

STRATEGIES FOR CHALLENGING TIMES

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Though the current economic recession is the deepest in the lifetimes of today's generations of public management professionals, it is not completely unique in what it demands of us. Challenging economic times can create opportunities, especially when key leadership principles can be employed.

Focus on core mission and purpose

Employees, governing body members, and customer/owners (the public) expect that the organization will have a clear and well-articulated core mission and purpose that will guide budget reductions, efficiency improvements, expenditure investments, and any revenue enhancements that may be considered.

Invest in innovation and continuous improvement

It is critical to maintain the commitment to expand staff capacity to innovate in areas such as process improvement; optimizing use of technology, infrastructure, equipment and personnel; reducing duplication; rigorous management of performance and results; and accelerating the implementation of best practices—all based on the organization's core mission and purpose.

Encourage citizen involvement and ownership of decisions

Redouble efforts to reach out and to listen to the Voice of the Customer by actively involving citizens in the decision-making regarding priorities for budget reductions, program or service elimination, and continued investment. Involvement can take the form of surveys, citizen committees, town hall meetings and community forums, as well as volunteerism programs to offset lost resources.

Address labor costs

With labor costs representing upwards of 60-70% of most public sector budgets, strategies to improve accountability for labor costs, even in union environments, are critical. Partnering with labor unions through regular communication and open sharing of financial and other information can pay big dividends in cooperative problem-solving. Establishing objective compensation systems, such as point-factor, and benchmarking with adopted comparable public and private employers on an on-going basis helps affirm the integrity of classification and compensation. Use performance measurement and cross-training to reinforce team performance and a results orientation. Insure that benefits are comparable to the private sector. Tie wage increases to improved

economic performance by using “trigger” documents that set the specific conditions under which wage adjustments will occur, if and when economic conditions allow.

Manage revenues as carefully as expenditures

Insure that all allowable revenues are fully collected, and that collections are timely, accurate, and fair. Link revenues to users where possible, through user charges and fees for service. Fully capture overhead costs in grant programs.

Collaborate

Exhaustively explore all viable options to share services and functions with other providers where costs can be reduced and service maintained or improved. Sharing of services can be as simple as coordinating street cuts among differing utility providers, or as complex as completely consolidating governments or functions within governments. Pursue outsourcing to the private sector, other public agencies, not-for-profit organizations, and coalitions.

Examine and improve organizational design

Times of scarcity demand a re-examination of such issues as layers of management and supervision or scope of authority, distribution of services and functions among departments, and centralization vs. de-centralization of technology and administrative services, among other things. Re-organize around common priorities, results, and shared customers, and re-align departments and programs into business units that support common goals.

Create and sustain a Culture of Conservation

Involve employees in identifying, implementing and rewarding ideas and actions that conserve energy and water, reduce the use of supplies, reduce waste, and streamline workflow. Make it fun and inspiring to compete for ideas that save money, and publicly recognize employee ideas that improve service and reduce cost. Set the example that conservation is everyone’s responsibility, and so is leadership. Lead by declining pay and benefits that employees are asked to give up.

Take the long view in financial planning

Invest in employee talent and information systems to strengthen financial forecasting. Develop and continuously update long-term financial plans, which allow the organization’s decision-makers, owners, and employees to see and participate in the reasons behind the measured steps that are taken to manage economic cycles. Prevent, where possible, short-term solutions that just defer problems.

And remember, there is no such thing as too much communication.

Use email, social networks, television, news media, webstreaming, face-to-face meetings and community or employee gatherings to keep reinforcing to stakeholders all that is being done to be effective, responsible stewards of the public's trust and resources.