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De slimme gemeente nader beschouwd: Hoe de lokale overheid kan bijdragen aan het oplossen van ongetemde problemen

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Summary

Subject of this study, problem formulation and main questions

The subject of this study is the way local governmental authorities deal with wicked problems. Wicked problems can be defined as problems that are substantively complex, controversial with regard to the norms and values to strive for and involving interdependent actors, each with their own special interests and subjective perceptions, in a situation where nobody has the authority to rule.

The problem formulation of this study is as follows:

> *How can local government contribute to solving wicked societal problems?*

The starting point of this study is formed by my practice-based insights on what a better performing, "smart" city might look like. The two main questions I want to answer in this study are:

> *What does a smart local government that wants to contribute to solving wicked problems look like substantively from a public administration point of view?*
>
> *How do you ensure that this smart local government actually gets implemented in a situation where nobody has the authority to rule and cross-border cooperation is necessary for solving these wicked problems?*

More specifically this study focuses on the question whether four principles of smart governance are the solution with regard to tackling wicked problems and whether a strategy of using temptation in combination with power is an effective change management strategy to implement the principles of smart governance.

Research design and methodology

This study begins with formulating an initial response to the main questions. This first response is motivated by my practice-based experience as city manager of Amsterdam. In the next step, I reflect on these practical insights based on scientific theory from the fields of public administration and change management. Based on these theoretical reflections I draw conclusions about the robustness of the practise-based insights, and I formulate a preliminary theory of practise and more specific research questions. I address these research questions by using the multiple qualitative case study method. On the basis of the theoretical reflections and the results of the case studies I draw conclusions with regard to the research questions, the main questions and the problem formulation, give recommendations on how to realize smart governance in practise and discuss some current debates in light of the findings of this study.

Practice based vision on the smart city

The starting point of this study is my vision on the smart city which I developed during my seven year tenure as city manager of Amsterdam. This vision consists of a problem analysis, four principles of smart governance and a change management strategy using a combination of temptation and power.

In the problem analysis I distinguish four main causes for underperformance of local government, with the common thread that special interests dominate and therefore frustrate a focus on solving societal problems. These four main causes are institutional paralysis, dysfunctional working processes, inadequate and fragmented management support (systems) and insufficient self-reliance of citizens.

My practice-based vision of the smart city constitutes a response to these problems. In essence, the solution is about a Copernican revolution wherein realizing public value or results is put before domain interests. The answer consists of four interrelated and mutually reinforcing principles of smart governance. These principles are:

- A steering model focused on giving global direction and autonomy to frontline executive organizations in exchange for accountability based on results to break through institutional paralysis (the "accountable autonomy" or "A x A principle");
- Chain management and business process redesign to fight dysfunctional working processes;
- Cooperation with regard to management support (systems) to improve the quality of operations;

– Citizens at the helm, or empowerment giving citizens more responsibility for achieving desired societal results by making them co-producers of policy and partners in implementation.

The change management vision on the smart city consists of a strategy based on a combination of temptation and power, in turn based on a large number of success factors such as commitment of top management, creating and maintaining sense of urgency, developing an inspiring and guiding vision, constantly connecting with the reality of the work floor, focusing on the always present positive energy in the organization, dealing constructively with resistance to change, celebrating successes, and working with case adoption. Furthermore, it is necessary to have a chain director who makes clear that parties are dependent of each other, who mobilizes parties around a shared definition of the problem and who seeks agreement between parties on the solution.

Results of the reflection on the principles of smart governance from a public administration perspective

Based on public administration literature, I identify four steering paradigms, namely: hierarchical bureaucracy, free market, reinvented government, and public network management. The last two paradigms are a response to the perceived shortcomings of the first two paradigms, especially when it comes to solving wicked problems. This is also the case for two similar organizational paradigms, namely the "multi dimensional organization" and the "transformed government organization".

When speaking about the dysfunction of the bureaucracy, this is primarily a matter of too much regulation and too much compartmentalization - also called bureaucratism. Solutions for excessive regulation are working with professional autonomy within policy frameworks, meaningful performance management, professionalism, good personal contact, frontline steering, and citizen participation. Solutions for compartmentalization are redesigning work processes, removing financial incentives that hinder cooperation between silo's, and frontline steering.

The dysfunction of government in policy networks essentially comes down to a lack of cooperation between the various organizations in the network. The solution for this lack of cooperation is public network management. Solutions such as chain management and citizen participation can be regarded as special forms of public network management. Chain management focuses on the management of sequential activities and citizen participation focuses on the active involvement of citizens as key actors in the policy network. Standardization of ICT

plays an important facilitating role in public network management and chain management as it significantly reduces the transaction costs of cooperation.

The confrontation of the insights from public administration theory with the principles of smart governance leads to stronger theoretical foundation and refinement of the principles of smart governance. Chain management and citizen participation appear as differentiated forms of the principle of public network management. Meaningful performance management, professionalism, good personal contact and frontline steering are a refinement of the "A x A principle". The principle of cooperation with regard to management support (systems) is more sharply positioned as complexity reduction that facilitates tackling complex problems with complex solutions.

Results of the reflection on the strategy of temptation and power from a change management perspective

In the change management literature two paradigms can be distinguished. The functionalist paradigm focused on the efficient and effective planning and execution of change and the interpretative paradigm in which social reality is seen as created by people, who work, live and talk with each other.

From the literature I distil six change management strategies: the power strategy, the expert strategy, the motivation strategy, the negotiation strategy, the learning strategy and de complexity strategy. The first four strategies are basically power-related strategies that fit into the functionalist paradigm. The last two strategies are essentially psychological strategies that fit into the interpretative paradigm. From the perspective of my practice-based vision I distinguish two main themes of *power* and *psychology* on which I continue my theoretical exploration.

Power processes can block complex change processes in situations where power is dispersed. Change is not achieved due to syrupy and crippling power struggles. The action perspective for successful change from a power-related view essentially consists of negotiation strategies including process management based on recognizing all the special interests as legitimate interests and searching for win/win solutions. From a psychological point of view, the role of sense making in social interaction is important. Psychological blockades for change are rooted in clashing frames of reference in combination with the occurrence of defensive mechanisms. The action perspective from a psychological point of view essentially comes down to consciously making use of learning processes. With regard to complexity theory, blockades for change are primarily caused by too much stability and a lack of respect

for diversity. The action perspective from a complexity point of view boils down to destabilizing deep-rooted frames of reference and facilitating new directions of sense making.

The final angle of reflection is that of success factors for effective change management. I distinguish the following clusters of success factors:

- A clear sense of urgency for change;
- An inspiring vision and articulated direction;
- Clarity on goals and approach;
- Commitment of (top) management;
- Creation of broad support through participation and communication;
- Deliberate choice of an appropriate change management approach;
- Consolidation and embedding improvement in the organizational culture.

The theoretical reflections leads to a stronger foundation of the practice-based vision on "temptation combined with power" with regard to *why* certain interventions may or may not contribute to the success of complex change processes aimed at solving wicked problems. The theoretical insights also lead to additions to the practice-based vision, especially when it comes to emphasizing the importance of the learning strategy.

However there remain a number of theoretical debates in change management literature that are of importance with regard to the formulation of more detailed research questions for the case studies. An example is the debate over whether the various change management strategies can be combined or not and, if so, whether this should be based on a contingency-based approach or an approach based on the intelligent combination of and switching between strategies. Can (and should) power-related strategies and learning/complexity strategies be combined when tackling wicked problems? Relevant issues or dilemmas in this context are: the importance of inspirational vision versus the importance of process quality, working top down versus working from the bottom up, whether or not making use of crisis and sense of urgency as a lever, and working from a presupposition of a positive or a negative view on the nature of man. Also important is the question of how learning can be made possible in situations that are dominated by power struggle. Yet another debate concerns the extent to which complex changes are at all feasible.

Confrontation of the practice-based vision on "temptation combined with power" with change management theory leads to the conclusion, that in complex problem situations the most appropriate change management approach is based on intelligently combining of and switching

between different change strategies, making use of the identified success factors based on a repertoire approach.

Research questions

Leading from the theoretical reflection on the practice-based vision, I formulate the following research questions for the case studies.

What does a smart local government look like?
- Does application of the "A × A" principle in practice lead to better performance of local government? How do you make sure that results-based steering does not lead to perverse effects? What role does "professionalism" play as a steering mechanism?
- Does application of "network management" (including "chain management" and "citizen participation") in practice lead to better performance of local government?
- Does application of "business process redesign" in practice lead to better performance of local government?
- Does more "cooperation with regard to management support (systems) in practice lead to better performance of local government?

How do you ensure that this smart local government actually gets implemented?
- Does application of the success factors grouped under the strategy of "temptation in combination with power", together with other success factors found in the literature that fit well in this change management strategy, in practice lead to successful implementation of smart governance?
- What role is played by power in accelerating or slowing down the implementation of smart governance?
- How to deal with the identified theoretical debates? Is it a matter of a contingency-based approach ("either/or") or an approach based on intelligent combining and switching ("and/and")?
- Is it possible to make tacit knowledge more explicit or is working with a repertoire approach in combination with continually acquiring additional experiential knowledge our only option?

The findings from the four case studies

In three cases positive results were realized. In the "crisis care case" enduring quarrels between mental health institutions and the police were turned into an effective partnership. Relatives of the patients became

satisfied with the level of service delivery. Patients were no longer detained in police cells and were transferred from a crisis bed to a regular bed within the agreed upon time schedule. In the "school drop-out case" a lot of red tape was cut and the cooperation between the different organizations was improved. Hardly any children still remain at home (while they should attend school) and the number of school drop-outs has fallen sharply within two years. In the "multi-problem families case" cooperation between actors was substantially improved. Public disturbances were substantially reduced and the living conditions of the families involved were improved, although the approach can still be further professionalized. The actors in these three cases were positive about the results. However, concerns remained about the durability of the achieved results now that the parties involved no longer come together in periodic high-level meetings to monitor progress and make decisions on solving bottlenecks.

One case showed no demonstrable results. In the "integration of immigrants case" the city of Amsterdam during a long period of time tried to improve the "integration of immigrants process chain" without much result. Many research reports were produced without actual progress being made. The new approach led to more bureaucracy. Targets for the number of integration programs were not met by far.

In the crisis care, school drop-out and multi-problem families cases the "A × A" principle was applied and considered a success by the key participants. In all three cases direction was given in terms of overarching global objectives (answers to the *"what"* question). This global direction was given and monitored by regular high-level meetings to discuss progress and to decide on solving bottlenecks. Regarding crisis care, the common goal that was formulated was that patients in crisis were taken care of in specialized patient-friendly care instead of in a police cell. In addressing school drop-out, the overarching goal that was agreed upon was reducing the number of school drop-outs. In tackling multi-problem families, the mission was to reduce public disturbance and to solve, or at least to regain minimal control of the problems in the respective families. In the three cases much space was given by the top-level summits to the executive organizations and frontline professionals to come up with solutions (answers to the *"how"* question). Despite intensive involvement and huge commitment from top-level officials, middle management and frontline professionals primarily came up with and implemented solutions, backed by their respective bosses. Accountability was realized through very strict steering on keeping agreements ("a deal is a deal") horizontally (towards the city of Amsterdam) as well as vertically (between de cooperating actors) instead of on quantitative targets.

In the "integration of immigrants case" the "A × A" principle was not applied and there was no clear and jointly developed and supported vision. Also there was little autonomy for executive organisations and frontline professionals to take responsibility. The city of Amsterdam positioned itself towards the other organizations involved as a principle that imposed a detailed set of requirements on its contractors.

In the crisis care, school drop-out and multi-problem families' cases, "network management" and "chain management" were applied and considered successful by the actors involved. In these cases "network management" was used in a "wrapped around" approach, in which all the organizations involved are simultaneously and at different hierarchical levels working together to solve the problem. The application of the principle of "chain management" was in all cases part of the overarching principle of "network management" with regard to streamlining sequential activities of the various network partners. The, until then, fragmented way of working was ended by focusing on solving the societal problem as a whole, instead of every organization only focusing on its own sub problem related to organization specific goals.

Although in the case of integration of immigrants the city of Amsterdam officially made use of "chain management", in practice this was not the case because of the choice of procurement procedures and bilateral principal agent contract relations. This choice was considered ineffective by the actors involved.

In two cases, crisis care and multi-problem families, the principle of "business process redesign" was applied and considered successful by the actors involved. In both cases working processes were redesigned in detail from the perspective of realizing public value and putting results before domain interests. A process model was developed with shared working processes for the various organizations involved.

The principles of "cooperation with regard to management support (systems)" and "citizens at the helm" were not applied in any of the cases.

In the three successful cases the change management strategy that was used consisted of a combination of power strategies and learning strategies. In these cases the emphasis lay on interactive learning. However the use of power played an essential role with regard to initiating learning processes and keeping them going. The same goes for the application of success factors. Although not all success factors were used in all the cases, the prevailing image is that all success factors identified in the theory of practice are relevant for realizing success change.

In the three successful cases the lack of sufficient attention for making results durable, by trusting too much on the regular line organization, is seen as a possible failure factor for long-term sustainable suc-

cess by many of the key players. In the unsuccessful case of integration of immigrants, a unilateral top-down power strategy was used that was negatively appreciated by the actors involved. In this case hardly any success factors were used.

The three success cases were characterized by using a combination of power and psychology and by a combination of a top-down and a bottom-up approach. Simultaneously or alternately there was attention for content and process and for letting a thousand flowers bloom and focusing on the targeted result. Openness and mutual trust were gradually built based on a positive image of man. Only limited use was made of outside consultants. Learning in non-optimal, unsafe conditions turned out to be possible, because learning took place "back stage" while the power struggle continued "front stage". In the three successful cases a repertoire approach was used, based on experimental learning in contrast with the unsuccessful case that was characterized by a one-sided power related change strategy.

Answers to the research questions

What does a smart local government look like?

Application of the "A × A principle" in three cases contributed to better local government performance and perverse effects of performance management were avoided by a "soft" form steering on results in combination with a "hard" steering on compliance with mutually agreed upon actions ("a deal is a deal"). Application of the principles of "network management" and "chain management" contributed to better performance in three cases as well. With regard to the principle of "business process redesign this was the case in two cases. Whether the principles of "cooperation with regard to management support (systems)" and "citizen at the helm" contribute to better performance of local government performance could not be determined based on the findings of the case studies. In the unsuccessful case none of the principles of smart governance were applied.

How do you ensure that this smart local government actually gets implemented?

Application of the success factors identified under the umbrella of the change management strategy of "temptation in combination with power", in three cases resulted in successful implementation of a number of principles of smart governance. However, questions remain about the durability of performance improvement in the long run. The

created learning situations have not self evidently led to a situation where the actors involved have learned to keep on learning on their own accord. The learning experience might have been too short to become second nature. The use of power in three cases was essential in realizing complex change and also accelerated the realization of results. The use of power in these cases led to the catalyzing of learning processes and keeping them going. Switching to temptation was necessary to bring the cases to a successful completion.

A combined approach of power and psychology, of power and temptation, has proven to be an appropriate way to tackle wicked societal problems. The repertoire of different change strategies and success factors is clear and effective; however, the answer to the question when to choose which specific mix is impossible to grasp in a decision tree of contingency scheme. Looking at the cases makes it clear that the modus operandi each time was one of continuous improvising drawing on a wide range of interventions based on a repertoire approach.

The three success cases show that even in situations of high complexity some degree of successful social engineering is possible when based on the strategy of temptation in combination with power. Part of this strategy is the conscious steering on interactive learning and making use of chance and complexity, including leaving room for spontaneous emergence.

At the same time it turned out to be difficult to make tacit knowledge more explicit. On the other hand, a repertoire approach based on simply making use of a broad spectrum of change strategies and success factors (captured in explicit knowledge) and thereby continually building more experiential knowledge, proved to be successful in dealing with complex change and tackling wicked problems.

Answers to the main questions

In the three success cases the city of Amsterdam improved its performance with regard to a number of wicked societal problems using the principles of smart governance: "A × A", "network management", "chain management" and "business process redesign". The importance of the principles of "cooperation with regard to management support (systems)" and "citizens at the helm" could not be demonstrated in this study.

The change management strategy of "temptations in combination with power" proved to be an effective strategy with regard to tackling wicked societal problems. A more intensive use of learning strategies is probably important for achieving sustainable results in the long run.

Answers to the problem formulation

It is plausible to assume that a local government that uses the principles of smart governance in combination with a change management strategy of "temptation in combination with power" will succeed in making a substantial contribution to solving wicked societal problems. More intensive use of learning strategies is needed for achieving durable success.

Scientific, societal and methodological yields of this study

The scientific yield of this study is that it shows the usefulness of a combination of a public administration approach with a change management approach when it comes to tackling wicked problems. The societal benefit of this study consists of a concrete action perspective on how local government can address wicked problems. The methodological proceeds of this study are the demonstration of the possibilities of a combination of the case study method with reflective action research.

Contribution to current debates

The findings from this study contribute to a number of current debates. Regarding the "democracy debate" it is important to note that "network management" and "temptation in combination with power" possess inherently democratic characteristics. In this sense smart local governance can also be considered as more democratic government. Regarding the "good governance debate" the vision on smart governance teaches us that sustainable results can only be achieved if, in addition to quantitative results, sufficient attention is given to process quality and system quality.

The quest in this study for feasibility of complex change or the possibilities of social engineering, resulted in a vision on smart governance that seems promising as an alternative to the old hierarchical social engineering of the welfare state, the over optimistic belief in the blessings of the free market and the fatalism of post modernism.

I come to the conclusion that an important explanation for the fact that learning processes were possible, notwithstanding strong forces of special interests and a psychological climate in which the need for simplicity dominates, is that these learning processes took place in the dressing rooms of the political and administrative stage. The more conscious use of the distinction of "front stage" (power play) and "back

stage" (learning) can contribute to the implementation of the action perspective of smart governance.

In the public debate, lack of leadership often is seen as the cause of government failure. Leadership in my view essentially comes down to implementation of the action perspective as described in this study: just making steps forward and taking responsibility in a democratically legitimized context. This can be achieved on all levels of hierarchy. In my opinion every person has the potential for personal leadership that only waits to be unleashed. I therefore see it as the responsibility of public sector leaders, political as well as administrative, to unleash this personal leadership in all public sector employees.

Recommendations

My recommendations to anyone who wants to work towards better performing local government basically come down to two things. Apply the action perspective of smart governance and make more use of learning communities of practice.

Personal reflections

The question I ask myself is whether a well performing government that works according to my practical theory of smart governance must still be called a "smart government". The term "wise government" might be a better term to indicate what matters, when we look for a government that performs better with regard to solving wicked problems. An important feature to actually realize this "wise government" is optimism. Optimism in my opinion is therefore a moral duty for anybody who wants to contribute to a better performing government.

The term "temptation" may evoke negative associations which are definitely not intended. "Temptation" in my view is all about realizing interactive learning processes and the productive use of complexity. "Temptation" primarily focuses on unleashing the intrinsic motivation of actors and giving space to positive energy. Reflecting on the possible negative associations with the term "temptation", it may be clearer to speak of a "loving government".

I have personally experienced how difficult it is to keep reflecting when you are in a very time consuming job. During the first years as chairman of the board of the Bureau of Youth care of the Greater Amsterdam Area, I almost weekly spent a number of hours finishing this study. This weekly writing and thinking activity frequently led to the conclusion that I was forgetting to practice what I was writing

down on paper. This experience made clear to me how easy it is, after a period of intensive reflection, to become overwhelmed again by the issues of the day. At the same time, this weekly writing and thinking activity helped or even forced me to stay sharp and keep on reflecting in action.