

Narratives on Complexity: Interpretations on Local Government Leadership Change

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ABSTRACT

This article, based on narratives of experienced (born between 1945 and 1950) municipal chief executive officers, investigates changes that challenge leadership in local government. Four factors emerge: the dissolution of municipal boundaries; cooled relations between the State and municipalities; municipal inhabitants' changing role from participatory residents to exacting customers; and fragmentation of local politics. These four changes reveal the diversity of local leaders' everyday environment, illustrating and exploring how day-to-day management takes place in the intersection of more and more complex governance relations.

1. Introduction

This research, which is based on the experiences and interpretations of Finnish municipal chief executive officers (CEOs) of the Baby Boom Generation (born between 1945 and 1950), aims to explore change in the convoluted interactions between local leaders and their social and organizational environment. The research has its roots in a need to understand how the experienced CEOs perceive the main changes that have taken place in their management environment in recent decades, and how these changes have affected their work as municipal managers/leaders. In their narratives we can identify four focal changes that have challenged municipal leadership. These four changes all appear in *governance relations*, in other words, at the decisive interfaces where municipal chief executive officers operate when they strive to take care of their tasks.

The article is not primarily about the environment nor about leadership per se. It is about the leaders' constructions of recent changes in their leadership environment. Narratives which we interpret in the framework of governance relations and complexity.

Our research strategy is based on a narrative analysis, highlighting the importance of beliefs, meanings, traditions and discourses, and comes close to a "decentred approach on governance" (see Bevir 2003). The type of research in this paper is

data-driven and explorative, we aim to contribute a tentative theory on local leadership change, how leadership is challenged by alterations in governance relations.

The Finnish context has many features specific to it, even when compared with the other Nordic countries (e.g. Rose and Ståhlberg 2005; Sjöblom 2011). As a result of many institutional characteristics in the system, the chief executive officer has an exceptionally strong position in Finland. The most important detail is that municipalities do not have mayors.¹ Instead, the chairperson of the municipal board and the chairperson of the council act as political leaders. The municipal manager works under the municipal board as the head of municipal administration, financial management and other functions but also represents the municipality outwards and carries out many functions that in many other countries are included in the politician's role. When using the concept of leadership instead of management, we refer to the fact that particularly in the Finnish context, both leading politicians and administrators are leaders, exhibiting at least some of the qualities that are typically associated with leadership (e.g. responsiveness, decisiveness and charisma).

While the narratives are drawn from only one country, the findings might still be applicable in other countries since they hold implications for the theory of leadership, as they present the challenges of leadership as changes in governance relations and invite researchers to direct attention also to balancing inter-organizational and internal relations.

The article proceeds as follows. First, we shortly discuss the institutional and theoretical context, which provides insights to our study, helping us to understand local leaders' narratives as stories on changing governance relations. We then proceed to a presentation of the stories constituting the research material. Thereafter we present the four change narratives as they appear in the analysis and discuss local leadership as governance relations.

2. Local leadership in the context of governance

According to Klijn and Koppenjan (2012) governance network theory has developed into a "fully fledged theory" that has gained a central role within public administration. A number of authors have contributed to governance theory to make the change in public policy that occurred in postmodern societies over the last two decades understandable (Rhodes 1999; Jessop 2000; Peters 2002; Peters and Pierre 2000; Kickert et al. 1997; Milward et al. 1993). Governance theory stresses that today, public policy is developed and implemented through interaction between different actors in society and is thus deeply related to the concept of complexity (Pierre and Peters 2005; Kooiman 2003). Despite its fast development and inspiring viewpoints, the discussion on governance and complexity often appears to be very metaphorical (Lewis 2011) and abstract based on generic concepts and assumptions (Klijn and Koppenjan 2012, 600), without points of reference to the grass-roots reality of leadership. The narratives of leaders seem to be particularly absent.

¹ With five exceptions, the cities of Tampere and Helsinki and the municipalities of Pirkkala, Kärkölä and Tuusula.

One cannot claim that governance theory is a unified theory, but there are some commonalities like the avoidance of state-centric explanations, *the introduction of a variety of new governance tools and the focus on inter-organizational issues instead of internal matters*. Interconnections between organizations form a central element in theories of governance and, they have shifted the focus from intra-organizational to inter-organizational issues (Klijn 2008a, 2008b, 305), and leaders in public organizations are often encouraged to adopt a role as network managers and boundary spanners (see Williams 2013; Liddle 2010; Kickert et al. 1997; Bogason and Zølner 2007). In local leadership this means that because of the growing interdependencies and more difficult (wicked) policy issues, municipalities and other public organizations have to enter into cooperation with various actors, and governance takes place through horizontal and vertical relations with the private sector, the third sector and other public organizations.

Complexity is a core concept of the network governance/governance network theory (Klijn and Koppenjan 2012, 591; Klijn 2008a; Osborne 2009; Teisman et al. 2009), and it should be integrated even more with public leadership studies (Vogel and Masal 2015, 1180-1181). Complexity in governance processes means that they are not reducible to a few basic development logics that direct the action of various actors towards the desired action, nor can order be explained by a single (and simple) governance structure (Schneider 2012, 139; Haveri 2006, 42-44). According to Teisman et al. (2009, xiv), complexity in governance is generated by three different characteristics: non-linear dynamics, the self-organization capacities of the participants and coevolution between sub-processes and subsystems (see also Teisman and Klijn 2008). The adoption of complexity ideas directs attention to emergence, self-regulation and adaptive governance, enriching the explanatory power of governance network theory (Klijn and Koppenjan 2012, 600). By shifting the focus from simplicity of public leadership to complexity we are able to explore “*elements of public leadership that are bilateral and simultaneous rather than unilateral and sequential*” (Vogel and Masal 2015, 1180).

So why use narrative perspective, and why is it important to understand the narratives of experienced leaders? With the narrative perspective, we are able to increase understanding: first on the most important changes affecting the position of municipal managers as local leaders during the last decades, secondly on the key tensions and inter-dependencies across and within levels of governing relations, and thirdly on the explosion of interactions at these different levels and how leaders cope with them (to maintain their power and get the job done). We aim to respond to the need, addressed by Klijn and Koppenjan (2012) and Lewis (2011) in their analyses on the current state and future challenges of governance research, for more sophisticated approaches to examine network governance.

Our narratives point to the fact that although the inter-organizational dimension is getting more and more important, it reveals only one dimension of the increasing complexity faced by local leaders. In local leadership, it is also a question of changes taking place inside the municipal organization/community, and these changes are intricately connected to inter-organizational governance relations. At the same time when inter-organizational networks demand more attention from leaders, changes in internal governance relations do not necessarily support long-term network gover-

nance. This is why *local government leadership should not be reduced to inter-organizational network governance, which happens independently from internal governance relations*. Our article contributes to local leadership and the network governance theory by amplifying the dimensions and meanings of complexity and governance in the everyday work of local leaders.

3. Stories as research material

This study is based on the narratives of 17 Finnish municipal chief executive officers. These leaders, born between 1945 and 1950, belong to the Baby Boom Generation. At the time of the interviews, in December 2012 and January 2013, they were either still active in their working life or had recently retired. So why focus on this generation and not the new leaders? Because we wanted to explore change and the older leaders' narratives set new against old, thus making better sense of the changes.

The interviewees were not selected at random but by discretionary sampling. The first criterion was their date of birth and the second was their long experience as a municipal CEO. We also wanted to ensure a reasonable mix of different types of local authorities and leaders with varying backgrounds, which is why the ultimate criterion was the heterogeneity of the sample (men/women, rural/urban areas, different political backgrounds, various parts of the country). In total, these 17 leaders have held different positions in more than 100 municipalities and have worked as CEOs in approximately 50 different municipalities.

During their long careers in municipal management, the CEOs have followed the evolution of Finnish society through different phases and stages of development all the way from the 1970s up to the present day. They have unique experiences of and views on the Finnish welfare society as well as on municipal management and the changes in the work of municipal managers. Their social reserves of anecdotes encompass tacit knowledge and vision via which the development and current state of municipal management can be analyzed.

In the study, we applied a narrative analysis. We assume that narratives convey meanings and leaders use them to communicate and create meaning also when they look back on their lives and careers. In our approach, narratives are primarily seen as language and as a medium for expression (see Dodge et al. 2005, 291). To allow the leaders to communicate and express their interpretations freely, the interviews were conducted with a very light thematic approach. In the beginning of the interview, we asked the municipal CEOs to talk about their work and their careers. The interviewees were encouraged to share their experiences, which resulted in vivid descriptions of events, persons, and insights.

We used the narrative approach and wide thematic frame to identify poignant features and central elements of change in the work of a municipal leader. The stories of their life and leadership combine their subjective experiences into larger development cycles of local government and leadership.

¹ In the literature on decentred governance, this ideational background against which people hold beliefs is labeled as "tradition" – see Bevir and Rhodes (2010).

The narrative approach is used to find interpretations, process-like tales and important moments that could reveal how certain events developed, what the causes and consequences of these events were, and how different developments and turning points are linked together. By combining these interpretations, we have drawn conclusions on the most important changes in local level leadership. We approached the practitioners as knowledge producers and the experience of the local leaders as a lens through which we analyzed the important changes in local leadership (Ospina and Dodge 2005, 153).

The original interview data is nearly blindingly rich, and it challenged us as researchers to figure out focal concepts and larger phenomena to be understandable in the limited article format. The conclusions are grouped around the core finding of our analysis: all the changes considered important seem to have happened in the governance relations of a local leader. The local leaders placed their most important stories on their leadership in relation to the nation-state, other local institutions, politicians and residents. The successful moments, the initiation rites, the restricting factors and most of the important actions seem to happen on the edges of the local organization. The narratives revealed the places where the leaders create and place their leadership. Places where leadership takes place (see Bruner 1990; Sarbin 2004; Hänninen 2000).

The stories told by the leaders were at the centre of our analysis. We started the process by reading the transcribed stories by looking for phrases that described change. We focused on visible stories with emerging plots, stories about how and why the things and times have changed. In practice, we started the analysis searching for tales about “the good old times” and tried to find expressions that gave us the possibility to see what was different before, and what is the situation now. We focused particularly on parts where the leaders talked about *coming from somewhere and going to another reality*. When found, these interpretations were simplified as phrases like “before colleagues – now opponents”. We found similar stories in almost all of the interviews. We started to work on those most common ones and by combining multiple simplified phrases, we formed general themes like “altered state-local relations” or “dissolved boundaries”, which we chose as the basis of the model stories. In these model stories, experiences gained over different time periods and in different places blend together.

4. Four factors that change local leadership

4.1 Dissolution of municipal boundaries: From clear boundaries to multiple spheres of action

The narrative on the dissolution of municipal boundaries is an interpretation of the diminishing significance of administrative and institutional boundaries. With regard to administrative boundaries, this means that the municipality cooperates with its neighbouring municipalities in various policy areas and that their mutual dependencies have grown. The dissolution of institutional boundaries has become visible in the growing cooperation between municipalities, private companies and the third sector.

The narrative starts in the mid-1990s. Accession to membership of the European

Union had brought about many new governance instruments, including programme-based regional policy and new sub-regional division. Those instruments had a strong impact on local economic development policies, increasing inter-municipal cooperation and slowly also included the private sector and the third sector. Municipalities conducted joint development strategies, implemented mutual policy coordination and established joint economic development companies. The central idea of the accelerating cooperation on local economic development policy was the realization that increasing economic activity would benefit all municipalities in a sub-region, and not just the one municipality where the company would be located. It was also realized that in most cases the resources of a single municipality were too modest to enable efficient economic development policy.

Local economic development policy has changed totally. Now it is done on a district or regional basis. One municipality is too small for that task. We have to cooperate with our neighbours to succeed (Interview H).

It is widely admitted among the leaders that inter-municipal cooperation started to increase first in local economic development already in the 1980s. By the end of the 1990s, inter-municipal cooperation began to intensify also in services; this trend has accelerated after the first years of the 2000s. According to many leaders' experiences, inter-municipal cooperation arrangements have slowly entered many policy areas, become steadier and have sometimes even led to municipal consolidations: the disappearance of municipal administrative boundary.

As regards the work of local executives, the dissolution of municipal boundaries has meant new leadership practices characterized by understanding the sub-regional context, humility and the ability to listen to representatives of smaller municipalities as well as presence of mind. Leadership in inter-municipal cooperation means a continuous search for balance between the municipality's own strategies and other interests in the cooperating region, as can be seen in the following quotes that summarize shared views of the CEOs.

It is not enough anymore that a municipality has a decent 'domestic policy'. It is also a question about those neighbouring smaller municipalities, that how things are regionally, not within municipal boundaries (Interview F).

...

Then now everyone is thinking about the role of their own municipality within this economic region, how beneficial the neighbouring municipalities are, and what they are able to give by themselves. I think this is ... This is just an awesome basis (Interview J).

Inter-municipal cooperation with regard to services has been accelerated by municipalities' own strategies and national-level reforms and experiments: since the end of 1990, the nation state has promoted inter-municipal cooperation in order to make small municipalities less vulnerable e.g. by increasing the minimum size of joint municipalities delivering welfare services.

The dissolution of institutional boundaries also has its roots in vulnerability and seeking solutions for wicked problems. In many cases, in recent years the municipalities have come to a point where it is sometimes not possible to take care of certain tasks without the help of the private and third sectors. The workforce of municipalities is ageing, it is extremely difficult to find an educated workforce in rural areas or in regions that have fallen behind in development. Sometimes companionship is sought to promote innovations for future solutions.

We as municipalities have the responsibility, but more and more we buy services. Recently, deals with the third sector have increased in recreation services and youth services. The boom has its roots in deficits: we are forced to buy doctoral services, because we were not able to hire doctors for the municipality (Interview O).

The dissolution of municipal boundaries has led to increased diversity and resulted in more complex governance relations. Instead of managing and leading, the situations are commonly seen as characterized by communication, learning and strengthening trust among partners. Instead of using the institutional position as a tool, negotiation and interaction are essential in order for efforts to succeed.

Nowadays business life is more like a partner to the municipality; creating operational preconditions. A kind of genuine partnership is born with businesses and other organizations, with educational institutions, too. Many of them have a municipal background. In a way, the general willingness to get involved has developed significantly. It could be said that companies and municipalities are really in the same boat. Previously, it was perhaps the fact that it is a municipality's and city's business, so let them do what they do. This is no longer the case. It is a co-operation (Interview K).

This has not been interpreted solely as a positive development, as it is seen to narrow the managerial latitude of a municipal CEO. Some even think that taking care of tasks by means of joint authorities makes the development of a municipality more difficult.

Instead of a joint authority, I use the term (blood) clot authority. They kill municipalities. Every single one of them. I don't like them. They are like states in a state. As long as we have municipal self-government, it should function without these (blood) clots (Interview D).

The strengthening of trust between different municipalities and different actors requires time and active nurturing, and even specific change management.

Then it's about thinking the seven years' time span and how we will cope with these neighbours in cooperation, do we need to change the municipal structure or is municipal cooperation enough. We need to discuss these issues together; think over those different options, service structures, using purchase services and so on (Interview J).

In addition, it has meant collaboration between political and administrative leaders and, in urban areas, the dismantling of confrontation between the central cities and surrounding municipalities. However, not even these activities can ensure the success of institutional and administrative cooperation, and disappointments and failures are common.

4.2 State-local relations: From companionship to contradiction

The second narrative concerns the relations between local and state government, which are felt to be cooling off. This narrative contains many descriptions of changed contacts, where earlier, on both personal and institutional levels, mutual understanding and common efforts have turned into separate worlds, even into one-way chains of command.

... As if the central government in Helsinki had some kind of wisdom. There is no more wisdom there than anywhere else. People taking care of affairs there are the same as anywhere else. We are not given any space for our own thoughts but are forced to act in a certain way. Then they think that with these commands we could produce the same kind of services everywhere (Interview A).

There are two main interpretations of the State's new role and attitude towards municipalities. The first interpretation is the story of a receding State and the second is about an omniscient and controlling State. By a "receding State" we mean a trend where the State bears less responsibility for the development of regions and municipalities, which is accomplished by terminating State jobs, reducing funding and investments and giving market forces more space. In municipalities it is felt that they and their problems have been abandoned, whereas earlier they felt that responsibility for regional development was shared between the State and local government. Following interpretation represents especially the atmosphere among the CEOs of rural municipalities.

The State has withdrawn. All 40 jobs of the national phone company are gone, most of the jobs of the Post office are gone, the number of tax administration employees has decreased by over a half and the police has shrunk as well. These state jobs have been lost enormously (Interview L).

On the other hand, the State has increased local government's statutory functions, strengthened its monitoring and control activities, and is even considered to have an omniscient attitude towards municipalities with regard to their service provision.

When the State decides to employ a friendly gesture and reduce taxes, then it will reduce the municipal taxation. Sure, the state tax scale has been changed as well, but the normal pattern is through municipal taxation. And then they say that yeah, it will be replaced by the state subsidies to municipalities. After all, they take our own latitude away. Then it's easy to say that the municipalities have to survive on their own tax revenue, when they have first taken away our possibilities to increase revenues (Interview A).

The State's detailed regulation is perceived as unjust and oppressive and leaves no room for any local variation. Local chief executive officers can name a number of situations where regulation and general standards have led to irrational arrangements and behaviour at the local level.

These two rather contradictory developments in relations between the State and local level have meant that local governments' role has become ambiguous; on the one hand municipalities bear even more responsibility for local economic viability and wellbeing than before. On the other hand, they have less freedom and resources to take care of those tasks.

Then, on the one hand, the state would take the money out, and on the other hand they give us more tasks and financial responsibilities. So this equation does not work properly! After all, it is then sweated out of these people with the tax rate retracted if otherwise. And for that reason getting into debt is not suitable (Interview L).

The story has its roots in the 1970s, when the Finnish welfare society was being constructed by creating new services and institutions at the local level. This was mutually considered to take place in good cooperation between the State and municipalities despite the fact that the system of central government transfers to local government was very detailed.

So the legislation was changing all the time towards the expansion of municipalities' tasks. At that time the State ensured the financials. The Public Health Act was created, we built new systems to respond to that. The Basic Education Act was created, joint municipalities for public health care were created. We were moving from one system to another. And during that phase the society had wealth and we were building up (Interview E).

Municipalities did not have enough know-how and resources for new welfare institutions, and State guidance was welcomed with satisfaction. Despite the detailed steering of service production, there was plenty of freedom as well as the economic resources to enter into such activities as local economic development. At the same time, the State implemented a strong regional policy, the aim being to ensure the conditions for the development of different regions. National prosperity made it possible to decentralize various government agencies, such as the police and the Social Insurance Institution. The effect of these moves on employment was considered important, particularly in rural areas.

A period of expanding autonomy followed at the beginning of the 1990s, when regulation and norms were dismantled and the central government transfer system was altered radically. But at the end of the decade, the number of statutory functions began to rise rapidly. This was not opposed by municipalities, because the economy was doing fairly well and municipalities considered the development to lead to greater influence and power in society.

The last process affecting the cooling relations between local government and central government has been the chain of structural reforms launched in 2005. The

reform of the local government structure and services has been a State-run process where only the role of implementer has been reserved for local government. In the everyday life of municipal management, the implementation of structural reforms has meant, for example, the elimination of self-reliance as the resources and time are wasted in preparing statements and handling other State-run activities, which all are considered useless too often. Reforms are seen as taking time away from the core functions of municipalities.

Actually this mess started already in 2005 and even earlier. Now the relations between municipalities and the State have changed in such a way that we have been given the role of an errand boy. In fact we are continuously on the alert: what will be legislated next, what kind of structural proposal is given and how should it be constructed? 80% of our energy is wasted on this folly and 20% goes to services. How much is left for viability and sustainability? Nothing! This situation is totally insane! (Interview D).

The process of cooling relations affects local leadership in many different ways by decreasing the importance of vertical relations, making the work of executives lonelier, and impairing their motivation. They feel that they are alone in their pursuit of handling local and regional development. They feel forced to waste time and energy for implementing reforms, and regulations are considered to be useless or even harmful. Many State regulations are thought to be in conflict with the local rational way of doing things. The State seems not to understand the logic of the local level. Municipal executives cannot see the State as a partner in the same way as before.

4.3 Municipal inhabitants: from residents to customers

According to the third narrative, the local citizen's role has changed from a responsible and collectively active resident to an independent and exacting customer. In describing "the good old times", it is said that local citizens, as residents of their community, used to be more active in local politics and took responsibility for local affairs on the principle that: 'if something was broken they repaired it themselves'. The political parties were active at the local level and had large numbers of members taking part in different municipal planning and decision-making organs.

The change has not happened suddenly but gradually. However, the stories mention some milestones. Some local executives believe that the reform of the Charter of Fundamental Rights in 1995 was important with regard to citizens' attitudes towards local government services. A better explanation is generation change: the values, attitudes and practices of the younger generation do not support the traditional picture of local government as was the case some decades ago.

The way of thinking has been reshaped a lot; society and the municipality are called on for help in almost any kind of case. It is a rough change. Sometimes it is said we should take a big step backwards when thinking about the individual's responsibility; what the individual is responsible for and what not. Though it is indeed hard to backtrack (Interview I).

Nowadays the local citizen is first and foremost a consumer or a customer using services rather than an active participant in community-building. Local citizens are more aware of their rights and opportunities to obtain services than before, they want to get as much as possible and give little themselves, which a few of interviewees interpret in the following way.

Earlier it was said that here you have your health services, do not whine and you'll use them. It was directed in this way and it was enough that it was pointed out that there was that kind of service. Now it is not enough. Nowadays there are all kinds of Treasure Island daycares and whatever (Interview F).

Their contact point with the municipality is more often a single service event rather than civic activity, participation in community affairs or politics. The municipality is seen as a technical distribution organization providing services that are prescribed by law and other regulations. The municipality means schools, health centres, technical agencies and other services.

There are lots of lawyers and engineers living there. They know their rights very well. And they are able to ... They know how to advocate for their rights really loudly (Interview C).

The executives of municipalities estimate that the change in local citizens' role from responsible residents to independent customers has seriously complicated governance efforts at the local level. On the one hand, the rights of the citizen must be respected and the municipality still needs to promote the wellbeing of its citizens. On the other hand, the management must look after the municipality's economy and must prevent the indebtedness. The situation is experienced as almost impossible in the face of local government's current overload. The equation is difficult to solve if citizens only make demands and are not ready to contribute actively. First, there is the local citizen who demands a service that is guaranteed and regulated by the State. There is the municipality that lacks the economic resources to provide the service without incurring debt. And then there is the State that denies the indebtedness of municipalities but whose agencies monitor the municipality and can even levy fines if some service is not provided. And finally, there is the media where complex questions are easily simplified so that things look somehow badly managed and local leaders are blamed, even if the problems were caused by political decision-making.

Sometimes it seems that no matter what happened, eventually it comes together into one sentence: couldn't you do something. Sometimes it feels that they always blame one person: me. It is certainly my own fault in that way, and it might be related to my background, having that kind of political and administrative responsibility. Sometimes it feels that both responsibilities are mine and where is that political responsibility? Does it even exist, that you can say that there is a clear line between those? (Interview I).

4.4 Local politics: from long-term elites to fragmentation of local politics

The 1980s proved to be an active time in political participation at the local level and the political parties flourished. Local objectives or political parties formed the basis for local policy programmes, which were negotiated within the political groups. On this basis, the leading politicians and key office-holders discussed and then agreed upon the practical issues involved in everyday management and decision-making situations. In many cases, the political parties at the local level were led by experienced senior politicians, people who enjoyed trust and respect across party lines.

In olden times responsibility grew within the political system ... Now I combine many municipalities' points of view ... There were the municipal association socialist Finnish People's Democratic League, which had a room full of people, the Social Democratic Association and the Centrist Agrarian Association, which may have had a big room full of people. For instance somewhere in Northern Savonia, in Eastern Finland, all of the meetings were crowded. Efforts were made towards the common good and trade-offs. There were political views, which were combined (Interview E).

Now local executives tell narratives reflecting the fragmentation of local politics, which is manifested on the one hand in the disappearance of party ideologies, centres of power and political elites, and on the other hand, in the spread of a populist political culture.

It is really difficult, this culture of complaining and, in general, the fact that democratic decision-making is not respected. And these are the same guys who always emphasize that it is a democratic deficit here and there. And actually they themselves do not respect the decisions of the majority and do nothing but retaliate if others do not agree with them ... Yes, this is a problem today (Interview C).

The historical dichotomy between the Left and the Right is not important any longer, local politics is more complicated, case-sensitive and unpredictable. Parties are closer to each other than before, and their stance on political issues cannot be predicted on the basis of their ideologies. The breakdown of the traditional political alignments has reduced the power of strong experienced politicians, political elites and regimes. Traditionally, local executives were able to recognize the power coalitions and leading individuals, who were the people with whom they negotiated. Now that the political elites have weakened, power has become more invisible, resulting in a situation where negotiating is more difficult.

Typical phenomena of the populist political culture are single-issue politicians and groups, a weakened desire to bear responsibility for issues outside one's own interests, and a focus on short-term issues. Single-issue politicians come to the council to promote some narrow interest but they lack a broader interest in local issues. Short-term "hand to mouth" issues that are politically more rewarding draw attention and legitimacy away from politics dealing with the longer term, investments and local economic development.

... when everything is appealed, and to the highest possible level. This starts when someone voices a differing opinion on the council's decision. That's how hands are washed to avoid a shared decision. In any case, no wise alternative is expressed, there is only complaining all the time. The purpose of that sort of behaviour is to retard the whole process (Interview C).

As a result of the fragmentation of local politics, decision-making has become more complicated, unpredictable and case-sensitive. The leaders of a municipality have to negotiate with a number of different groups and individuals when seeking support for their views. Power and influence are less clear than before, and the results of negotiations are not necessarily apparent even after them. In the past, local executives were able to address, solve and agree on matters with political leaders. At present, agreements, if they are made, are not necessarily respected at meetings, and decision-making takes time. Executives report that it is particularly difficult to reach decisions on major future investments. In addition, they are worried about the evasion of responsibility, which is the flip side of bothersome decisions. This situation decreases the legitimacy of municipalities in the eyes of partners, e.g. companies and the third sector, but also in the eyes of citizens at large.

5. Discussion

The local leaders position themselves in the middle of a diverse and complex field of governance relations (Figure 1). The number of governance relations essential in municipal management has multiplied, and the need for interaction has exploded. Leaders act within multi-level, complicated, continuously evolving and case-sensitive governance relations, including both the intra-and the inter-organizational dimensions. In a leader's everyday work today, this often means working in interactive governance networks, where the leader has to inspire or persuade other actors to find consensus and follow the jointly selected course of action. The results also indicate an opening up of local government and policymaking, the fall of the old centres of power or elites, and the need for new, different ones and a genuine shared responsibility.

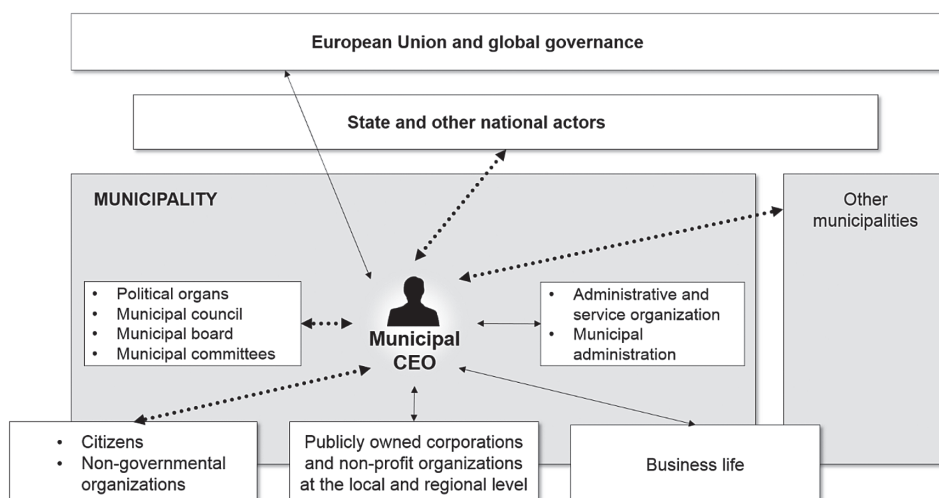


Figure 1: Local leadership as governance relations

Despite the growing importance of horizontal governance relations, the major changes that challenge local leaders are not related only to external governance relations, but also to relations inside the municipal organization; the relations between politicians and civil servants and the relations between the municipality and its residents. As a result of the fragmentation of local politics, decision-making has become more complicated, unpredictable and case-sensitive. The disappearance of party ideologies, the fading of centres of power and political elites, and the spread of a populist political culture means that local leaders have to use more time and energy for strategizing, keeping the long-term vision visible, and for securing the implementation of strategic projects. The leaders of a municipality have to negotiate with a number of different groups and individuals when trying to assure support for their views. At the same time, local citizens' changing role from responsible residents to independent customers is making the role of local governments as a service provider more complicated.

Governance theory is a good framework for conceptualizing change in public policy, since the aim of governance research is to abandon the idea of the organization as an anchor point in society, focusing on governance processes instead (Bogason and Zølner 2007; Bekkers et al. 2007). These processes include relations to actors that are external to the municipality itself. Municipalities function in close cooperation with other municipalities, the nation state and even the EU. However, it makes no sense to reduce local government leadership to inter-organizational network governance that happens independently from internal governance relations. In the work of local leaders, internal, local and supra-local governance relations are interrelated with complex linkages. And despite the change from government to governance, the most important governance relations of a municipal CEO are located quite near the municipal organization – including relations with local politicians, local businesses and residents. From the perspective of governance relations, munic-

ipal leadership means balancing acts in both the internal and external relationships of the municipality. How this leadership of balancing acts takes place in practice, is unfortunately not visible through our narratives, but needs further research.

Together with changes in governance relations, a new set of tensions emerges at the interfaces of local leadership: tensions between the State and local government, municipalities and residents and between civil servants and politicians. A new context of local leadership is evolving, a context that is full of tensions, disagreements and paradoxes more than was the case previously. These changes influence the delicate and fine-drawn interactions of leadership (see also Hazy and Uhl-Bien 2015).

Complexity is now encountered not only in the policy challenges faced by public organizations, but it is also an important part of the whole governance system: within governance relations; in the change of political institutions and in the transformed roles of local residents and central government. This supports the idea presented earlier (Teisman et al. 2009; Schneider 2012) that complexity in governance is generated by many different and case-sensitive forces, and governance processes are not determined by few basic development logics. So the complexity approach challenges us to focus on both individual interpretations of the leadership context and broader system effects (Hazy and Uhl-Bien 2015, 80).

More complicated, unpredictable and case-sensitive governance relations challenge local leaders by considerably increasing the pressures of local chief executives, by requiring new interaction practices and by calling for tolerance of uncertainty. The position of municipal chief executives has become progressively more difficult, in many ways, and this is even felt as chaotic. Local leaders have to cope with numerous, often competing and exaggerated expectations and demands. They have to be able to negotiate in an environment where power is often hidden and coalitions are unstable and unexpected, and they have to maintain their managerial capacity despite the many new restricting factors such as tightening control by the central government and the media.

The narratives described in this study reveal the everyday complexity of local leaders' environment, illustrating how complexity is operationalized in daily governance relations. The results also point out that although the inter-organizational dimension of leadership – which is popular in the current discussion on public sector leadership – is getting more important, it reveals only a part of the everyday complexity faced by local leaders. In the development of the theory of local government leadership and management, more attention should be directed to the interwoven governance relations, which include a vast amount of actors. In their everyday work, local leaders face challenges stemming from residents as well as from the central government. Gathering data from leaders' experiences is necessary for exploring how leadership acts and events take place in the altering managerial latitude between different actors in governance relations, and how the actors affect one another.

Local leadership is, even more than before, about interacting strategically and formulating the interaction according to the nature of the relationship. Leadership evolves through interaction in internal and external governance relations, pressures and conflicts, and balancing acts, and it is the greatest tool for a leader to create managerial latitude.

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