considered.

LITERATURE REVIEW

In recent decades academic study has not been quite as devoted to the municipal government in North America as it has been in the past. Following the Progressive Era, there was a parting of ways between public administration and political science, and the academic field of city planning in America has been placed in a niche somewhere between the two academic disciplines (Banovetz, 1971). This has led to a decrease in academic attention on the field.

Of course there are numerous not-for-profit organizations, such as the International City Management Association, who continue to do research on the status of this pivotal sector of American society, but the intense study of municipal management that once was, has not been seen since its developing years. Today much academic interest in this field is devoted to international municipalities where the western experiment of capitalist-driven government is just taking root (Haruna, 2001; Okpala, 1979; Roman, 1993; and Krannich, 1979). True as it may be that the municipalities of countries outside of the United States are worthy of academic dialogue, it has also become necessary that the scholarly conversations of the Progressive Era begin once more about the city governments in the U.S.

The creation of a city manager on the basis of principal-agent theory began during the Progressive era with the intention of developing and strengthening relationships between elected officials and professional administrators (Renner, 1990; Selden, et al., 1999; Wright, 1969). In 1913, Dayton, Ohio became the first city to actually implement the council-manager form of government with any success. Owing to favorable

perceptions of the model's performance in Dayton, its popularity became a widespread phenomenon (Shaw, et al., 1998). The job of the city manager in this form of government was essentially outlined to include formulating policy on overall problems, preparing the budget, presenting it to the council and administering it when approved by the council, appointing and removing most of the principal department heads in city government, and forming extensive external relationships to deal with overall problems of city operations (Kraemer, 1973).

One line of research in the field of public administration finds that throughout much of U.S. history, from the eighteenth to the end of the nineteenth century, it was common for administrative positions in American government to be filled by people who did not intend to make public service a career. Many administrators secured office in their respective positions through patronage systems, which dispensed public employment to the followers of winning candidates and political parties (Feiock and Stream, 1998).

Turnover in these positions was commonplace for many bureaucrats because their jobs depended on the uncertain outcomes of elections (Svara, 1990). During the last part of the nineteenth century, the civil service at all levels of American government began to incorporate policies that assured job security for many employees and placed a priority on retaining expert and professional personnel. Early in the twentieth century, the importance of careerism among public servants was stressed by scholars who helped build the intellectual foundations of public administration (Weber, 1946). The municipal reform movement, however, promoted the institution of appointed, nonpartisan managers

to promote efficiency and consistency in local administration (Svara, 1998). This included the city manager position.

Concerns followed in the 1920s however, that the city manager role had too much control within a community. As a result, the role of city manager was soon modified under more narrow definitions of control. With these more narrow definitions, the city manager role was also more firmly established as a professional administrator separated from the politics of their community (Newell and Ammons, 1987; Selden, et al., 1999). It soon became apparent, however, that such a dichotomy was impossible in practice.

Scholars observed that several problems arose out of the new guidelines for the city manager role. In smaller communities, the city manager, being the professional administrator in the community, was often given even more authority than elected officials, laying out the budget for the community and creating policies for the community to follow the budget. Such action rendered the city council and mayor virtually helpless to effect changes in the community as they saw fit (Miller, 2000; Selden, Brewer and Brudney, 1999).

Recent academic inquiries on the subject have also discussed how the increase in authority for a city manager occurs. In their most recent edition of Managing Urban America, municipal management scholars David R. Morgan and Robert E. England conclude that,

despite its obvious popularity there are potential shortcomings to the council-manager form. The sharp distinction between policymaking and administration is unrealistic...the major potential limitation of the council-manager plan is its lack of formal provision for strong policy leadership. The council is a group of equals, the

mayor is limited to a ceremonial role, and the manager presumably serves only in an advisory role. Sometimes the mayor or one of the council members emerges as a policy leader, but more likely, the council will flounder about or turn to the manager, (Morgan and England, 1999, p. 69).

When faced with such governing scenarios, city managers become inevitably intertwined with politics and the principal-agent dichotomy is laid aside. As a result, if the residents of such communities want any changes in their town, are left to take it up with the city manager to do so.

In other instances, the new role for city managers placed them under guidelines whereby they became less significant in their communities (Selden, Brewer and Brudney, 1999; Stillman, 1974). Limited to the role of being an employee under the mayor and city council, city managers were subject to the will of their employers, and if the aforementioned will was politically biased or corrupt, the city manager was also then forced to either submit to the politically motivated biases of their employers, or find employment elsewhere. This not only placed the city manager in a position to once again be subject to town politics, but it also created another problem for the city management role as many city managers grew tired of the political drama and found another job (Watson and Hassett, 2003).

This new problem plagues the city management profession today, and with such retention crises and turnover rates, it becomes necessary that this problem be addressed when evaluating principal-agent theory as applied to municipal management. But just how long is the average tenure of a city manager and what examples can be found of issues such as those outlined above?

Morgan and England paint the best picture for the average tenure of a city manager when describing the people who currently fill the role in the United States. They write, “Local public managers are an elite group, one that is unusually homogeneous with respect to race, sex, education, and experience. A 1989 ICMA survey finds that most are male (95 percent), white (99 percent), and married (89 percent). The typical manager has served in his present position for 5.4 years and spent a total of 10.1 years as a local government executive,” (Morgan and England, 1999). In their more recent addition of the same textbook, Morgan, England, and Pelissero write that manager tenure has now increased to 6.9 years, however this number is still low for a national average, and this study will demonstrate that manager tenure in Oklahoma is lower than either of the reported tenures for the U.S. (Morgan, England, and Pelissero, 2006; p. 90).

Such findings are significant as it is possible that a lack of diversity has contributed to the problem (Nalbandian, 1999). However, the average age of city managers which Morgan and England did not address in their study of demographics, could be even more menacing. As will be demonstrated, the profession is rich with employees nearing retirement age, while few prospective successors appear on the horizon. Later this dynamic will be addressed more fully, but for now it is important to address the disturbingly low tenure of city managers. Considering the average tenure of a city manager, it is important to next examine some of the issues that are contributing to such low tenure.

In Fort Oglethorpe, Tennessee, for example, a case of political bias gives insight to one of the factors affecting the overall nationwide dilemma regarding city manager retention. In this instant, Paul Page, the City Manager in 2004 was fired by the City

Council of Fort Olgethorpe after being pressured by the Mayor (Judd Burkhart at the time) to find a City manager 'he can control' (The Chattanooga, January 2, 2002). Moreover, when City Manager Page was fired, no reason was given at the city meeting, and it has since been argued that the incident was a retaliatory measure without any justification or warrant (The Chattanooga, January 2, 2002).

At the time of the unannounced firing, Councilman Cobb was reported, in the community's newspaper, to have said there was "a lynch mob mentality in Catoosa County." Cobb said the move was again throwing city government into turmoil (The Chattanooga, January 2, 2002). This example illustrates how deficient principal-agent theory can be in terms of its presumption of a politically-neutral actor in municipal management. Moreover, and perhaps most strikingly, this case demonstrates the danger in unqualified citizens providing leadership in a community; their inexperience has the tendency to allow personal biases and local politics to greatly inhibit the progress of a community.

Finally, and most disturbingly, Bob Montgomery, staff writer for "The Daily Advance," the news source for Elizabeth City, North Carolina, provides an example of an Assistant City Manager recently being fired from his job based on the color of his skin. The incident occurred in September of 2003, when Reggie Goodson, the Assistant City Manager at the time, was fired without warning by the City Manager after being placed under intense pressure by a majority-white City Council (Montgomery, 2006).

Councilwoman Anita Hummer, who wasn't on the City Council when Goodson was fired, however was active in Elizabeth City politics, and commented on that, "it was

clear that race was a factor in the decision. I think it was pretty obvious what it was — (and that it happened) along racial lines” (Montgomery, 2006). Currently Goodson, now an attorney, is suing Elizabeth City and many of the municipal officials at the time for the unjust firing.

Researchers Gordon P. Whitaker and Ruth Hoogland DeHoog addressed the problem of conflict affecting manager turnover in their research encompassing city managers in Florida. Whitaker and DeHoog (1991) found that conflict does occur in council-manager cities and is a frequent cause of managerial turnover. Through their extensive research, Whitaker and DeHoog demonstrate that in communities of high conflict, which were numerous in their study, city managers were typically fired or forced to resign. Additionally, their research reveals that when a city manager was forced to resign or fired, they most often sought work in the private sector; never returning to work in the city management profession (Whitaker and DeHoog, 1991).

In their important study, Whitaker and DeHoog further demonstrated how detrimental such conflict can be to a community, as well as some of the causes reported by city managers they surveyed. Conclusively, they explained:

Conflict in city governance can be harmful. Council members or managers who pursue selfish, personal objectives may divert city resources or delay city action at the expense of public well being. Even conflict over what constitutes good public policy harms the community if it prevents action on pressing public problems or results in the departure of an effective city manager. Similarly, the firing of competent, public-spirited managers because they refuse to violate laws or professional ethics, or because of petty

jealousies, costs the city the effective executive leadership which that manager provide (Whitaker and DeHoog, 1991).

Since the advent of principal-agent theory's particular application to municipal management via the manager-council vehicle, much academic attention has been paid to the relationship between mayors and their managers. As Morgan and England write, initially the mayor position was intended to have a modest role in local government (Morgan and England, 1999). But just as is the case with the goals of principal-agent theory in municipalities, the intentions of the creators of the mayor role were overly ambitious. In their academic work, Managing Urban America, Morgan and England write:

Even in many smaller communities mayors have been known to exercise considerable influence on a host of municipal affairs. In fact, a classic study of several small communities in Florida published in the 1960s revealed that an activist mayor, especially one popularly elected, can pose a threat to a manager's tenure. More recent research by Gordon Whitaker and Ruth Hoogland DeHoog confirms this finding. In addition, they aver that contrary to some findings, conflict is a frequent cause for turnover among city managers (Morgan and England, 1999, p.101).

It is also significant to note the research that exists which suggests that city managers often move from one community to another in order to advance in his or her career (Kaatz, 1996; Kaatz et al., 1999). George Floro, noted academician in the field of city management, discussed this point (Floro, 1955). In Floro's work, poor retention among city managers could be explained not by the injustices inflicted upon their career

by political malfeasance, as suggested in other research, but by the professional's own design. However, even if this is the reason why the tenure for city managers is so low in communities, the fact does not speak well for the profession and can have negative results for the communities involved. Floro concedes to this in his article when he writes,

“Movement not only has consequences for careers; it has consequences as well for the occupational group and the city managers social movement. Thus a manager may be judged to hurt himself, hurt the profession, and fail to provide the proper service to the city if, for example, he moves to soon or stays too long. For a city manager to move, not only is his reputation among colleagues at stake but the reputation for the manager's city also enters into the colleague judgments of responsible behavior. A city with rapid turnover of managers for example, is a 'bad' manager city or a 'hot spot,' (Floro, 1955).

Recognizing the detrimental effects a city manager's short tenure can have on a community as well as the profession and the professional, even those which have been brought about by the professional's own invention, the organizational framework to blame for permitting such occupational irresponsibility, principal-agent theory as it has been implemented in the municipal profession, remains in question as a viable approach to municipal management (Kaatz, 1999; Clingermayer and Feiock, 2001).

As mentioned, much attention on local governments has shifted from the U.S. to countries still in developing stages. Some of these countries have taken from the experiences of local government in America, and have adapted to fit their own demands and national governing bodies. One such example comes from England. There in 2000,

Parliament passed a piece of legislation known as The Local Government Act of 2000. Simply stated, this Act placed British communities under restriction to choose from among 3 forms of government—a leader elected by the city council with a cabinet of executive members, a directly elected mayor with a cabinet, or a directly elected mayor with an appointed manager (Fenwick et al., 2006).

This appears to be a recreation of America's own principal-agent dichotomy with councils and managers, but there is a difference. In Britain now, the mayor position has more authority than the council. As a result, political quarrels are less frequent obstacles to effective local governing. The problem with this however, is that the mayor is a political figure, and the political figure now has control of the budget. Such a system is open to the same problems of professional malfeasance, political turmoil, etc. that local governments in America are facing as the city management profession struggles to survive.

Another example has been cited in Thailand, where intergovernmental relations are heavily political. These political relations between the levels of government determine who gets what, when, and how; they center on the competition for power, influence, and authority; and, they generate and resolve conflicts over important group and societal values (Krannich, 1979). Local governments in Thailand at the time of Krannich's research were severely restricted in autonomy because of strict legal restrictions, and are placed under direct administrative control of a provincial governor. In Thailand, administrators remain longer in communities, thus providing more stability, but the governing system greatly contradicts western concepts of democracy and self-

government (Krannich, 1979). In such a system as this, the community loses all ability to govern itself. Therefore this cannot stand as a viable alternative to the manager-council dichotomy in the U.S.

There was a period before World War II, in which scholars in the field of public administration were looking to Germany for answers to the principal-agent problem in local governments. One of these scholars was Woodrow Wilson. In his landmark essay, *The Study of Administration*, Wilson mentions the local administrator of municipalities in several countries. One of these was Germany. It was Wilson's belief that Germany had some concepts worth adopting in American local government to promote efficiency (Wilson, 1887). However, part of what made the administration of local governments so effective in Germany was that the local bureaucrat did not work to serve the people, but the authority of a superior (Wilson, 1887). Wilson sought to inspire the creation of a hybrid government that allowed a local administrator to serve both a superior authority and the public. According to public administration scholars during the early twentieth century, the manager-council form of government was supposed to be the answer, but it gave the public too much control over the administrator. This could be yet another explanation for the current low tenure in the city management profession.

Other countries have received recent academic attention on the subject of creating an effective local government. One of these is Nigeria, which has a whole new approach to capitalist-driven local government that is taking root; and with much success. Town planning for the country has become more of a state government level activity. A noted scholar on city governments outside of the U.S., Donatus C. I. Okpala, writes:

Specific arrangements for carrying out city planning in Nigeria by state level governments vary slightly from state to state. In some, town planning is a function of one of the state ministries and there is usually a chief town planning officer for each state who is charged with the responsibilities for the planning of every city within that state. Small town planning offices are set up in the major cities and towns of the state for routine building plan approvals and some data collection. The real decision making and drawing up of city plans for any city in the state is done in the state capital (Okpala, 1979).

Granted, Nigeria was a developing country at the time of Okpala's observations, and under this system, many cities who are in need of a full-time manager, even cities with very large populations, receive no planning attention at all from the state (Okpala, 1979). Such a model would not be sufficient for the more developed cities that make up the United States, but Nigeria's plan is worth mentioning; as the country's planners do have higher tenure, perhaps some aspects of the model can be applied to local government in America.

There are some who argue that one cause for much of the political turmoil that has resulted in low city manager tenure is due to ward representation within communities that have adopted that particular form of government. It is true that many communities have now moved away from the ward structure in their local government because of discontent with the government form. An early discussion of the effects of ward politics suggests how this structure can detrimentally affect city management, and how the commission structure offers some advantages:

...The ever increasing number of cities that are turning to [commission form of government] for relief from unbearable municipal conditions and the apparently entire lack of inclination on the part of the cities that have made the change to return to the old form are evidence enough that something worth while has been accomplished. The substitution of one responsible body for two or more has undoubtedly increased both popular interest and popular control in the commission governed cities. The abolition of the ward has helped to eliminate ward politics, (James, 1914; p. 602).

In a commission form of municipal government however, more problems often result than in traditional ward structures, (James, 1914; DeSantis and Renner, 1993). One problem is that the commission form of government replaces the city manager in most instances with a board of commissioners. The commissioners are more of a financial strain to the city budget as it takes more money to hire a few commissioners than one city manager. Moreover, even if wards are the root of the problem for city manager tenure, removing the ward structure within communities will in no way have an affect on geographic areas where city managers move frequently for the purpose of occupational advancement to a larger community with increased salary. When developing a government to support the city manager position, it is important to protect the community's interest as well (Linberry and Fowler, 1967). However the presence of ward representation in local governments is worth looking into, which will be done later in this study.

It has also been suggested that city managers are not paid according to their work load (Barber, 1988). Low tenure for city managers has been frequently explained in terms

of city managers leaving the municipal arena to take jobs with much more competitive pay, perhaps as a hospital manager or a non-profit executive (Miller, 2000). However these claims are not wholly persuasive. As one example, a Scout Executive, the Executive Director for a Council Service Center of the Boy Scouts of America earns a comparable salary, yet the position has a much higher tenure rate than the city manager tenure rate.

Understanding and predicting manager turnover is not only important to the field of public management, it may also have implications for public policy. Management researchers argue that administrative turnover leads to inconsistent organizational outcomes (Finkelstein and Hambrick, 1993). Within the field of public administration, scholars have assumed that administrative turnover is significant because it indicates a loss of both institutional memory and neutral competence (Hecl, 1977; Wilson, 1994; Hass and Wright, 1989; Lewis, 1991).

Only recently has the policy and management consequences of turnover among local government managers been systematically identified. Empirical studies indicate turnover may affect privatization, capital planning, debt financing, and public-private economic development projects because they presuppose minimal transaction costs and lengthy time horizons on the part of local leaders (Clingermayer, 1995).

In some instances, the professional norms of managers may conflict with the interests of elected officials (Frederickson, 1995). This expectation is consistent with Whitaker and DeHoog's (1991) finding that the presence of a popularly elected mayor is negatively associated with city manager tenure (Svara, 1998 and 1990; Booth, 1968). The

institutional character of councils also can have implications for tenure decisions.

Electoral institutions shape the incentive structures of local representatives. City manager tenure may be shorter under district-based representation because the chances for political conflict and strong expression of parochial interests are greater in district elections than in at-large elections (Clingermayer and Feiock, 1995).

In an important study on manager tenure, it should be noted, Richard Feiock and Christopher Stream did not find substantial support for the notion that political representation structures influence tenure. The authors additionally sought to discover, through a series of city manager surveys, if direct election of a mayor had a statistically significant effect on manager tenure, only to find that it did not (Feiock & Stream, 1998). Moreover, their study revealed that at-large elections had no influence on manager tenure either. Such findings are of considerable interest in the context of this article, as they address not only factors such as at-large elections on management tenure, but also community characteristics, such as population. Feiock and Stream discovered that the effect population had on tenure was small, but the proportion of the population below poverty level was associated with increased tenure (Feiock & Stream, 1998).

In addition to their findings, Feiock & Stream brought a concept to the academic discussion of city manager tenure that is seldom heard, yet significant to the overall set of issues at hand. While the tradition of professional city managers assumes that long tenure is associated with greater expertise and professionalism, not all would agree that longer tenure for public managers is necessarily desirable. Shorter tenures might even enhance administrative responsiveness (Frederickson, 1995).

However, so much other research demonstrates that low tenure can be very detrimental, and it appears that the advantages of longer tenure far outweigh the disadvantages (Svara, 1998). One reason for this is that, as mentioned earlier, high turnover of city managers, and the period of vacancy between managers in a community greatly sacrifice the executive leadership needed to maintain professionalism and bring an administrative buffer between politics and the budget (Kraemer, 1977). Additionally, high turnover is a major detractor for a new generation of candidates for the profession, as demonstrated in research provided earlier. Even if the current pool of managers were to continue to rotate every few years between communities, that pool will eventually retire, and in order to instill the institutional memory of the profession, concerns about new candidates refraining from entering the profession need to be addressed. The signs of this problem are already taking form in the large number of vacancies for the city manager position in Oklahoma.

Although several opinions as to the cause for low tenure among city managers have been discussed, the most promising source of data on this cause, the city managers themselves, has not yet been given due examination. Numerous studies have been discussed regarding the effects of population size, mayor-manager relationships, political representation structure, etc. However, this research has not yet fully explored the possibility that principal-agent theory, as it has been applied to municipal government, adversely affects tenure among city managers.

The research that does currently exist has only addressed fractions of the larger problem, which in actuality is the cause for many of these smaller problems. The

theoretical framework, in which municipal government has developed, that is, through its own adaptation of principal-agent theory, is the greatest challenge to the tenure of city managers. This hypothesis will be evaluated by surveying those that have the most to gain or lose on this subject; the city managers themselves.

METHODS

Recent research has suggested that the population size of a community has a major affect on city manager tenure. It has been argued that the larger the population, the lower the attrition rate for city managers (Feiock et al., 1998). While such results may have validity in many states (such as the findings of Feiock et al. (1998) for the state of Florida), in Oklahoma, the same conclusions cannot so easily be made. Evidence for this can be observed by reviewing the tenure for the past 5 city managers/town administrators in 15 communities randomly selected in the state of Oklahoma, all with widely differing population sizes. To obtain this data, city hall offices were contacted and a city clerk or current serving city manager was contacted for each community. We hypothesized that the population size of a community has no significant affect on city manager tenure in Oklahoma. Table 1. in the Results section of this article demonstrates what each community interviewed reported.

To address the argument that low city manager tenure is the result of salaries not comparable to their work load, we collected data from the International City Managers Association for the mean salary of city managers. We also gathered salaries for Scout Executives with the Boy Scouts of America from public accessible Form 990s. To examine the mean tenure for Scout Executives, the human resources department was contacted and asked the tenure for each Scout Executive in the Southern Region for that organization.

The Boy Scouts of America organizational structure is broken up into several geographic regions. These regions span several states within the United States, and each

region is subordinate to a national headquarters based in Texas. Scout Executives serving Oklahoma are located in what is known by the Boy Scouts of America as the Southern Region.

In addition to Oklahoma, the Southern Region includes twelve other states; Texas, Louisiana, Arkansas, Tennessee, Georgia, Florida, North Carolina, South Carolina, Alabama, Kentucky, Mississippi, and Virginia. Serving in this region are 93 Councils, each having a Scout Executive. I hypothesize that the mean salaries of city managers would be similar to the mean salaries of Scout Executives of the Boy Scouts of America and that despite these similarities, the mean tenure for Scout Executives in the Southern Region of the Boy Scouts of America would be higher than the mean tenure for city managers.

For the purpose of this paper, I also wanted to determine what factors, other than population size, would affect a city manager's decision to continue serving in a community. In an effort to discover what issues contribute to low tenure among city managers in the profession, a survey was designed and sent to 185 city managers/town administrators in the state of Oklahoma. The survey consisted of 7 questions that asked city managers/town administrators how strongly they agreed with a set of factors suggested in the academic literature to have a significant effect on city manager tenure. On a scale of 1 to 5, city managers serving in communities within the state of Oklahoma were asked to report how strongly they agreed with statements expressing each factor.

City managers who strongly disagreed that the presence of a listed factor had an effect on their job were asked to circle the number corresponding to the degree of their

disagreement, with the number 1 being in strongest disagreement. Those who strongly agreed that the presence of a listed factor had an affect on their job were asked to circle the number corresponding to the degree of their agreement, with the number 5 being in strongest agreement. The 7 items addressed the following factors: council-manager relationships, the presence of ward or district-based representation, political/professional malfeasance committed by elected officials, the presence of unions, budget constraints, low city manager salaries, and the frequency of political quarrels among elected officials and/or community residents.

In addition to the aforementioned 7 items, city managers/town administrators were asked to provide demographic information on 6 items. The requested demographic information included, the city manager/town administrator's age, the population of the city or town in which they currently serve, how long they had served in their current position, how long they had served in the city management profession in general, a description of the town's council (at-large, district/ward, or other), and finally, gender. The respondents were notified in the survey that all answers were to be kept confidential.

Along with the survey, the city managers/town administrators were provided with a return-addressed stamped envelope for the respondents to return the surveys once they were completed. The business addresses of the city manager/town administrators of Oklahoma were provided for by the Oklahoma Municipal League.

For this portion of the study, I hypothesized that council-manager relationships would have a significant effect on a city manager's decision to continue working in a community, regardless of population size. As I posit that principal-agent theory, as it has been applied to municipal government, places a city manager in an unfair dependency on

the political whims of a mayor and/or city council, we believe that a city manager's relationship with the council will have the most significant effect on his/her tenure as a manager.

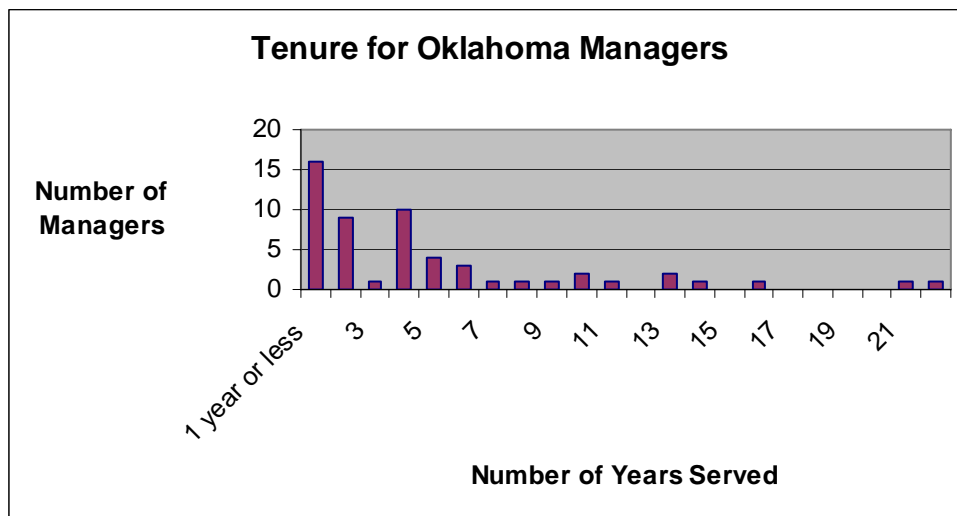
I hypothesized that city managers will report that salary has not had a significant effect on their decision to continue serving in a community. Moreover, I hypothesized that other by-products of principal-agent theory as applied to municipalities, such as managers who have endured political quarrels between residents and/or elected officials, experienced political or professional malfeasances perpetrated by an elected official, or struggled with the presence of union representatives will have significant effects on their tenure as a manager. Finally, I hypothesized that gender, budgetary constraints, and the presence of unions will not significantly affect city manager tenure as the factors aforementioned that are by-products of principal-agent theory as it has been applied to municipal management. A copy of the survey sent to city managers/town administrators serving in communities in the state of Oklahoma is provided in the Appendix.

RESULTS

The initial portion of our study began with an observation of the tenure for the past 5 city managers/town administrators in 15 communities randomly selected in the state of Oklahoma, all comprised of widely differing population sizes. As stated before, this data was collected through city clerk interviews. The data covers city manager tenure for 56 city managers who have served within the past 30 years in the state of Oklahoma.

Via a frequency distribution, Table 1 indicates that, from the sampled tenure for city managers, city managers more frequently served less than 7 years in a community. The mean tenure for the city managers sampled was 4.93 years. From this data, it appears that mean tenure for city managers in Oklahoma falls under both the 5.4 years national tenure in 1989 and the 6.9 years in 2006 as reported by Morgan et al. (1999, 2006).

Table 1.



As Table 2 demonstrates, in 4 of the randomly selected communities, not all tenure could be provided for the past 5 city managers. In each instance, this was due to the fact that either the city hall did not keep employee records far enough back to provide the requested information. Table 2 indicates this incomplete data with the abbreviation ‘N/A.’

Table 2.

City	Pop. size	Mgr. 1 tenure	Mgr. 2 Tenure	Mgr. 3 tenure	Mgr. 4 tenure	Mgr. 5 tenure
Woodward	11931	4 years	5.5 years	9 years	5 years	4.5 years
Wanette	418	4 years	N/A	N/A	N/A	N/A
Tecumseh	6490	4 years	1 year	7 years	10 years	N/A
Drumright	2877	4 months	6 years	14 months	5 years	3 years
Glenpool	8960	1 year	2 years	N/A	N/A	N/A
Mustang	15887	5 years	6 years	1.5 years	N/A	N/A
Konowa	1434	3 weeks	2 years	5 months	13 years	2 years
Guthrie	10800	1 year	4 years	>1 year	>1 year	>1 year
Tahlequah	16075	8 years	10 years	2 years	4 years	N/A
Midwest City	54890	2 years	21 years	1 year	4.5 years	1 year
Kingfisher	4501	2 years	16 months	1 year	2 years	11 years
Elk City	10743	14 years	N/A	N/A	N/A	N/A
Enid	46416	9 months	2 years	4 years	N/A	N/A

most recent manager
least recent manager

Table 2 additionally indicates that population size is not a major factor on tenure for city managers in Oklahoma. These findings support the findings of Feiock and Stream (1998) that population size is not a significant factor.

From the research demonstrated in tables 1 and 2, not only can it be seen that the average tenure for a city manager is low in Oklahoma, regardless of community population, but tenure has been a problem in Oklahoma for at least 30 years. Table 1 suggests that city manager tenure is low in Oklahoma, and Table 2 suggests that regardless of population size, communities in Oklahoma tend to have low manager tenure. Table 2 additionally suggests that low tenure is not limited to recent managers, because

the past 5 managers for each community tend to have similar tenure. It should also be noted that several of the respondents reported that between these city managers listed in the data were several interim city managers who filled in vacancies until a city manager could be hired, and some communities would leave the position vacant for a year or more at a time.

From these findings, it can be observed that municipal management is not achieving the end it had set out to accomplish; to create a politically-neutral agent to aid citizens in governing a city. What it has caused is a false sense of fairness and justice, and even this illusion has lost its allure, as demonstrated by the lack of interest in the city management profession (Broder, 1972; DeSantis & Newell, 1996).

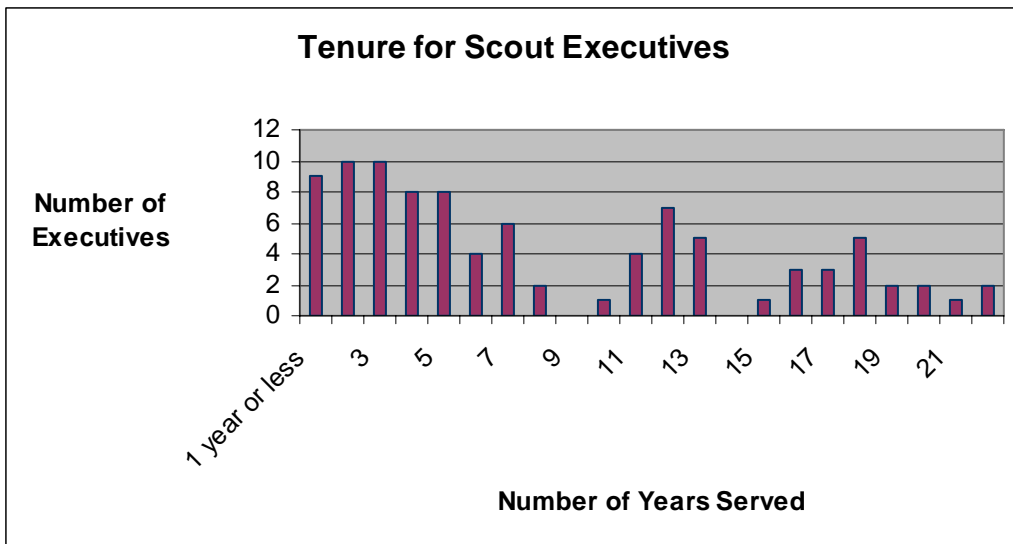
According to data gathered from Federal Form 990 forms that non-profit organizations such as the Boy Scouts of America must make accessible, it is possible to record the average of the 2005 reported salaries of every Scout Executive serving Oklahoma. This mean salary was \$99,321. The mean score of City Managers in Oklahoma, using data collected in 2005 from the International City Management Association, was \$92,472 (ICMA, 2005). With these observations the parallels in salary compensation are established, and it therefore becomes important to examine whether Scout Executive tenure is differs from city manager tenure.

To measure for tenure of Scout Executives, the human resources department for the Boy Scouts of America was contacted. The human resources department provided the tenure of every Scout Executive currently serving in the Southern Region. It should be noted that the data provided was specifically for the tenure of the employee serving in

the Scout Executive position, not their entire tenure working for the Boy Scouts of America.

The dataset tracks the number of Scout Executives in the Southern Region who have served in the position of Scout Executive for 1 year, 2 years, 3 years, etc. consecutively to the longest tenured Scout Executives in the Southern Region, 22 years. The data provided by the human resources department is summarized in a frequency distribution in Table 3 below:

Table 3.



Out of the 93 total Scout Executives serving in the Southern organizational region of the Boy Scouts of America, mean tenure for those executives was 8.20 years. Table 3 indicates a more even distribution for Scout Executive Tenure than Table 2 indicated for city manager tenure. When comparing the average tenure of Oklahoma city managers and Scout Executives, we find that the mean tenure for Scout Executives is nearly twice as long than city managers in Oklahoma. Additionally, it is worth noting the human

resources department for the Boy Scouts of America reported that of the 93 Scout Executive positions in the Southern Region, only 7 Executives left the position in 2007, 13 Executives left in 2006, and 19 changed in 2005. Many of these brief vacancies, the human resources department reported, were due to those Executives moving into retirement. Moreover, it should be noted that the human resources department reported no vacancies in the Southern Region for the position of Scout Executive at the time of their report. Compared to the more than 60 vacancies for the position of City Manager in Oklahoma as reported by the Oklahoma Municipal League, the numbers of Boy Scout vacancies is much lower.

Regarding my survey that was sent to 185 city managers/town administrators measuring the significance of the effect of 7 factors on manager tenure, 57 of those city managers/town administrators responded to the survey. At first glance, a respondent rate of 30.8 percent appears to be a limitation to results of my survey. However the mailing list of city managers used was from the current city managers at the beginning of 2007. Considering the number of vacancies in Oklahoma city manager positions (more than 60) my respondent rate more closely approaches 45 percent; thus negating the limitations of this survey. Table 4 provides a summarized view of how the respondents felt about the 7 factors. Table 5 provides a summarized view of the percentages of the agreement among respondents for each factor. The responses for each question are explained in further detail on Tables 6-13.

Table 4.

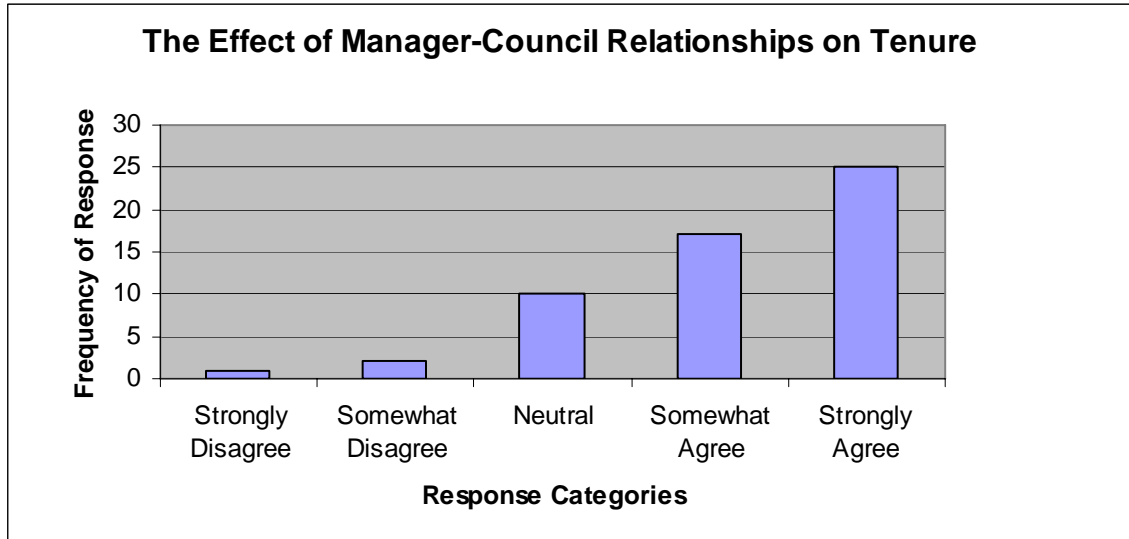
	Survey Items	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
1. My relationships with the City Council affect my decision to continue serving in my position.	Question 1	1	2	10	17	25
	Question 2	13	16	18	5	3
2. The presence of ward or district-based representation makes my job more difficult.	Question 3	23	8	9	7	8
	Question 4	18	6	12	5	14
	Question 5	3	12	16	12	9
	Question 6	21	6	11	8	9
	Question 7	9	12	4	17	11

Table 5.

		Percentage Distribution of Agreement				
	Survey Items	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
3. An act of political/professional malfeasance perpetrated by an elected official has, on at least one occasion, affected my decision to continue serving in my position.	Question 1	.2%	.4%	18.2%	30.9%	45.5%
	Question 2	23.6%	29.1%	32.7%	.9%	.5%
	Question 3	41.8%	14.5%	32.7%	12.7%	14.5%
	Question 4	32.7%	11%	16.4%	.9%	25.5%
4. The presence of unions makes my job more difficult.	Question 5	.73%	21.8%	29.1%	21.8%	16.4%
	Question 6	38.2%	11%	20%	14.5%	16.4%
5. Budget constraints in my current position are more burdensome than I thought they would be.	Question 7	16.4%	21.8%	.7%	30.9%	20%
6. I frequently explore other opportunities due to low salary in my current position.						
7. Political quarrels among community residents or						

elected officials cause frequent obstacles for me.

Table 6.



As demonstrated by Table 6, city managers/town administrators in Oklahoma have strong feelings about how manager-council relationships affect their tenure. Specifically, 45.5 percent of the city managers reported that they strongly agreed that council-manager relationships had an affect on their decision to continue working as a manger. Another 30.9 percent of the respondents somewhat agreed that council-manager relationships affect tenure.

These results demonstrated the highest level of agreement among the survey items and support the findings of Morgan and England (1999). However, it is also true that tenure in many professions hinges on an employees' relationship with their co-workers, and this could be applied to the city management profession, thus reducing the validity Conclusion. However, given the fact that so much research has already been presented demonstrating that conflict for city managers is a frequent result of political

biases, the results of my findings do add support for the notion that the failure of the politics/administration separation to persist affect tenure negatively.

Table 7.

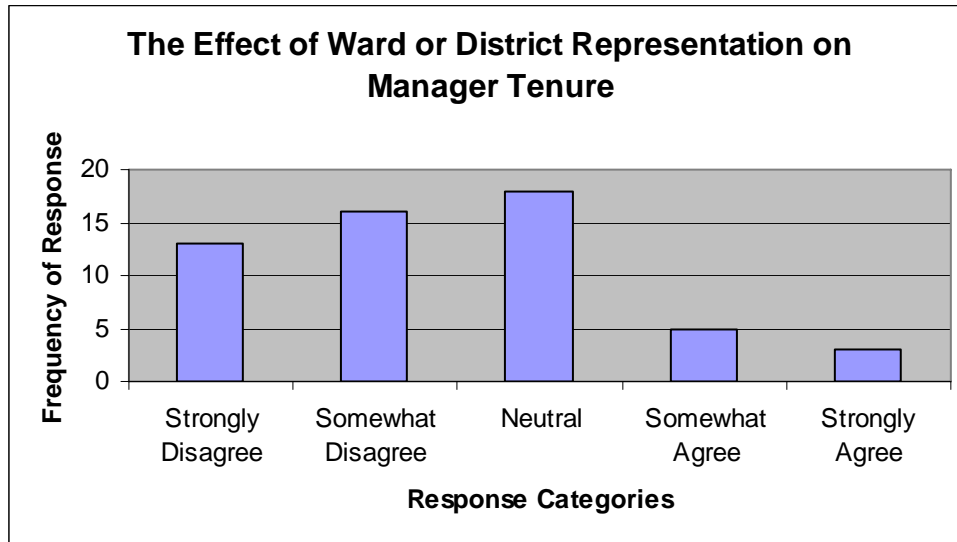
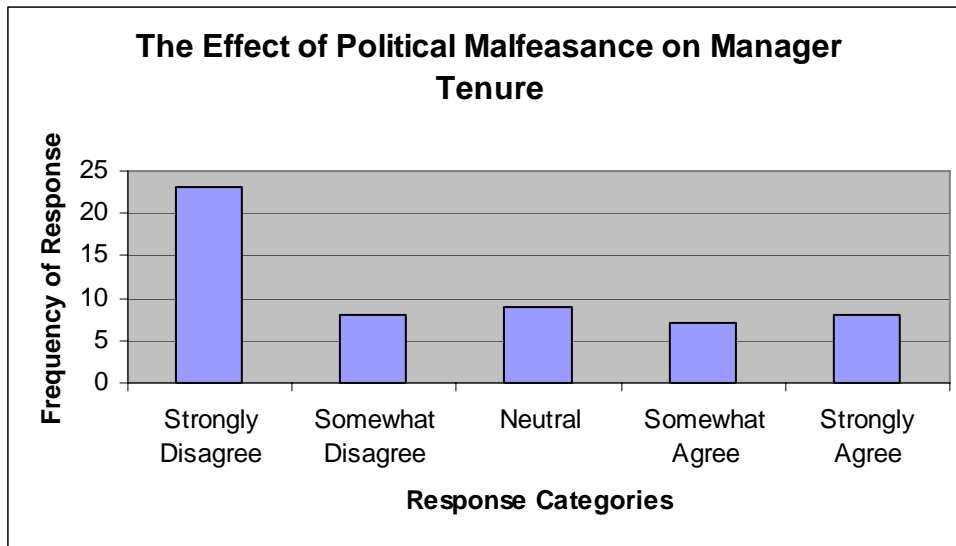


Table 7 demonstrates the level of agreement respondents had toward the presence of ward or district representation as a factor affecting manager tenure. These findings showed that managers were typically neutral or more in disagreement with the concept that ward or district representation affects their tenure as a manager. In fact, 85.4 percent of the respondents were neutral toward, or disagreed with ward or district representation as a factor influencing manager tenure. These findings contradict the findings of Herman James (1914), whose work suggested ward or district representation was a factor.

Table 8 demonstrates the level of agreement among respondents regarding political malfeasance as a factor influencing tenure. For this item on the survey, results were surprisingly low. Only 27.2 percent of all respondents somewhat agreed or strongly agreed that an act of political malfeasance had at least on one occasion, affected their

tenure as a manager; the remaining 72.8 percent respondents were either neutral toward, or disagreed that political malfeasance had ever been a factor. A possible explanation for these results could be that political malfeasance is rarely perpetrated by elected officials in the state of Oklahoma, but when it does occur, the act could still have a great effect on a manager's tenure. Yet again, there could be other explanations for these results. For example, actions of malfeasance could be common in communities but go unnoticed by managers. Another explanation could be that the manager is unaffected regardless of actions of malfeasance.

Table 8.



The respondents answered with strong results when asked about the presence of unions having an affect on manager tenure. As demonstrated in Table 9, respondents were mostly in strong agreement or disagreement over the issue. 32.7 percent of the respondents said that they strongly disagreed that unions were a factor in their tenure as a city manager. 25.5 percent of the respondents said they strongly agreed that unions were

a factor in their tenure as a manager. Another 16.4 percent were neutral on the subject and the remaining 20 percent either somewhat agreed or disagreed with union presence as a factor.

These findings may be open for interpretation, but suggest that in communities where city managers must work through union arbitration, the presence of unions significantly serves as a factor affecting manager tenure. In communities where there are no unions, it seems obvious that union presence would have no effect on manager tenure. This argument is supported via remarks made during city manager interviews to discover tenure that was previously discussed in this article.

Table 9.

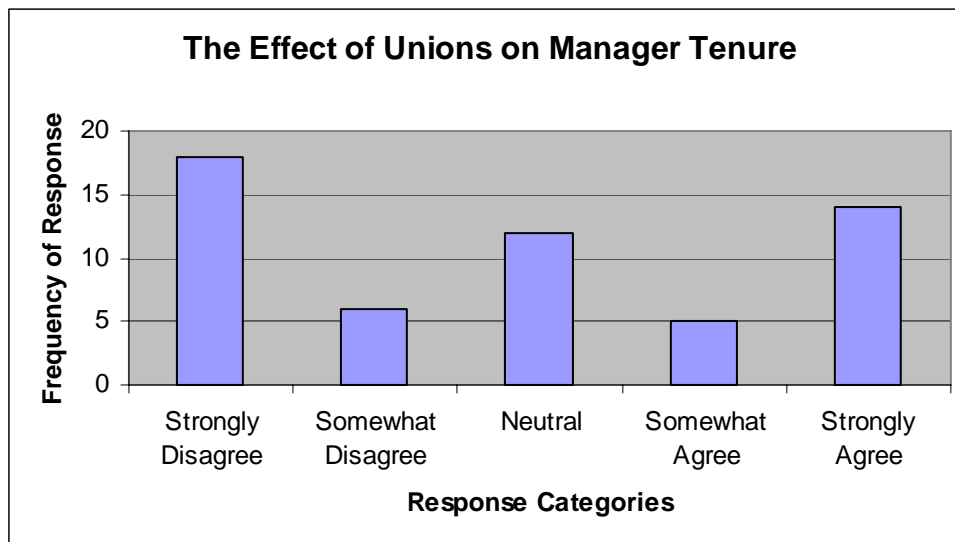
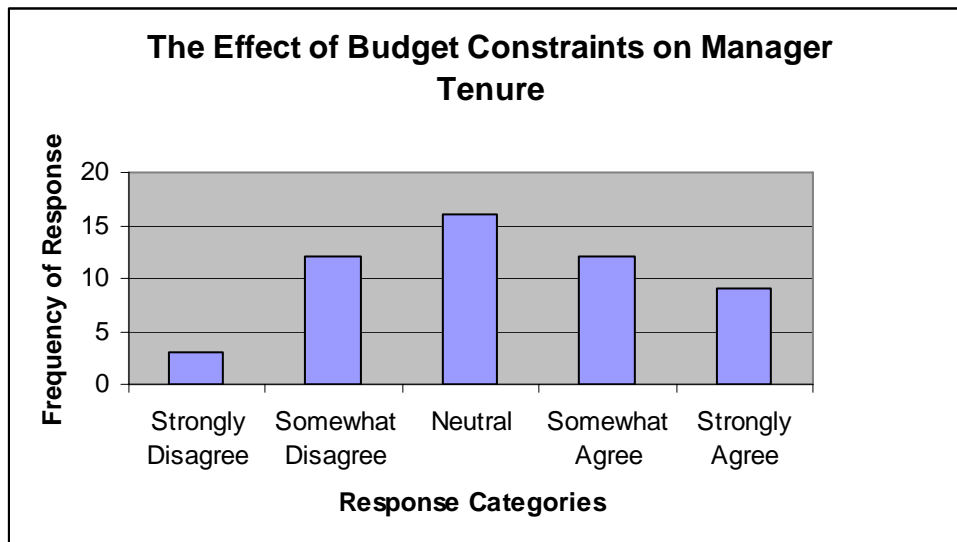


Table 10 demonstrates the results of the portion of my study examining factors outside of the control of the affects of the version of principal-agent theory applied to governments. When asked if budget constraints were more burdensome than the city manager/town administrator had thought they would be before serving in their current

position, responses revealed that only .73 percent strongly disagreed, 21.8 percent somewhat disagreed, 29.1 percent were neutral, 21.8 percent somewhat agreed, and 16.4 percent strongly agreed. In sum, 38.2 percent of all respondents were at some level of agreement that budget constraints were more burdensome than they had thought would be. Such findings do not directly address my argument of weaknesses in principal-agent theory as it has been applied to municipal management, but they do suggest room for improvement in how city managers are prepared for the offices they are about to serve.

Table 10.

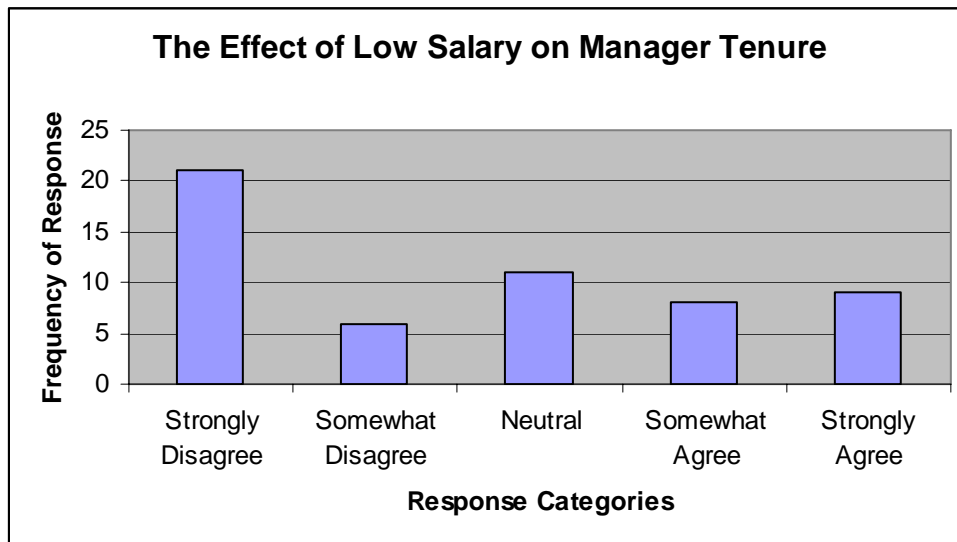


When asked if they frequently explored other employment opportunities due to low salary in their current position, 38.2 percent of the respondents said that they strongly disagreed with that statement. Surprisingly, more respondents were content with their current salary than were not. Moreover, all communities but one responded they strongly agreed that low salary in their position has resulted in their decision to explore other employment opportunities were in communities with populations under 5,000. These

findings did not support the work of George Floro (1955), which argued that city manager turnover was often due to the city manager's own decision to advance in salary compensation. This suggests that, while salary at one time may have been a factor in city manager tenure, it is not a significant factor for current city managers in the state of Oklahoma.

This supports my argument that principal-agent theory as it has been applied to local government is ineffective because smaller towns with smaller budgets for manager salaries suffer because they cannot typically hold onto a manager long enough to truly benefit from effective executive leadership. Only under a new design, with more stringent regulations on salary and the movement of managers from one community to another, will smaller communities begin to recover from this disadvantage.

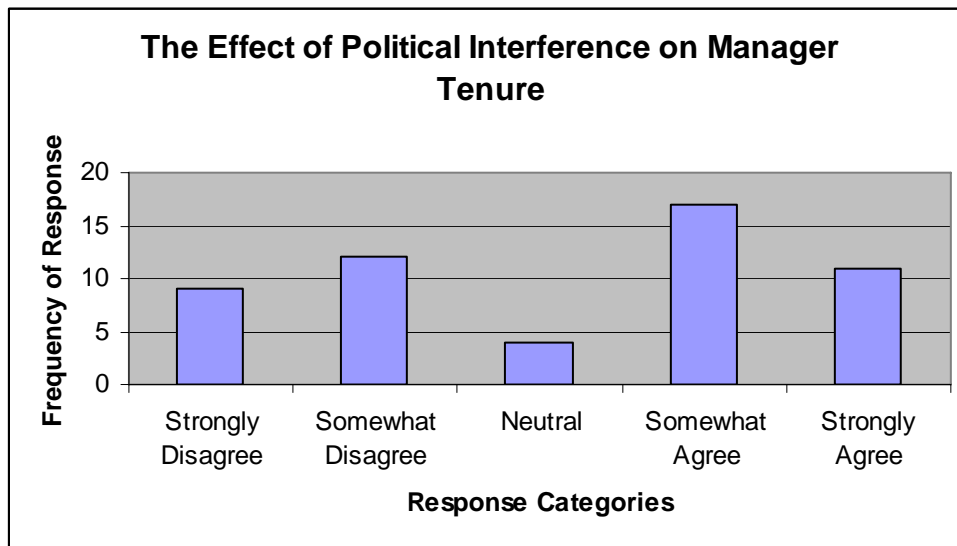
Table 11.



Survey item 7 was perhaps the most directly related question to my argument that principal-agent theory as it has been applied to local governments is insufficient because

it fails to separate politics from administration of the budget. Item 7 on the survey asked city managers/town administrators if politics frequently interfered with their ability to perform as an administrator. Table 12 demonstrates the frequency distribution of the levels of agreement managers had with this statement.

Table 12.



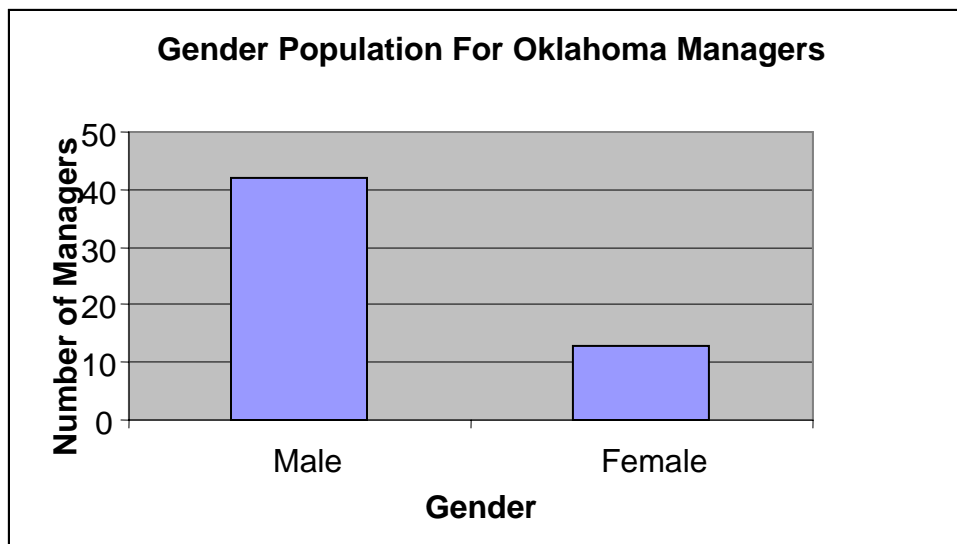
As can be seen from Table 12 (as well as Table 5), 50.9 percent of the respondents to the survey agreed on some level that political quarrels among residents or elected officials cause frequent obstacles to their job as an administrator. Only 16.4 percent strongly disagreed with this issue, and surprisingly, all of these responses were from managers in communities with populations under 10,000.

The findings demonstrated in Table 12 reveal that politics and quarrels among elected officials and community residents are a significant problem that a significant number of managers must endure. Moreover, these findings support those of Whitaker

and DeHoog (1991) which suggest that conflict in communities are a burden that has a significant affect on manager turnover in local governments.

In addition to the 7 survey items aforementioned, city managers/town administrators in Oklahoma were asked to provide demographic information that would help shed further light on the state of the city management profession. One of the demographic items was gender, and the results of the manager responses to this item are presented in Table 13.

Table 13.



From Table 13, it can clearly be seen that the population of my sample of local government managers in Oklahoma is heavily populated by males. The International City Manager’s Association reports that 95 percent of all city managers in the United States are male (Morgan and England, 1999). Having 76.4 percent of the respondents in my survey to be male, Oklahoma appears to be slightly lower than that average at first glance. Only 30 percent of all Oklahoma managers of local government responded to

this survey, however, so it is likely that the percentage of males is higher than Table 13 reveals. Still, 55 out of 185 respondents is a valid representative sample size, but regardless of this, these demographics indicate that there is little diversity in Oklahoma's city management profession.

Another demographic question posed in survey was the description of the respondents' council form of government. Respondents were given the choices of district representation, at-large representation, or other. Their responses reveal that the majority (32, specifically) of local governments in Oklahoma have district representation (63.6 percent of those who responded). 27.3 percent responded that their council was governed with at-large representation. An additional 8 responses indicated that they used some other form of government in their municipality.

Respondents were additionally asked to provide age demographics. Of the respondents, only 3 fit in an age cohort of 20 to 40. 41 of the respondents, however, fit into an age cohort of 41 to 60, and 11 fit into an age cohort of 61 to 80. The responses reveal that very few managers employed are under the age of 40. Such findings lend support to the argument that interest in the city management profession is dwindling. These findings also support those of Morgan and England (1999) that the majority of city managers currently serving in the profession are nearing retirement age.

CONCLUSION

From the research conducted in this article, several results provided support for the hypotheses posed. As predicted, my hypothesis that factors resulting from the shortcomings of principal-agent theory applied to city management, such as political interference and council-manager conflict, affect the tenure of city managers in Oklahoma. I was surprised to discover that some factors I hypothesized to have an affect on manager tenure, such as ward presence and acts of political malfeasance perpetrated by elected officials, did not produce significant results. One again however, the factor of acts of political malfeasance may be explained away by the fact that it occurs rarely in the communities who responded to my survey. Moreover, my hypothesis that salary would not be a significant factor in manager tenure was supported. Also, my hypothesis that Scout Executives would have a higher tenure than city managers was supported.

Overall, this study has demonstrated that the aging population of city managers in the population, with few successors in the work pool, factors caused by the faults of principal-agent theory (as applied to municipal management), and a lack of preparation for city managers regarding the burdens of their workload are all painting a bleak picture for the future of the profession. It is clear that manager-council relations affect tenure and that conflict is a frequent occurrence in this turbulent relationship.

Based on information provided in the current academic dialogue of city management, it appears that along with Oklahoma, and more than ever, cities throughout the United States are increasingly finding their city management positions vacant (Kammerer, Farris, DeGrove, & Clubok, 1962). Those with graduate degrees in Public

Administration or related fields are turning to non-profit organizations or elsewhere in the private sector, whereby they can do the same type of work as a city manager, but with fewer headaches from civic political anguish.

There are many who argue that America's educational system is not training students with degrees in public administration or related fields to become city managers. In Oklahoma, the average age of a city manager is 54. As was demonstrated, soon an entire generation of those serving in this profession will be retiring, leaving a substantial void in the occupation. With such an occupational vacuum looming on the horizon, the crisis will develop on a short-term scale; and the long-term solution of education reform in universities will fail to address the problem in time.

Moreover, even if programs were put in place in universities to train students to become functioning city managers, they would still lack vital experience needed to effectively manage a municipality in time for the current city managers in office to retire. Presumably, something more must be done to correct this situation. Job candidates of the future for the city management profession will require more long term training than a four year university or 2 year graduate program can offer; and such training needs to address short-term needs.

Of course, the International City Managers Association has been devoted to producing resource materials since 1934 in an effort to train professionals to perform better city management, but the approaching dilemma in the profession will not be solved simply by the presence of these materials (Banovetz, 1995). There needs to be a more "hands on" approach to handling the new wave of city managers that will enter the

profession in coming years. This approach will require mentorship from a supervisory body that can help guide this oncoming population of inexperienced managers; and this supervisory body will need the freedom from politics to effectively train the new generation of administrators.

The most optimal training environment to sufficiently prepare a new generation of city managers would provide continued resources and guidance for the professional as they are engaged in their career. More simply stated, the city managers of the future, with all of their inexperience are going to require a central organization capable of fostering the necessary mentorship to allow them to operate as effective city managers. Thus, if the city management profession is to survive, a new model for its existence must replace this current model that is based on governmental adaptations of principal-agent theory.

At least one group of scholars agrees with this opinion. Richard Feiock and Christopher Stream likewise agree that the use of employment agreements influences tenure but in an intervening, rather than additive, manner. They concluded that the structure of employment institutions is important not only because it may structure personal incentives, but because it may also either insulate the manager from conflict in the community or propel him or her to the center of such conflict (Feiock & Stream, 1998). The key is to create a structure that insulates the manager from political conflict.

One possible solution to this dilemma can be found in the organizational structure of a profession that is luring many qualified professionals away from municipal management-the non-profit industry. Like local governments, non profit organizations

are governed by a partnership between volunteers and employed professionals. Unlike city governments however, non profit organizations are not structured to follow principal-agent theory in the same manner as the city management industry, and retention rates are much higher (Droege and Hoobler, 2003; Paul, 1981; Kearney and Scavo, 2001). To gain further understanding on how the structure of non profits operate and what the municipal management profession can benefit from them, it is important to examine the mechanics of one of the more successful and efficient non profit organizations in the United States; The Boy Scouts of America.

Within each regional headquarters that covers a geographic area of a state, or Council of the Boy Scouts of America professional organization, there are several staffed employees that function similarly to a city manager. At the lowest level of management in a Council is a District Executive, who typically serves to coordinate with volunteers to prepare an annual budget, coordinates program activities to be conducted, and recruits persons to specialize in the areas of finance, activity program, membership growth, and unit consultation to chartered partners in the district of which he/she serves.

Like a city manager, the District Executive attends and functions in accordance with a committee; in municipal management this committee is the city council, in the Scouting organizational structure, this committee is called a District Committee. Aside from the names, their functions are no different. In both committee and council, policy is evaluated and voted upon, finances are discussed secured through grants, contributions, etc., and strategic plans are implemented to ensure the growth and longevity of the respective organizations served. In addition to this committee, both the city manager and

the District Executive functions in conjunction with a Commissioner Corps, a civic volunteer base that provides service to the geographic regions they represent.

Unlike a city manager however, who serves only one community, a District Executive serves multiple communities, and most frequently, several counties. In this geographic area, most civic clubs such as Rotary International, or Kiwanis, some schools, most churches, police departments, and fire department hold charters to a functioning Boy Scout troop. In this respect, the District Executive carries more of a workload as he/she is accountable for the progress of the Scouting movement of every citizen in each one of those communities he/she serves; a potentially more politically pressured climate than a city manager position.

Moreover, like a city manager, the District Executive works alongside an elected official; for the city manager this official is the Mayor; for the District Executive- a District Chairman. Both positions function similarly, but it is their relevance in the hierarchy of the overall organization that will provide the element vital to the success of the city manager profession adopting the Boy Scout District Executive model. This will be further explained shortly.

Superior to the District Executive is a Field Director, who is charged with the same responsibilities and duties as a district executive, only this position services several districts in a region known as a 'service area.' The Field Director coordinates with the same committee groups as a District Executive and a city manager, only these committees are referred to as a 'service area committee' and a 'service area commissioner corps.'

Finally, presiding over all of these Boy Scout professionals is a Scout Executive, who coordinates with the same committees aforementioned, but at the council level, or the level that encompasses all of the districts in the council. All of the aforementioned Scouting professional positions carry similar duties to a city manager; however it is the Scout Executive's salary that is most similar on average to that of a city manager, so it is this position that is most suitable for comparison with the retention rates of a city manager. Similarities among Scout executives and city managers have already been previously addressed in this article, so they will not be again described in detail here. However, it is worth reiterating that surprisingly, the Scout Executive position has a much higher retention rate than the city manager (Klinger, Nalbandian, and Romzek, 2002).

So if Scout Executives and city managers have similar job duties and salaries, why such a vast difference in occupational retention? In part this is due to the role of the aforementioned Mayor/District Chairman position in the Scouting organization. At the Council level, the elected District Chairman is referred to as a 'Council President,' yet as before, these positions are the same, merely differing in their titles. What differs, however, is that if the district or council committee, the volunteers, or the elected officials have an issue with the Scouting professional, they cannot simply host a meeting and fire the professional without warning.

Even if any of these branches of the Scouting organization wish to remove a Scout Executive from employment, they must first file grievances with or consult a higher authority; at the District Executive level-with the Scout Executive; at the Scout

Executive level-with a Regional Director who presides over several states and Councils. Under the Boy Scout Executive model, nothing escapes a rigorous system of checks and balances. The city manager however is not so fortunate.

As has been demonstrated in the aforementioned case studies, if a Mayor or a city council have an issue with a city manager, for whatever motive, this group of untrained volunteers have no higher authority to file grievances with or to consult before making the rash decision of firing a city manager; making for a highly unstable market of job security; not to mention leaving a leadership void within the community. In a word, there is no sure way to know if a city manager is being fired for the right reasons by competent employers, and there is no one out there providing a foundation to his/her job security. Principal-agent theory as it has been applied to municipal management is not only insufficient, it is unethical.

An additional reason for such higher retention rates could be the continued training a Scout Executive receives. By the time a Scout Executive takes his/her position, she has had no less than three and as much as 20 years working experience as a District Executive, Field Director, etc. Moreover, the training for the Scout Executive position does not stop at their work experience. The Scout Executive also has a regional body of the organization to report to that provides mentorship and training to the professional.

A more viable solution would be to follow something similar to the Boy Scout Executive model. This model could be made applicable to the municipal management profession by placing all city managers under the jurisdiction of one state-central entity. For the sake of this article, this entity will be called the State Department of Municipal

Services (SDMS). The SDMS would recruit, train, and provide technical and human resources support to the City Managers of each community. Additionally, under such a model, the city manager would function more as a consultant to a community, free from the political web that so frequently plagues the profession today. For the sake of applying a title to the correct job duties, the city manager position might be renamed as a City Operations Consultant.

It may be argued that under such a model, citizens of a community would be less empowered because an outside source would be governing a community. This supposition however is erroneous for two reasons. The first is that under this system the community's representatives, the commissioners and/or the city council, could vote whether or not their community chooses to participate in this program. Because the community has full authority in choosing whether or not it participates in the program, municipal government will remain a democratic process. So as to not face this new program with the same problems the city management profession current endures, namely the high attrition rate, once a community votes to implement the program and make use of the SDMS, it will be imperative that the community signs a ten year partnership agreement with the SDMS.

The ten year commitment will give the community sufficient time to make necessary adjustments in their community to fit the new management system and it will ensure that those serving as City Operations Consultants will have at the very least a ten year job security incentive. Even if the City Operations Consultant is not a good match for the community after a trial period a new City Operations Consultant can immediately

replace the first and the City Operations Consultant who was replaced can be relocated by the SDMS to another community that is a better fit for them. Once a City Operations Consultant serves in a community beyond the trial period, the consultant is 'locked in' to that community and if said community has any problems with this consultant, they would then have to refer to the grievance system previously mentioned before the SDMS would act to relocate the employee.

The second reason ensures that communities who have voted to participate, or subscribe to the City Management program will not lose empowerment once under its operation. Under this model the City Operations Consultant would be employed by the state central entity, but the service he/she provides would be owned by the community. The City Operations Consultant would only be a consultant to assist the community in municipal operations. If the citizens of the community felt like their voices were not heard, or that the City Operations Consultant was not acting in their best interests, the community would have a few options to remedy their issue.

Their first option would be to file a grievance with the state-central entity that hires the City Operations Consultant. In this case, the entity would investigate the issue, and if warranted, would issue a written reprimand or terminate the City Operations Consultant, depending on the degree of malfeasance. Another option would be for the citizens of the community to opt out of receiving the services of the City Operations Consultant, conducting their own business through a local Mayor. In this case, the City Operations Consultant would not be terminated from employment, but relocated to another community within the state.

In addition to providing more job security to the City Operations Consultant, less politicizing of the profession, and a more specialized facilitator to the community, this new model would allow the opportunity for City Operations Consultants throughout the state to meet, share ideas, and collaborate to ensure that positive growth is occurring in each community within the state. Such organization would have profound implications for both rural and urban communities struggling to deal with global outsourcing that has become detrimental to their job market. Moreover, this new model would place more accountability on the City Operations Consultant to help move the community in a successful direction because he/she would have a supervisor to report to on the community's progress at the state level.

Such a concept is neither radical nor completely original. There are many instances in municipal governments throughout the United States where state government is taking on a more active role in local administration. *The Municipal Yearbook* reports that since the 1930s, when the Great Depression threatened the future of so many communities, many states have imposed their own financial control on local communities (Berman, 2007). Widely respected authority on State and Local government relations, David Berman suggests that the depression led many states to adopt similar controls over municipalities as proposed in this article. He writes:

[The depression] also gave birth to the idea of giving a state agency complete control over the financial management of all municipalities; although this actually occurred only in a few states where municipal default had been extensive. Among powers given to state agencies in these places-of which New Jersey was one-were the

authority to review local budgets before their adoption and to order changes to avoid a deficit (Berman, 2007).

Berman additionally cites that North Carolina and Ohio have given such authority over local municipalities to state agencies and believes that such policies enable the state to prevent local governments from falling into financial distress, allow a better system of monitoring whereby problems can be corrected early on, and it eases the anxieties of investors when rating municipal bonds (Berman, 2007). Such a policy has been demonstrated to work well in some states, but democracy suffers somewhat as control is taken away from the citizens of the community. A better approach would be the system suggested in this article, whereby the state has more control, but the citizens are still empowered with the right to elect whether or not they participate in the program, and can still provide feedback to the State Department of Municipal Services regarding the City Operations Consultant that has been assigned to their community.

Philip Kloha, noted academician in the field of municipal management writes, “there has been a gradual but steady expansion of state involvement in local affairs during the 20th century” (Kloha, 2005). Moreover, as Kloha writes:

The state’s stake in possible local financial difficulty is huge. When local governments experience severe fiscal distress, they may be unable to make timely payments to bondholders, vendors, and/or employees. Significant cutbacks in public services such as libraries, parks, recreation, and even police or fire often result, creating a very visible and undesirable situation. This reduction in service levels often comes at a time when local tax rates are being increased in an attempt to generate sufficient revenue

to deal with the financial difficulties, which only makes the locality more unattractive in terms of public services and tax burden to current as well as potential residents and businesses. Surrounding areas are sometimes then forced to compensate in service delivery by extending their coverage to the distressed community...(Kloha, 2005).

By changing the city management structure to the one proposed in this article, surrounding communities will not be so burdened by struggling communities. By producing a state central city management system, communities can be sure that their service delivery will not suffer due to managerial vacuums left in the wake of political malfeasance by elected and less-qualified officials.

And often times, the elected officials involved in local governments have been insufficiently qualified to handle such issues. Numerous noted academicians in the field of Public Administration have confirmed this statement. Among these, Nancy Roberts, addressed the topic in an article in which she writes, “[professional managers] have the education, skills, and time to devote to policy concerns. In contrast, citizens lack the special training and resources needed to be cogent about complex policy problems, especially those involving highly sophisticated technology,” (Roberts, 2004).

Richard Kearney and Scavo concur with Roberts as they write that although local legislative bodies hold the final authority with respect to ordinances and a host of other important decisions, including the hiring and firing of the city manager, in council-manager cities, they are often poorly equipped to address complex administrative and fiscal issues (Kearney & Scavo, 2001). Kearney and Scavo’s argument was that because of this inexperience, the citizen representatives often defer to the wishes of the manager

or mayor on policy. Under such circumstances, this is bad government and yet another testament as to why the current dichotomy of principals and agents in municipal management is no longer the best way to govern them.

There are many mechanical issues that need to be addressed before implementing the revolutionary measure toward municipal management that would involve state agency involvement such as the State Department of Municipal Services, and one of the most significant of these is funding. (Morgan and England, 1999, pp. 25-27; O'Toole, 1999; Martin, 1990).

However this new model has significant potential in virtually every aspect of the profession; for both the professional and the community. Here it was not intended draw the blueprint for a new city management system, but to stir the conversation in a new direction, because it is evident that the current application of principal-agent theory is not the correct path for the industry.

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