

V. CREATING DIRECTION: DEVELOPING VISION, MISSION, AND STRATEGIES

In this chapter we summarize the conceptual material presented in the Forum and highlight the comments made by participants relating to developing vision, mission, and strategies to implement plans to achieve the city's vision.

It is clear from the proceedings that for a widely accepted sense of what is possible, a vision for the whole urban community is essential in effective city management. Forum participants have discussed various ways to create such a vision, one that includes all stakeholders and that provides direction for the provision of works and services.

We have also identified the characteristics of an organization's mission. The mission statement provides a sense of purpose. Who are we as an organization and what is it we are trying to do? Mission follows vision. Only after we have a sense of where we want to go can we prepare a mission statement defining how we will get there.

Finally, effective leadership must be backed up with valid and comprehensive corporate and business plans. Without a long-term corporate plan and individual business plans it is very difficult to know what is required in the management of the city, and whether we are meeting our goals. These plans also provide the best insight as to how to structure the organization and to align human resources to ensure we have the most appropriate people in the right jobs working together to achieve the city's vision.

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A. VISION AND MISSION IN MUNICIPAL MANAGEMENT

Four discussion groups, whose conclusions are summarized below, were asked to address the question:

In order to gain commitment to change, how do you create a vision in which all stakeholders have ownership?

Group A Comments

In order to create direction in municipal management, the first step is to find out who the stakeholders are and what their stake is. For each group of stakeholders, what are their concerns with the organization?

Second, it is important to identify current strengths and weaknesses in the organization. If we do not have a genuine sense of who or what we are as an organization, it is difficult to engage stakeholders in genuine discussion and to move forward toward a vision.

Third, stakeholders must be assured that the vision is a 'win-win' situation for everyone. We must therefore identify any possible adverse effects on all stakeholders from the implementation of specific strategies. It is a question of smoothing out the adverse short-term effects so that in the long run everyone is benefited.

The final step is to involve people in the process of creating genuine stakeholder ownership through the process and the outcomes of better municipal management. To do this it is necessary to get stakeholders to see the common ground. Then assign specific tasks to the stakeholders so that after developing the vision, they continue to remain involved in fulfilling that vision. Most importantly, the process must be constantly

reviewed so that all stakeholders can monitor the collective vision and their particular roles in it.

Group B Comments

The first requisite in developing a vision and mission in municipal management is effective leadership. The leader initiates thinking about the vision and what needs to be done to achieve it.

The mission statement evolves out of the process of bringing the vision into focus by putting together a detailed corporate plan. The corporate plan is directly linked to the needs of all stakeholders — NGOs, interest groups, and individuals. Out of this process more detailed tasks are identified for city management.

Developing a vision and articulating a mission is a process that works both top down and bottom up in organizations. Linkages with external stakeholders are also very important.

It is a presumption to assume that a recognized leader already exists. Often leaders — or people exercising leadership — emerge from the group. A potential leader should appeal to the constituency, to the people, and above all to the stakeholders. The stakeholders come first. The leader derives from the stakeholders, the vision he articulates.

Group C Comments

To have a vision, you must first understand the current situation. You have to identify the prevailing conceptual framework. We have heard much in this Forum about the importance of paradigm change. We interpret paradigm change as first understanding the influence of our current conceptual framework and the way in which we approach issues and problems in municipal management, and then looking for fundamentally

new ways of tackling the problems.

Through an understanding of our current strengths and weaknesses, the way forward toward our common vision will ultimately emerge. Importantly, this must be done in an open, structured way involving key stakeholders

Group D Comments

We believe a vision needs to be evolved, not created. Evolving a vision demands a participatory approach with all stakeholders. In this process an important role for the municipal authorities should be to create credibility in order to obtain participation from all stakeholders. It is insufficient to simply call people to meetings and expect commitment on whatever is agreed to. Credibility must be developed and communications improved between municipal authorities and the political elements of government.

Stakeholders should also be involved in a genuinely participatory approach. Visions will probably vary between stakeholder groups. The process of identifying aspects of a common vision is therefore very important in bringing different groups together. If all parties concerned can agree on a common vision within which different groups may have their own particular strategies and goals, this is a good outcome.

B. ORGANIZATIONAL PLANNING

1. Planning Hierarchy

One of the benefits of traditional bureaucratic administration is that it is directed at the regulation, coordination, and control of organizations — especially large ones. This coordination and control is typically achieved through a hierarchy

of plans.

a. *Strategic Plan*

A strategic plan is a concise statement of the future context within which we expect to live and work in pursuit of our vision. A strategic plan indicates how we will influence the future, and the broad goals and strategies we will employ to achieve our vision.

A corporate plan is the engine room of organizational planning. It provides clarity about what is expected, who is responsible for implementation, and the resources needed.

b. *Corporate Plan*

A corporate plan is the engine room of organizational planning. Out of this plan comes clarity about what is expected, who is responsible for implementation, and the resources needed to achieve the goals.

The corporate plan includes a restatement of the vision with greater clarity about where the city expects to be in, say, five years. The time frame needs to be far enough ahead to challenge the creativity of staff, yet not so far as to be unrealistic. There also needs to be sufficient time for people to innovate and learn new ways of working. The corporate plan also states the organization's mission. While vision is an indistinct view of an ideal future scenario, mission is what we as an organization will look like as we attempt to create the vision. Under each goal statement, a comprehensive corporate plan will identify performance indicators, measures, and targets. Without a system of assessment and evaluation, a corporate plan serves no real purpose in municipal management.

c. *Business Plan*

In effect, business plans are microcosms of the city's corporate plan. They provide the detailed planning outcomes and assumptions for specific

areas or business units: water and sewage, roads and drainage, community services, and so on. These plans also include more detailed accounting information relating to asset management. This identifies capital and recurrent budgeting issues as well as revenue matters relating to fees and borrowings.

It is important to distinguish between the plans and the planning process. A preoccupation with documenting strategic, corporate, and business plans without appropriate consideration as to how these plans are developed can mean that they lack the organizational commitment to implement. Effective city managers are aware of the importance of engaging stakeholders in the development of plans to increase the certainty of successful implementation.

The final caveat that should be made about this type of organizational planning is that, inevitably, plans change over time. This occurs for all sorts of reasons, not the least being that as we solve problems or implement the plans, we learn more about the service or function, and realize that our original assumptions were either naive, wrong, or inappropriate. Therefore the planning process we adopt is critical to ensure we are able to adapt the plan to the changing circumstances and our own learning.

2. Organizational Structures

It is axiomatic that structure follows strategy. We design working arrangements to reflect what we want to achieve. This idea is tempered by the cultural and social reality within which the organization exists. It is also clear that as the number of employees in organizations increases, the organization needs to seek economies of scale and to demonstrate synergy. Municipal authorities are no different in this regard from large private or

state-owned business undertakings.

Three discussion groups were asked to address the question:

What objective should be kept in mind when designing organizations?

Group A Comments

When designing organizations we need to have a customer focus. We also need to recognize that every individual in the organization has potential and to involve them in decisionmaking. While people will have divergent opinions, it is our task to try to bring these together into the municipal strategy.

We also need to look at the skills that exist in the organization. What is the skill mix? What is the need for training? Not everybody has similar or requisite skills. Having done that, it is important to involve people to develop usable job descriptions that are useful in meeting the strategies developed in a participatory manner.

The next step is monitoring and ensuring the quality of their involvement in matters affecting their work. One way of doing this is to improve communications between management and employees. We have heard examples of regular meetings, but sometimes meetings are insufficient because many people remain silent. One-on-one discussion between manager and employee is one sure way to obtain feedback. In hierarchical cultures, senior managers summon their employees to tell them what he/she wants them to do. Instead, why not just visit colleagues' offices and talk to them in their own places of work? This helps break down barriers and improve communications.

We also have some thoughts on the traditional pyramid structure and how that might

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be reversed. We do not really believe in the efficacy of the pyramid structure and would like to suggest turning it upside down, so that every unit of the organization is involved in the thinking process. If the main focus of activity is the customer, the customer is in a sense the city's manager.

In recognizing that everyone in our workforce has potential, several questions need to be answered.

- What is the skill mix in our organization?
- Do we have a list of all the employees, their qualifications, their competencies, the things they can actually do? Who can drive a truck? Operate a computer? Design a bridge? Manage the accounts?

We need to know our staff's capacity and skill mix. Typically, job descriptions flow on from answers to these questions and provide direction to managers, supervisors, and, most importantly, to the employee themselves.

Group B Comments

When we design an organization, we should do so following a series of five steps.

- Identify the organization's purpose.
- Identify the service it is to provide.
- Identify each employee's competency, capability, and potential. At this stage we should start to think about reorganizing the group, differentiating the operations group from the strategic group. We should also bear in mind the size of the organization and the number of employees.
- Encourage interpersonal relationships between staff.
- Encourage the spirit of teamwork across the

organization.

Group C Comments

We must start with the current strengths and weaknesses of the organization. The next step is to initiate a goal-setting program. There is need for teamwork and participation, not only between municipalities and communities, but between private sector organizations. Of course, the work has to be supervised. The organization's program has targets that have to be achieved. People who are working well must be rewarded. Those who are not need to be disciplined. This is not happening in many of the organizations represented here.

Comments by Facilitators

Mr. Oxley: An additional aspect to those raised here this morning is that of creating an attitude. Professional managers in municipal management must adopt a positive attitude, one that demonstrates that we get the best possible outcome for our communities. Concepts identified as good theoretical models will only be translated into practical application by having the right attitude to bring about change. This will lead to the outcomes that our communities desire and deserve from us as professional managers in local government.

Mr. Payne: The role of the manager is changing dramatically. Competent technical people are put into the role of managers by default. They are planners and organizers, not controllers. An old view of a supervisor's job is that they are there to catch people out on the job. This leads to games between supervisors and employees. What we are trying to do is change the role of managers. I have mentioned earlier that middle managers can't

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always see that they have a role. What we have got to do as senior managers is retrain them as planners, coordinators, and project managers with a key role in the corporate and business planning process.

3. Human Resource Management

The key idea behind the concept of human resource management is that people are managed so as to meet the goals of the organization. Quality management of people stems from and clearly reflects what the organization wants to achieve, and how it expects to do this. What follows are examples from participants as to how they have addressed human resource management issues in their city management.

Discussion

Mr. Zaidi: Personnel management and human resource management are different. Personnel management is about the performance of certain basic functions such as selection, training, and compensation. When the organization's objectives come before us then this is about human resource management.

The pooling of resources under certain circumstances, especially emergency situations, is an example. In Karachi, when we were faced by an emergency situation to clear garbage from the city, we pooled staff resources to assist in the removal of garbage. This meant leaving a minimal number of staff to handle routine work while deploying extra staff with the health department. We achieved good results, and 95 percent of the garbage was collected during this operation. Pooling resources is an important human resource management strategy in municipal management, especially when certain critical jobs need to be

implemented quickly and efficiently.

Mr. Govindaraj: In our city we have experimented with two systems. In some areas, residents are actually taking responsibility for the door to door collection of their garbage. They pay the person who does the collection. In other areas we collect the garbage using our own employees. However, we find that the areas where the private people collect the garbage are much cleaner. The conclusion is that when people pay a private collector — even if it is a very small amount — they feel a kind of ownership. They feel they have to keep their own area clean because they are paying for it. They will not allow others to make it dirty. When the municipality does it, however, this attitude does not exist.

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Mr. Martin: I have two observations. The first is that service delivery is part of a bigger issue within the municipality. What you are suggesting here is a financial incentive system that encourages the landholders, the people who live in a particular area, to take responsibility for garbage collection by paying a fee. The second observation is that we need to balance equity in service delivery with flexible fee structures.

Mr. Napitupulu: Surabaya is recognized as the cleanest city in Indonesia. The reward system in place there is such that garbage collectors can actually earn more money than employees of higher rank.

Another thing is that people in Surabaya are conscientious about cleanliness. It is their tradition that they should always be clean and therefore the streets should be maintained. In Jakarta, on the other hand, since people come from many provinces in Indonesia where they have very different traditions, the attitude toward

cleanliness is different. It is harder to get people in Jakarta to collect their own garbage than it is in Surabaya. I think the important influence of the provincial tradition must also be taken into account.

If we are constantly dealing with crises, what does that say about our management strategy?

Mr. Sultan: In Lahore, this exercise of pooling resources, mobilizing people from different departments, and partly from the community, is also put into practice quite frequently. If we have to launch a campaign, for instance, such as the campaign for removal of garbage, or for cattle eviction, then pooling of resources is done. But these are one-time exercises. Pooling is not a sustainable way to run a city. It should be seen as a reflection of the institutional weakness of the department concerned, something to which we should pay more attention. If we strengthen the relevant departments, obviously there will be less need for pooling of other staff resources.

Mr. Martin: I concur. If we are constantly dealing with crises, what does it say about our management strategy and the fundamental structure of our organization?

Ms. Yicui: Shanghai is facing the difficult task of infrastructure development. The majority of the laborers working in the 10,000 construction sites in the city are not local people. They come from rural areas. One of the difficulties we face is how to improve the quality of these workers and encourage their initiative.

In recent years, we have researched and introduced new practices in human resource management. We help staff understand the priorities by preparing an exhibition on urban planning, development achievements, and newly built infrastructure. Often the mayor will go to construction sites for a face-to-face exchange of

views with the staff to motivate them.

First, the workers are briefed on the function of these facilities. Second, we emphasize management at the very basic level. There is a description of each job and it is being reviewed and amended as circumstances change. On-the-job training is provided on that basis. Participants in relevant training are required to pass qualifications covering basic knowledge and the skills. We also hold competitions among employees. Third, reward and recognition through competition occurs. Both financial and non-financial rewards are formulated. Employees are encouraged to become model workers in regular or special competitions. Outstanding staff are financially rewarded with promotions, bonuses, and housing provisions. Non-financial rewards include recognition as model workers. In addition, the mayor and other community leaders express gratitude towards their families for their good work.

Mr. Martin: That is an outline of a comprehensive human resource management system, one that extends into the community and provides recognition of people involved in the construction industry.

Mr. Payne: I think the important feature of the Shanghai human resource management example is in creating champions among staff, using them as role models. If we have the champions out there doing good work, others will follow.

Mr. Hamid: I also found one very interesting point. You have to recognize the needs of your workers and to provide them with adequate facilities so they are not preoccupied with personal matters. This is something that, in many countries, has broken down.

There was an experiment in one locality in Karachi where law and order was a major issue. In

this particular locality the residents made monthly contributions toward provision of better housing, education, and environment for the police assigned to that locality. The result was that while in the city of Karachi the law and order situation continued to be bad, this locality had hardly any crime. So caring about your staff is a very important factor in motivating them. Taking care of the personal lives of employees and paying attention to their families is very important in effectively managing people.

Mr. Martin: Another way in which this is often described is career planning or career development. Everybody likes to think they have a future. Because work is so central to our lives having a future at work and looking after people is important in maintaining their motivation over time.

Mr. Shah: There are various types of professionals employed at the municipal level: engineering, planning, general management, finance, economics. One of the problems on the engineering side has been that some of these people are so overqualified that they try to use very high levels of engineering solutions on local problems. But not all cities are megacities. One very interesting case occurred in Bangladesh some 15 years ago, where the local government engineering department was highly regarded for its technical competence. The reason was that staff had worked with the municipal agencies and shown their flexibility and adaptability to local cost-effective techniques. As a result, they had become well accepted over a period of time. So one moral is, where you have a local government service at the national level that can supplement or support a program in a municipality, it should be encouraged to do so.

There is also a need for greater professionalism. One of the items we have discussed was whether there could be a career

for urban managers, a career where individuals could use broad municipal and financial management skills. There could be more specialized training programs to supplement their professional university education. I think a combination of various measures is needed. Mr. Stubbs from the ADB has developed a pioneering \$70 million capacity-building project in Indonesia for urban managers that includes career mapping. The ADB is very happy with the attitude of the Government of Indonesia as they are ready to borrow money (not rely only on grants) for capacity building, mainly targeted at local government.

Mr. Stubbs: In preparing that project, the Indonesian Government looked at their urban sector, they looked at their policy, they looked at their institutions, they looked at their funding and implementation mechanisms, and they looked at their human resources. Out of all of those areas they identified human resources as the greatest constraint and problem facing their local government. So they put together a plan for improving human resources at the local level.

The human resource gap at the local level includes the need for engineering and other technical skills, but the greatest problem is how to bring management skills into local government. In the Department of Public Works, particularly at the senior level, the problems are management problems. Typically, they have engineers running programs who may have just post-high school education. So they are undertrained, even in their technical skills. Interestingly, there is no provision for a career path mechanism for a non-engineer in the public works department. So if they happen to be lucky enough to get a person with a degree in management, that does not help them very much in terms of career path development. In fact, it may

Of all the problems facing local government, that of identifying appropriate human resources was the greatest constraint.

be a hindrance.

Mr. Oxley: I work for an organization that underpins its management philosophy through a quality management approach. We emphasize the people process, the human resource side. We have developed a conceptual framework based around deployment, results, and improvement. These key elements drive the way in which we manage our people in the organization — how we manage the organization through the deployment of people, through the creation of job descriptions, business specifications, company standards, and by undertaking training need analysis. We develop contracts that clearly outline the performance measures we want from our people.

When we focus on the results we want to achieve we use techniques such as ‘360-degree feedback’ reports where we have appraisals both from senior levels and from peers and subordinates. We undertake staff surveys, asking them how they feel about certain aspects of their roles within the organization. We have an employment development and review program that allows employees to continue their professional development, skills development, or education program to ensure that they have the skills that match the requirements of a particular job.

We carry out a range of competence assessments as well. We identify the competencies required for individuals within particular workplaces and how these competencies can be uplifted. To give an example, we have a reward scheme whereby either individual employees or groups of employees can be nominated from throughout the organization and judged as to whether or not they should be awarded recognition for the work they have done over the year. Last year — it was pleasing to me personally — one of our work crews was able to win a team award. It was a great feeling for the whole

organization.

We emphasize training and development of our employees. We undertake quarterly reviews against set targets and measures, and there is also an annual review of the whole organization to ensure that the overall targets, our corporate goals, have been achieved.

We regard our people as the most valuable asset within our organization. We treat them with respect. We have developed a set of values that we try to promote throughout the organization. This comes about through strong leadership. This morning someone gave the example of a senior manager going out on the garbage truck to get a feel for how the job is done. I think it is important for the chief executives and senior staff to be very much involved, so that their interest in the way the organization works is clearly demonstrated. On a regular basis, one of our senior executives spends time on an inquiry counter dealing directly with customers. When we as managers demonstrate throughout the organization that we are extremely interested in things the staff do, we win in two ways — staff morale improves and we learn to look at the organization from their point of view.

Without people who are totally committed and have a positive attitude about providing quality service, we would not be the organization that we are today. I can't emphasize too strongly how important it is to develop good people processes that are well understood and clearly articulated throughout the organization.

Ms. Prasad: In India we have a three-part system of performance appraisal. It concerns the personal qualification of the officers, the targets we have set for them, and what they have achieved. We are also asked to make an appraisal of the type of training required. The only sad part is that follow-up is rarely undertaken.

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When we talk about management and human resources we are dealing with two things. One is skill and the other is commitment. Skill can be upgraded. Commitment on the part of the employee has to be developed. In a market-oriented situation where there is a goal, the immediate gain is clear, so you can motivate employees to achieve more. At the municipal level, however, it is very difficult to measure performance, and even more difficult to reward good performance.

Mr. Oxley: We measure satisfaction through an employee survey annually. All employees are asked to complete the survey on a voluntary basis, anonymously. The survey covers a whole range of issues concerning the organization. From the feedback we obtain, we can see what we need to modify in our management approach to the human side of the organization. Getting feedback on a regular basis, adjusting our management practices to ensure that our employees are motivated and satisfied, that they are contributing significantly to the overall good of the organization, is an important aspect.

We need to create an environment within the organization where people want to come to work, where they want to contribute to the overall good of the organization. Then we have a high level of employee satisfaction and certainly a high level of morale. It's all about setting the direction. Over the last few days we have talked about a vision for the organization, setting a goal and a mission, and creating a set of values that rely on trust, integrity, and respect. These are all elements that contribute to achieving the attitude we have been talking about. It is not easy. At the end of the day, all employees come to work because they want to do a good job. I don't know of any employee

who says 'I don't want to do a good job today.'

Mr. Suwarnarat: I think in your position you have to give awards to people who have done something very well. How do you prevent that reward from having a negative effect in that you intimidate the rest of the people, or insult them for not being so good? How do you prevent that?

Mr. Oxley: This is a very good question. It can be imagined that rewarding exceptional performers might demotivate others who think they are also good performers. That's a risk you need to take. Our experience has shown that throughout our reward and recognition system, the overall attitude is that it is a good means of recognizing that there are people who are willing to make the extra effort.