

Georgia Southern University

Digital Commons@Georgia Southern

---

Public & Nonprofit Studies Faculty Publications

Public and Nonprofit Studies, Department of

---

2010

## Demand Versus Supply: Assessing the Capacity of MPA Programs to Satisfy the Growing Need for Professional Management in Local Government

Gerald T. Gabris

*Northern Illinois University*

Trenton J. Davis

*Georgia Southern University*, [tjdavis@georgiasouthern.edu](mailto:tjdavis@georgiasouthern.edu)

Kimberly L. Nelson

*Northern Illinois University*, [knelson@niu.edu](mailto:knelson@niu.edu)

Follow this and additional works at: <https://digitalcommons.georgiasouthern.edu/ipns-facpubs>



Part of the [Nonprofit Administration and Management Commons](#), and the [Public Affairs, Public Policy and Public Administration Commons](#)

---

### Recommended Citation

Gabris, Gerald T., Trenton J. Davis, Kimberly L. Nelson. 2010. "Demand Versus Supply: Assessing the Capacity of MPA Programs to Satisfy the Growing Need for Professional Management in Local Government." *Journal of Public Affairs Education*, 16 (3): 379-399. source: [http://www.naspaa.org/JPAEMessenger/Article/VOL16-3/06\\_16no3\\_final\\_gabrisdavisnelson.pdf](http://www.naspaa.org/JPAEMessenger/Article/VOL16-3/06_16no3_final_gabrisdavisnelson.pdf)  
<https://digitalcommons.georgiasouthern.edu/ipns-facpubs/5>

This article is brought to you for free and open access by the Public and Nonprofit Studies, Department of at Digital Commons@Georgia Southern. It has been accepted for inclusion in Public & Nonprofit Studies Faculty Publications by an authorized administrator of Digital Commons@Georgia Southern. For more information, please contact [digitalcommons@georgiasouthern.edu](mailto:digitalcommons@georgiasouthern.edu).

# Demand Versus Supply: Can MPA Programs Satisfy the Need for Professional Management in Local Government?

Gerald T. Gabris  
*Northern Illinois University*

Trenton J. Davis  
*Georgia Southern University*

Kimberly L. Nelson  
*Northern Illinois University*

## ABSTRACT

This article addresses concerns expressed by members of the International City/County Management Association (ICMA) regarding whether the supply of qualified local government managers will keep pace with the future demand for this occupation. The authors developed several important observations, which are based on decades of experience with a Master of Public Administration (MPA) program focused on local government management, plus strategic planning experience in over 100 local governments. First, it is likely that the impending retirement of the Baby Boom generation of city managers will cause some supply shortages of professional managers in specific geographical regions of the country. Second, increases in the number of professionally managed cities creates the probability that some municipalities, due to their lack of associational attractiveness, may experience difficulty in generating sufficient pools of quality applicants. We suggest that MPA programs continue to nurture communication and relationships with local governments that will lead to specific mutual benefits. For instance, MPA programs benefit from the availability of practitioner speakers and student internships and, in turn, local governments benefit from the creation of a pipeline that provides a continual stream of quality applications.

## INTRODUCTION

This paper examines the proposition that nationally Master of Public Administration (MPA) programs are not producing enough graduates who have an interest in working in local government (defined as municipalities and counties). Significantly, according to city manager testimonials made at recent national conferences (2004, 2005, and 2006) of the International City/County Management Association (ICMA), the perceived lack of supply is reaching critical levels in some regions of the country. Although there is insufficient empirical evidence that either supports or refutes this proposition, whether a genuine gap exists in the labor supply and demand relationship between MPA graduates and local governments should be an issue of high priority for organizations such as the National Association of Schools of Public Affairs and Administration (NASPAA), and for schools of public administration.

In 2006, at the national ICMA and NASPAA conferences, academic representatives from several MPA programs across the country agreed to begin investigating the perceived labor supply and demand gap. One recommendation, of which this paper represents only a small step, was to begin developing a research agenda that specifically investigates the supply issue. Thus, the primary purpose of this paper is to begin framing the discussion about plausible research strategies that academics might employ to understand whether a real crisis does exist, and to explore the possible reasons why the crisis is emerging at this particular point in time. Moreover, if a substantive labor supply and demand gap does exist, what solutions might address this matter?

## METHODOLOGY

One problem in writing this paper involves the limited available empirical work that relates directly to the aforementioned queries. As a consequence, the authors relied partially upon their own research and consulting experiences within the Chicago metropolitan area, or “Chicagoland.” Although this regional perspective has clear methodological drawbacks for generalizing about national employment patterns, it affords readers with a clear snapshot of the labor market in a large, densely populated metropolitan area.

The lead author has served as a consultant to numerous local governments over the years, and therefore has access to the strategic planning documents and priorities for these organizations. Specifically, using the year 2000 as a benchmark, the lead author has facilitated 35 separate strategic planning processes for 19 local governments, predominately in Illinois, with some work done in Missouri and California. The specific local governments engaged in a strategic planning process, along with the frequency of consultative iterations for each entity, are reported in Table 1.

Of the 35 strategic planning processes reported since 2000, 25 were conducted since 2004. Typically, each process involves a series of one-hour

Table 1.  
*Strategic Planning Processes by Municipality (Since 2000)*

<b>Municipality</b>	<b>Frequency</b>
Streamwood, IL	7
Park Forest, IL	3
Lisle, IL	2
LaGrange Park, IL	3
Carpentersville, IL	2
Richton Park, IL	2
Wheeling, IL	1
Yorkville, IL	1
Geneva, IL	1
Minooka, IL	1
Batavia, IL	1
Wheaton, IL	1
Aurora, IL	1
Gel Ellyn, IL	1
Woodstock, IL	1
Lyons, IL	1
Palos Park, IL	1
Montclair, CA	4
West Plains, MO	1
	<i>N</i> =35

*Note.* Source is consulting reports by Gerald T. Gabris

interviews with the elected members of the local governing board, including the mayor, as well as separate interviews with the city manager or administrator and his or her key staff. A preliminary report of these interviews is generated for use at the on-site strategic planning meeting, which culminates in a final report that details the results of the strategic planning process. Assuming an average governing board size of seven members, and multiplying that by 35 iterations,

results in a total of 245 elected official interviews and, at a minimum, 35 interviews with the chief executive officer (CEO) regarding his or her strategic needs.

#### DEMOGRAPHIC TRENDS

At the heart of the supply and demand issue is whether there will be sufficient numbers of workers to replace the aging Baby Boomer generation (persons born between 1946 and 1964). In a recent survey targeting MPA students from programs with a dominant focus on local government, Svava (2009) noted that demographic trends indicate that, between 1970 and 2006, the total workforce was seven percent smaller than the total number of jobs available nationally. There are approximately 151 million jobs in the U.S. economy, but only 141 million people who can fill them (Svava, 2009).

The aging population is having an effect on persons serving as city managers. In 1971, 71% of appointed local government managers were aged 40 or younger, whereas by 2006, 87% were over 40, 60% were over 50, and only 1 percent were younger than 30 (Svava, 2008). Given that much of the baby boom generation is set to retire within the next 15 years, the need for formal succession planning in local government is becoming more acute. This need, however, is tempered somewhat by the realization that many managers over 40 are still in their early to mid-40s, suggesting that the retirement impact will be gradual, not wholesale (Svava, 2008). These demographics support the perception of a supply and labor gap, but the implications regarding which local governments will be most affected and why are complex.

#### EVOLUTIONARY TRENDS IN LOCAL GOVERNMENT MANAGEMENT

The surge in demand for professional administrative staff in local government did not arise in a vacuum. Instead, this change in how local governments manage and structure themselves can be expressed in the following proposition:

*Proposition 1*—Local governments have adopted professional administrative structures in response to increasing environmental and system complexity, leading to increased demand.

According to Frederickson, Johnson, and Wood (2003), there has been a trend toward greater professionalization in local government. Contrasting data from the ICMA 1977 Form of Government Survey with data collected in 2009 demonstrates this trend empirically. As indicated in Table 2, in municipalities with populations of at least 25,000 (the only municipalities surveyed in 1977), the majority (55.5%) used the council-manager form of government. Of the 38.9% of municipalities employing the mayor-council form of government, less than one third (30.3%) had a Chief Administrative Officer (CAO).

Contemporary data indicate that an increasing number of municipalities are using professional administrators. The data indicate that the proportion of municipalities using council-manager government has increased to nearly 60%, and more than 45% of governments with the mayor-council form employ a CAO.

Table 2.

*Trends in Municipal Form of Government (Where population at least 25,000)*

<b>Form of Government</b>	<b>1977</b>	<b>2009</b>
Council-manager	55.5%	59.9%
Mayor-council	38.9%	34.5%
With CAO	30.3%	45.7%
Without CAO	69.7%	54.3%

*Note.* 1977 data from the ICMA Form of Government Dataset and 2009 data from the Municipal Structure Dataset developed by Kimberly Nelson.

Whereas the data provide us with evidence that local governments are trending toward more professionalism, there are limited studies that address the question of *why* such entities are moving in this direction. One thesis, advanced by Gabris, Wood, and Olson (2008), suggests that environmental complexity may have a lot to do with this phenomenon. Based on patterns of suburban growth found in the Chicagoland region, typical city growth involves outward expansion of development into semirural areas with greater availability of affordable land. Small towns on the urban fringe offer ripe opportunities for development, especially if they are proximate to important transportation corridors (e.g., expressways, tollways, or rapid-transit hubs). Initially, these small towns are not professionally managed but instead governed by well-meaning elected officials who often work on a part-time basis and for whom civic responsibility rather than power or financial gain is the primary motivator. Mayors serve as the chief executive officers (CEOs) in these localities and are frequently heavily involved in development decisions. As development patterns become more dense and complex, and as the composition of the governing board changes, these part-time mayors simply do not have the time or knowledge to manage these growing, increasingly complex governmental systems.

In the case of Yorkville, Illinois, Gabris, Wood, and Olson (2008) found that the mayor initially resisted a shift in authority away from his office to that of

the appointed administrator. Eventually, however, heightened pressure—largely due to development decisions (e.g., new subdivisions, residential areas, commercial centers, and transportation corridors)—simply overwhelmed his capacity to respond to these complex demands effectively. He needed professional guidance and advice. As development spreads outward from urban centers and into semirural areas, and these growing communities must grapple with their nascent complexity, it is logical that they will seek the assistance of a professional administrator or city manager.

Proposition 1 lends itself to empirical testing. In order to test this proposition, researchers need a model of organizational complexity that could then be compared to form of government data. Organizational complexity could be ascertained in part by using growth rates, demographic data, and variables measuring budget complexity for each case. As shown earlier, existing data indicate that the absolute number of municipalities needing a professional administrator seems to be increasing near major urban centers, a trend that has the effect of increasing demand for the profession.

In addition to the general growth in the absolute number of local governments that use a professional administrator as a CEO, this paper also proposes that there has been horizontal growth in the number of professional management positions within specialized service departments such as public works, public safety, community development, finance, human resources, and general administration. Today, it is plausible for many MPA graduates to develop satisfying careers within these specialized service departments, not to mention through staying on as permanent assistant city managers. Moreover, many service departments have “assistant-to” department director positions that require an MPA or equivalent degree. It is proposed that this horizontal job growth has contributed to increased demand for MPA graduates. The question is, why have so many of these horizontal professional management positions emerged during the past twenty years? And what might be driving this trend?

Today’s local governments are expected to produce better service outputs and outcomes with higher quality and quantity, but fewer employees (Osborne & Gaebler, 1992). This type of lean staffing strategy, which reduces overall personnel costs, can occur effectively only when the remaining staff is highly trained and committed. Because many MPA graduates are finding their first jobs in these kinds of specialized professional service roles, and there are opportunities for rewarding careers within these specializations, such graduates no longer have as much incentive to pursue the traditional city manager/administrator career ladder.

One final corollary regarding an increase in the demand for MPA graduates may derive from an increase in the number of special districts and quasi-governmental organizations at the local level. Special districts provide specific services for functions such as economic development, recreation, and fire protection. The growth in the number of special districts has been phenomenal in the past 50 years. In 1952, there were 12,340 special districts in the United

States (excluding school districts). By 2002, the number of special districts had increased to 48,558 (2002 Census of Governments)—an increase of nearly 300%. As with all governmental and quasi-governmental entities, special districts benefit from greater professional management. It is likely that, as special districts further expand and professionalize, there will be an appreciable rise in the number of MPA graduates needed to manage these entities.

The increasing demand for more professionalized government forms, the higher number of MPA graduates working in specialized municipal departments, and the growth of special districts and quasi-governmental organizations lend credence to the first proposition—that an increase in environmental complexity is leading to greater demand for MPA graduates.

#### MARKET PROPOSITIONS

The supply of MPA professionals who seek to work in local government should be strongly correlated with market forces, a seemingly obvious connection. If supply goes down while demand rises, then the compensation for the available city managerial talent should increase noticeably. It is assumed that most city management positions exist in regional markets, although a few jobs may be advertised nationally. If the compensation for local government managerial talent consistently increases, then the supply should gradually increase. Thus, in any analysis of a potential crisis between the supply and demand of managerial talent, one should consider how the current external labor market is functioning (Wallace & Fay, 1988; Gerhart & Rynes, 2003). Based on this, the following market-based propositions are put forward:

*Proposition 2a*—Quantity of labor supplied will meet or exceed quantity demanded for MPA professionals in local government as a function of the external compensation market.

*Proposition 2b*—The higher a city manager's salary, the higher the salary of first reports.

*Proposition 2c*—Quantity of labor supplied will meet or exceed quantity demanded for MPA professionals in local government as a function of associational attractiveness.

*Proposition 2d*—Quantity of labor supplied will meet or exceed quantity demanded for MPA professionals in local government as a function of urban metro size and proximity to large urban areas.

Most city managers probably earn less than comparable for-profit executives; this indicates that city management professionals are not in public service

primarily for the money. They may have what the public administration literature refers to as “public service motivation” (PSM) (Perry & Wise, 1990; Perry, 2000; Bright, 2005; Scott & Pandey, 2005), or a predisposition to respond to motives grounded uniquely in public organizations. Yet, city managers are real people with home mortgages, college tuition payments, auto loans, and general living costs that public service motivation alone cannot address. To be attracted to a city manager position, job candidates are motivated in part by extrinsic rewards; they need to believe that the salary being offered reflects a “fair” exchange on the external market for the services rendered (Wallace & Fay, 1988).

In addition, the compensation paid for city managers may have an indirect effect on the compensation for their direct reports, such as police chiefs, public works directors, and other top ranking administrators. As specified in Proposition 2b, the higher a city manager’s salary, the greater the probability that the salary of the direct reports will be higher when compared to the pay scales for similar positions in proximate communities. This is not a perfect relationship, but one that has been documented by economists as consistent within most organizations. Stated simply, each level of management makes about 30-40% more than the level below it (Simon, 1957; Becker, 1975; Mahoney, 1979).

There is a way to test whether salary is making a difference in the supply of city manager applicants for local government jobs. Efficiency wage theory (Akerlof, 1984; Yellen, 1984; Groshen, 1988) suggests that organizations offering above-market wages are more likely to attract and retain high-quality applicants. By computing average salaries for city manager jobs in different markets, it would be feasible to survey hiring communities regarding the size and quality of their applicant pools. Organizations that offer an efficiency wage rate would be hypothesized as having larger and better-qualified applicant pools. Although not a direct test of this hypothesis, Davis (in press) and Davis and Gabris (2008) have found evidence that efficiency wage municipalities are perceived as, in general, having higher levels of service quality and lower turnover rates. This suggests that higher paying communities are attracting and retaining better employees (not just city managers), who in turn produce higher quality service outputs.

Higher compensation reflects a rather hard, cold option that will be difficult for smaller, less affluent communities to pursue. Yet the same principle would apply to a small private sector business that needed better talent to survive: The business would need to pay more. It may be that smaller, less affluent communities have to recalibrate their markets regarding the level of experience such locales can realistically attract. Perhaps their goal should be to attract the best talent of freshly minted MPA graduates by offering them the chance to serve as a CEO for a smaller, more manageable organization.

In summary, local governments may resolve their labor supply problems—if in fact they do exist—by simply leveraging their compensation systems. Although compensation is an important variable to consider when evaluating

supply and demand in a labor market, it is not the only variable, particularly when dealing with public sector employees whose motivations for working in the public sector are typically not wholly driven by salary concerns.

#### ASSOCIATIONAL ATTRACTIVENESS

According to Chester Barnard in his seminal work, *The Functions of the Executive* (1938), why individuals choose to work for certain organizations has less to do with pay and more to do with what he termed “associational attractiveness.” That is, some individuals may choose their work organization simply because they like the location, people, or work. Geographic location is very important and involves Propositions 2b and 2c. It is hypothesized (Gold & Candler, 2006) that local governments proximate to large urban centers will have less difficulty attracting quality MPA applicant pools, in contrast to more isolated governments in rural areas. Urban areas offer more amenities, many more job opportunities, and greater cultural diversity. As Svava (2008) pointed out, the kind of job experiences that young MPA graduates seek today differ from those sought in the 1970s. Today’s graduates are looking for more advancement opportunities, good working conditions, and job security. Recent graduates also express a preference for working in different kinds of public sector jobs throughout their careers, rather than spending their entire careers in local government. Finally, since many contemporary MPAs will have two-job families, they will likely prefer locations that have good work opportunities for both partners. Large urban areas tend to fit this profile better than remote rural locations.

Geographic preferences are also likely to have an effect on market conditions. Certain geographic areas lend themselves to a higher quality of life and greater recreational pursuits. This makes it difficult for communities in rural areas that lack scenic attractions to compete effectively in a tight labor market. In order to attract high-quality talent, these smaller communities may need to provide greater financial incentives.

Another element of associational attractiveness, not related to size or location, involves political conditions. According to city managers interviewed by the lead author, some local governments develop poor reputations as places to work due to their negative political image. Some communities are perceived as high-risk politically, where the tenure of incumbent managers is often nasty, brutish, and short. For example, the lead author served as a consultant to such a community, where, based on a 6-to-5 council vote, an offer was made to an out-of-state job applicant for the position of city manager. The mayor, who happened to support the minority, was quoted in the next day’s local newspaper as saying, “I would not hire this city manager to run a McDonald’s restaurant.” The city manager-elect learned of this slight via the Internet and hastily turned down the job. To compound the problem, this was the city’s third offer for city manager rejected by a candidate in less than one year of searching. Once a community

develops this kind of anti-professional management image, it is difficult to dispel and can severely hamper the quality and quantity of applicant pools even when there are sufficient numbers of qualified persons in the job market.

From a research standpoint, it should be relatively easy to test Propositions 2a, 2b, and 2c. The first piece of information needed involves identifying the types of professional positions advertised in different regional markets. State-level ICMA organizations are valuable resources for finding job listings that contain details about job titles and requirements, salary ranges, and contact information. To those communities advertising job openings, surveys can then be sent requesting the size of the applicant pools obtained for specific positions, the length of time needed to fill the position, turnover rates, a quality estimate of the pool, an estimate of political stability, and a starting salary figure. The contact information also makes it easy to determine local government size, economic affluence, and geographic attractiveness.

The point of this analysis is to suggest that the perception of a labor supply and demand gap may vary considerably based on geographic attractiveness, external market compensation, urban proximity, governmental size, and political reputation. Moreover, some of these variables may combine and reinforce one another to create very desirable applicant pools for some communities, or, in reverse, very poor applicant pools that convey the perception of a labor supply shortage. To determine the nature of the alleged labor supply and demand issue, it is necessary to develop a research design that addresses the propositions posed above. If these propositions are supported, then local governments will be better served in terms of knowing what potential solutions may resolve their perceived staffing shortage. Yet, there is one further area to explore that may be related to the broader issue: Namely, are MPA programs doing enough to encourage their students to pursue local government careers?

#### MPA PROGRAM TRENDS IN THE 2000s

There are several relevant assumptions to the following discussion. First, most MPA programs have a regional focus and impact. If one considers where a specific MPA program's graduates are initially placed, we argue that the majority of these individuals begin careers within the same geographic region as the program itself. Second, most MPA programs are highly opportunistic in their program mission and design; they learn to take advantage of environmental niches that afford them an edge when competing with other MPA programs within their regions. MPA programs operate as "open systems" (Katz & Kahn, 1966; Thompson, 1967) where they must continually adapt to change if they intend to survive and flourish. Consistent with the open systems concept, if demand for positions in local government escalated, it is likely that MPA programs proximate to such demands would strategically orient their graduates toward these potential jobs through internship placements and referrals. Failure

to do this would be to act against the programs' self-interest. Consequently, it is the authors' opinion that MPA programs would welcome local government job prospects for their students and would be happy to place graduates in these types of positions.

Building on the aforementioned assumption, MPA programs design their curricula, internships, missions, student recruitment, and student placement within a regional market. This makes sense for several practical reasons. The probabilities of placing graduates in jobs, finding them internships, and building a program's reputation depend significantly on frequent communications within clearly defined interorganizational networks. These networks are easier to establish and maintain where an MPA program has regional geographic proximity to the preponderance of network members. Members of the network are likely to communicate more frequently, perceive opportunities that may arise, provide support for one another, and develop mutually beneficial goals and objectives. The Northern Illinois University (NIU) MPA program is a case in point. NIU perceives the northeastern Chicagoland area as its primary job market region. The university has established multiple internship arrangements with area municipalities, counties, and nonprofit organizations. Moreover, the MPA program works closely with the Illinois City and County Management Association and maintains close communications with program alumni. As a consequence, NIU MPA graduates enjoy relatively high placement rates upon graduation (approximately 95% receive job offers to work in local government positions within six months after graduation). Moreover, about 90% of the graduates who work in local government remain in the Chicagoland region for the duration of their careers. By designing a program that has a strong local government emphasis, NIU has been able to play a major role in suburban municipal government within this regional geographic location.

A regional focus also helps target student recruitment by establishing a regional reputation and influencing how MPA programs see themselves and their program missions. Further, a regional focus conveys a greater sense of control over an MPA program's performance (in meeting its objectives), by facilitating a tighter linkage between a program's outputs and its primary clients. If an MPA program is not performing, it is much more likely to learn about this sooner if the program has tight linkages with its network members. Or, it may be able to take advantage of heretofore unknown opportunities. As MPA programs cultivate these network relationships, they are also able to assert a degree of ownership of specialized niches in the public sector, which makes it more difficult for competitors to usurp the program's expertise and authority in these areas. This is not to suggest that MPA programs, either within the same region or from different regions, do not cooperate, and that students from MPA programs outside the region do not receive job offers far away from their home bases. Rather, though job openings may exist in a particular region, graduates

from distant programs are not as likely as local graduates to apply for these positions. Furthermore, local MPA programs are likely to ramp up their number of graduates to meet this need, at least temporarily—an action based mainly on the program's regional knowledge and perception of an opportunity.

Given a predominately regional focus, MPA programs develop their curricula to meet the needs of their primary regional clients and employers. This all tends to be opportunistic—as open systems, MPA programs do what they need to in order to survive and flourish. They are essentially dependent on their regional environments in defining program missions and constructing a delivery system best suited for flourishing in those environments. For example, during the late 1970s, the MPA program at Mississippi State University (MSU) was experiencing a decline in student enrollment. This decline was most acute for part-time, in-career students who simply lived too far away from the isolated, rural location of the University. Starkville, the hometown of MSU, is a two-hour drive from the state capital of Jackson. The only way state agency employees could find the time to take for-credit academic courses was if they were delivered via an “intensive” semester. The MPA program at MSU went on to design an excellent intensive semester program at a time when this delivery technique was in its infancy. The program took advantage of its regional market by creating an innovative process that appealed highly to its environmental clientele, and did so successfully.

The importance of this discussion can be condensed into the following argument: MPA programs across the country are not de-emphasizing local government as a career option. Rather, what may be happening is that they are responding to new opportunities based on current student preferences and interests. It would appear, at least anecdotally, that several MPA programs are devoting more resources and emphases toward the nonprofit or nongovernmental organization (NGO) sector. As previously mentioned, the greater pressure on public organizations to privatize, do more with less, compete, be entrepreneurial, and be performance- and mission-driven may be having an impact. As more governments contract out traditional services, demand will increase for MPA professionals to staff these quasi-governmental organizations. Seeing an opportunity to develop a reputation in the nonprofit or NGO sector, various MPA programs are likely jockeying for position in these areas. This does not mean that these programs are no longer interested in local government, the bread and butter for many programs. Rather, such programs are responding to an opportunity to carve out an additional area of expertise.

#### SUCCESSION PLANNING TRENDS AND STRATEGIC PLANNING

If the labor supply and demand gap is truly serious, then one might suspect this problem would surface within local government strategic planning efforts. If replacing city managers and their professional direct reports with quality personnel is a high priority, then it is reasonable to assume that succession

planning at the local level should be a common high priority strategic issue across local governments. Today, many local governments engage in some form of “strategic planning,” where councils, often interacting closely with their senior appointed administrative staff, seek to identify and prioritize fundamental issues facing their public organizations (Bryson, 1988). A quick search of the public administration literature reveals limited sources on the subject of succession planning, which may indicate that this issue has not yet received much attention within the local government administrative community. Yet, as the emergent literature suggests, this topic could become a more important strategic planning priority for local government in the not-so-distant future.

Succession planning involves the ongoing, purposeful, and systematic identification of qualified and appropriate successors in leadership, and it is a process linked to formal development mechanisms to ensure that an organization has a continual stream of high quality employees in key positions (Green, 2000; Kim, 2003; Pynes, 2004; Jarrell & Pewitt, 2007). On the one hand, formal succession planning requires a structured commitment from the organization to forecast future human resources needs. On the other hand, succession planning does not need to be overly complex (Berchermann, 2005) and can utilize a panoply of processes. Moreover, it has been concluded that public organizations should incorporate succession planning goals into their strategic plans (Kim, 2003).

One type of succession planning involves cultivating and nurturing internal human resources to provide the staffing for future key managerial positions. This strategy appears to be a viable alternative, especially for larger local governments with sufficient human resources to recruit into special training programs. The idea here is akin to the system of minor league baseball “farm teams,” which are affiliated with a major league club and serve as a training ground for future players. It is the notion of “growing your own” in order to satisfy future needs. A recent case study of the Management Preparation Program of Plano, Texas, initiated in 2002, is demonstrative of such an internal process (Jarrell & Pewitt, 2007). This program receives approximately 18 to 25 applicants, primarily through self-nominations, on an annual basis. Participants are subjected to an intense training process and, upon successful completion of the program, are often targeted for promotions into managerial positions. It should be noted that succession planning may be just as important for filling midmanagement positions as it may be for filling higher-level executive jobs. The Village of Montgomery, Illinois, for instance, is presently working on a succession plan for supervisors within its public works department.

Closely related to succession planning is workforce planning (WFP). In formal terms, WFP strives to predict the supply of labor, in light of an organization’s strategic goals, for specific positions that are forecasted to be in demand (Pynes, 2003). WFP determines an organization’s capacity to self-assess its staffing needs by projecting these into the future. Organizations ask what

positions will be essential, what skills will persons in these positions need to have, and how will the organization recruit, retain, and train its staff to address these needs? In an empirical study of attitudes toward WFP among 51 Ohio small governments, defined as governments between 2,500 and 50,000 in population (French & Folz, 2004; Brudney & Selden, 1995), several emerging patterns regarding WFP came to light (Choudhury, 2007).

Choudhury (2007) reports that small local governments in Ohio are generally stable from a human resources management standpoint. About 54% of these governments report the average age composition of their officials have remained the same, 75% did not experience unexpected levels of high turnover, and 78% reported success in hiring their first choice in job candidates. Most of these local governments have an informal, as opposed to formal, WFP effort. Many do not even have formal human resource departments or managers. When hiring someone externally, 80% of Ohio small governments engaged in a targeted hiring effort. In attempts to attract external candidates, 53% of these governments felt the public image of the unit was very important, followed by competitive pay and benefits (Choudhury, 2007). The notion that public image is important tends to reinforce our earlier contention that associational attractiveness (and political stability) may play a key role in attracting high quality external candidates.

In regards to recruiting internal candidates for positions, the same officials felt that “ensuring career growth opportunities” was the most important available incentive (Choudhury, 2007, p. 273). Choudhury (2007) concludes that, while small local governments do not usually have formal WFP processes, they have practiced WFP informally for years, and they appear to be satisfactorily addressing their needs through this type of recruitment strategy. Importantly, Ohio small local governments did not perceive a crisis or severe problem in administrative staffing supply that would necessitate a deeper or more formal succession planning effort.

#### *Succession Planning Efforts in Illinois and Elsewhere*

The following commentary is based on findings from interviews with local government officials, conducted during strategic planning consulting, as described in the methodology section. Given our direct access to recent local government strategic planning data (2000-2007), if the supply of qualified applicants for key administrative positions were an issue, it would make sense that this need would surface during interviews with local officials and in their designation of crucial strategic priorities. All of the municipalities listed in Table 1 operate either under the council-manager plan and have a city manager or with a professional city administrator via local ordinance. In addition, all have dedicated professional staff responsible for the human resources management function; throughout the strategic planning process, the staff were provided

many opportunities to discuss labor supply and demand issues related to workforce planning if they believed there was a concern.

Of the 35 strategic plans developed from 2000-2007, only 2 (6%) raised succession planning as a potential strategic issue. These plans, drafted in 2007, were for the communities of Wheaton, Illinois, and Montclair, California. However, neither local government felt that the need for workforce planning was pressing enough to designate it as a high priority strategic initiative. After deliberation by their respective governing bodies and senior staff, these issues were relegated to the ranks of tactical foci that the staff should keep an eye on, but not much more. Put another way, 94% of the strategic planning processes facilitated by the lead author since 2000 have not included discussions of succession planning as an important strategic issue.

When staffing does surface as a high priority issue, the focus tends to be on compensation. Of the 35 strategic plans facilitated by the lead author since 2000, 8 have designated as a high priority the goal of reviewing current compensation scales to better retain and attract high quality employees. Compensation improvement surfaced as a high priority in about 23% of the total strategic plans, suggesting that local governments take their compensation systems very seriously. This pattern reinforces our earlier contention that local governments most likely perceive the market as their primary tool for attracting the best employees. To be competitive in this regard, compensation systems need to be regularly updated to reflect the going market rates for top-level administrative talent. This view was especially clear in Montclair, California, where municipal officials consistently compared their salary levels for senior administrators with the surrounding market, and, when needed, made the necessary adjustments (Gabris, 2007). As a consequence, Montclair has enjoyed a high level of stability within its executive ranks, and has not experienced difficulty in replacing senior administrators.

#### A SUMMARY OF THE LIMITED EMPIRICAL RESEARCH

Based on the evidence reviewed in this analysis, plus the circumstantial data garnered from the lead author's strategic planning consulting work, there does not appear to be enough evidence to support the "crisis" proposition concerning the labor supply and demand relationship. Our findings should be regarded as tentative, yet, when taken together, they offer an optimistic counterpoint:

1. There are changes taking place in the workforce. It is becoming older, albeit gradually. The total number of jobs is larger than the total size of the workforce.
2. MPA students still perceive local government as a viable career option, although they may also work in other kinds of government positions at some point in their careers.

3. The absolute number of local government professional positions that require an MPA degree appears to be increasing at both the CEO level and amongst other key professional administrative positions. This is partially a result of increased professionalism within the broader local government bureaucracy. As the complexity of the local government environment increases, it may reach a “tipping point,” where professional expertise is needed to manage these systems effectively.
4. The primary problem in recruiting MPA professionals may be associated with geographic location and associational attractiveness. Local governments in isolated rural areas, or local governments exhibiting a poor public image, may experience difficulty in attracting high-quality external applicants.
5. Few local governments have formal workforce planning processes in place, but many utilize informal workforce planning techniques on a regular basis. The great majority of local governments hire their first-choice job candidates.
6. More local governments are likely to develop their own formal job succession training programs. They are likely to cultivate their own managerial talent to fill future demand from the inside. These programs also enhance career growth opportunities for existing employees and serve as a retention incentive.
7. Local governments will alter their compensation plans to be more market competitive when needed. Compensation improvement was a high priority strategic goal in 23% of the strategic plans reviewed by the lead author.

#### PUTTING IT ALL TOGETHER

Given these tentative findings and trends, why do many within the city management profession still perceive a labor supply and demand gap? What is driving their perceptions? First, it seems that if a supply shortage does exist, this pattern is associated with specific geographic, regional, and organizational behavior characteristics. Smaller local governments that operate far from urban centers and established MPA programs are likely to be at a twofold disadvantage. First, these local governments likely lack the network linkages that would allow them to secure precareer administrative interns. Second, linkages between MPA programs that might wish to place their graduates in such locales are often missing. This isolation may be compounded if the local government lacks associational attractiveness characteristics such as beautiful scenery, robust outdoor activities, or artistic culture. In addition, such governments may be perceived as having a poor public image if they permit political meddling or conflict to occur on a persistent basis. In short, they acquire a bad reputation or image as a decent place to work. Finally, there may be some isolated regional

areas where the actual demand for professional administrators does exceed the supply. This is most likely to happen in regional areas experiencing very rapid growth, where the pace of governmental expansion cannot keep up with development patterns. Given this, what are MPA programs to do?

As stated earlier in the analysis, most MPA programs have a regional focus that is highly opportunistic. If the demand for MPA professionals in local government becomes greater than the supply in a particular region, MPA programs would be foolish to not respond positively to this opportunity. Although some MPA programs may have histories and organizational cultures that emphasize certain specializations that may initially stymie an aggressive response to new market opportunities, the program leaders will eventually design graduate training programs that address the needs of new clients.

In the case of isolated, rural local governments, they may have to communicate their needs more aggressively to the regional MPA programs. These rural communities may also have to work to establish formal relationships with regional programs. For example, rural local governments may need to establish better-paying, high-responsibility internships. By nurturing such programs, these governments can develop a reputation as a great place to begin or end one's career, and subsequently create a pipeline of administrative interns that may serve as a talent pool from which to draw. As demonstrated by Plano, Texas, this kind of "grow your own" strategy can be effective. Rural local governments may also need to make some concessions regarding flexibility for such interns, so that they can take time off for classes or consolidate work to reduce travel time.

Another alternative open to the small, rural local governments involves the compensation market. Even though they may not want to, such governments may have to increase their employee salaries to become more competitive within the regional labor market. Money talks, but carefully designed compensation packages may provide even more attractive incentives. By strategically designing a compensation package, a small, rural, local government might leverage such incentives as the following: More vacation time or time off, flexible work hours, advanced training, housing and relocation allowances, jobs for spouses or partner hires, or educational benefits. Local governments distal from urban centers need to appear unique so as to better market the job opportunities offered; they need to stand out as special places to work. Part of this equation involves monetary compensation, but many professional administrators are motivated by nonmonetary incentives as well. It is here where nonurban local governments, or local governments that lack associational attractiveness for some reason, can be innovative.

In conclusion, this paper should be considered a small step in opening the door to the labor supply and demand debate within the local government community. It is a complex question that defies a simple answer or solution, and it begs for substantially more academic research. Based on empirical

and anecdotal evidence, the gap between the labor supply and demand for professionally trained public managers does not appear as severe as some in local government might claim. Instead, supply shortages can be explained through associations with such variables as geographic location, levels of compensation, associational attractiveness, regional MPA program linkages, succession planning or the lack thereof, and public image. In at least one state (Ohio), local officials were able to hire their first-choice job candidates 78% of the time.

The argument that MPA programs are not advocating local government as a viable career choice for their graduates does not make rational sense if local governments have good jobs to offer. MPA programs are portrayed as rational actors who will take advantage of regional placement opportunities as a strategy for strengthening programs. Although some MPA programs may appear to be slow in responding to perceived labor shortages, any initial hesitation should be temporary, followed by more aggressive programmatic efforts. Finally, it is argued that the best protection both the suppliers and the employers have in achieving their self-interests is frequent communication and the establishment of reciprocating network linkages.

It is in the self-interest of both MPA programs and local governments to develop continuing and complementary relationships. Such structures can provide a pipeline of administrative talent to local governments and provide specialized training for local officials when needed. Local governments provide internship opportunities, guest speakers, and public organizations where academic research that benefits MPA programs can be pursued. The puzzle is creating these mutually beneficial relationships, and then sustaining them over time. Moreover, this all does take time, and such processes cannot be developed as a quick solution to short-term staffing needs. Hopefully, this paper has addressed why the demand for professional administrators may be increasing in local government, as well as what kinds of proposed research questions we need to ask to prevent a future gap between the supply and demand of professional administrators.

#### REFERENCES

- Akerlof, G. A. (1984). Gift exchange and efficiency wage theory: Four views. *American Economic Review*, 74(2), 79-83.
- Banfield, E., & Wilson, J.Q. (1963). *City politics*. Cambridge, MA: Harvard University Press.
- Barnard, C. (1938). *The functions of the executive*. Cambridge, MA: Harvard University Press.
- Becker, G. (1975). *Human capital: A theoretical and empirical analysis with special reference to education*. Chicago, IL: University of Chicago Press.

- Berchelman, D.K. (2005). Succession planning. *Journal for Quality and Participation*, 28(3), 11-12.
- Blair, G.S (1986). *Government at the grassroots*. Pacific Palisades, CA: Palisades Publishers.
- Bright, L. (2007). Public employees with high levels of public services motivation: Who are they, where are they, and what do you want? *Review of Public Personnel Administration*, 25(2), 138-155.
- Brudney, J.L., & Selden, S.C. (1995). The adoption of innovation in smaller local governments: The case of computer technology. *American Review of Public Administration*, 25(1), 71-85.
- Bryson, J. N. (1988). *Strategic planning for public and nonprofit organizations*. San Francisco, CA: Jossey Bass.
- Choudhury, E.H. (2007). Workforce planning in small local governments. *Review of Public Personnel Administration*, 27(3), 264-280.
- Christensen, T. (2006). *Local politics: Governing at the grassroots* (2<sup>nd</sup> ed.). Armonk, NY: M.E. Sharpe.
- Davis, T.J. (in press). Playing the external market: Do higher wages “pay” in the public sector? *International Journal of Organizational Theory and Behavior*.
- Davis, T.J. & Gabris, G.T. (2008). Strategic compensation: Utilizing efficiency wages in the public sector to achieve desirable organizational outcomes. *Review of Public Personnel Administration*, 28(4), 327-348.
- Denhardt, J.V., & Denhardt, R.B. (2003). *The new public service*. Armonk, NY: M. E. Sharpe.
- French, P.E., & Folz, D.H. (2004). Executive behavior and decision making in small U.S. cities. *The American Review of Public Administration*, 34(1), 52-66.
- Frederickson, H.G., Johnson, G.A., & Wood, C.H. (2003). *The adapted city: Institutional dynamics and structural change*. Armonk, NY: M.E. Sharpe.
- Gabris, G.T. (2007). Consulting Notes from Montclair, CA.
- Gabris, G.T., Wood, C.H., & Olson, B. (2008). Facilitative mayoral leadership in mayor-council cities: A study of Yorkville, Illinois. *The Facilitative Leader in City Hall: Reexamining the Scope and Contributions* James H. Svara, (Ed.). New York, NY: Taylor-Francis Publishers.
- Gerhardt, B., & Rynes, S.L. (2003). *Compensation theory, evidence, and strategic implications*. Thousand Oaks, CA: Sage Publications.
- Gold, M.K., & Candler, G.G. (2006). The MPA program in small markets: An exploratory analysis. *Journal of Public Affairs Education*, 12(1), 49-62.
- Green, M.E. (2000). Beware and prepare: The government workforce of the future. *Public Personnel Management*, 29(4), 435-443.
- Groshen, E.L. (1988). Why do wages vary among employers? *Economic Review*, 24(1), 19-38.
- Jarrell, K.M., & Pewitt, K.C. (2007). Succession planning in government: Case study of a medium-sized city. *Review of Public Personnel Administration*, 27(3), 297-309.

## *Demand Versus Supply*

- Katz, D., & Kahn, R.L. (1966). *The social psychology of organizations*. New York, NY: Wiley.
- Kim, S. (2003). Linking employee assessments to succession planning. *Public Personnel Management*, 32(4), 533-547.
- Mahoney, T.A. (1979). Organizational hierarchy and position worth. *Academy of Management Journal*, 22(4), 726-737.
- Osborne, D., & Gaebler, T. (1992). *Reinventing government*. Reading, MA: Addison-Wesley.
- Perry, J.L., Mesch, D. & Paarlberg, L. (2006). Motivating employees in a new governance era: The performance paradigm revisited. *Public Administration Review*, 66(4), 89-122.
- Perry, J.L. & Wise, L.R. (1990). The motivational bases for public service. *Public Administration Review*, 50(3), 367-373.
- Pynes, J. (2003). Strategic human resources management. *Public personnel administration: Problems and prospects* S. W. Hays & R.C. Kearney, (Eds.). Upper Saddle River, NJ: Prentice Hall.
- Pynes, J. (2004). The implementation of workforce and succession planning in the public sector. *Public Personnel Management*, 33(4), 389-404.
- Reynolds, L.G. (1951). *The structure of labor markets: Wages and labor mobility in theory and practice*. Westport, CT: Greenwood.
- Scott, P.G., & Pandey, S.K. (2007). Red tape and public service motivation: Findings from a national survey of managers in state health and human service agencies. *Review of Public Personnel Administration*, 25(2), 155-180.
- Simon, H.A. (1957). The compensation of executives. *Sociometry*, 20(1), 32-35.
- Svara, J.H. (1990). *Official leadership of the city*. New York, NY: Oxford University Press.
- Svara, J.H. (2008). The challenge of finding and retaining local government managers of the future. *Public Management Magazine Plus*, online access only: <http://webapps.icma.org/pm/9003/> (ICMA membership required).
- Svara, J.H. (2009). New challenges in finding and incorporating the local government managers of the future. *The Ideas Quarterly Report*, Winter(2), 16-17.
- Thompson, J. (1967). *Organizations in action*. New York, NY: McGraw-Hill.
- Wallace, M.J., & Fay, C.H. (1988). *Compensation theory and practice*. Boston, MA: PWS-Kent.
- Yellen, J.L. (1984). Efficiency wage models of unemployment. *American Economic Review*, 74(2), 200-205.

Gerald T. Gabris is currently Distinguished Teaching Professor in the Division of Public Administration at Northern Illinois University. He has over 25 years of experience working directly with local government as both a researcher and a consultant. His primary focus of research involves organizational change, innovation management, leadership, and compensation systems at the local government level.

Trenton J. Davis is an Assistant Professor and Director of the Master of Public Administration program at Georgia Southern University. His primary focus of research involves leadership, employee motivation, organizational change, and small group behavior at the local government level.

Kimberly L. Nelson is an Assistant Professor of public administration at Northern Illinois University, where she teaches in the Master of Public Administration Program. She conducts research in the areas of municipal economic development, local government management, and form of government. She has developed the Municipal Structure Dataset, which includes structural characteristics for 95 percent of cities over 10,000 in population.