

A light gray world map is centered in the background of the page. The text is overlaid on the map.

## **International Journal of Applied HRM**

Volume 2 Issue 2

### **Cosmopolitans and Locals: The Same Rules Still Apply to the Local Government Workforce**

**Mrs. Sharon Lech and Dr. Martyn Lowe**

ISSN 1742-2604

## **Abstract**

The impact of local and cosmopolitan roles on employee perceptions and activities such as intent to turnover, job satisfaction and person/job fit within the psychological contract was investigated in this study. A study of 261 senior professional employees working in local government in England showed that cosmopolitan-oriented employees were likely to display a higher intent to turnover than their local-oriented counterparts.

The study identified key job and work characteristics, which related to the organisational knowledge held by the senior professional employees in management roles, that suggested such employees were locals in orientation. The results showed that those managers, which scored highly in terms of psychological contract fit and job satisfaction, were less likely to turnover.

## **Introduction – Local Government Management**

Pressures to transform local government management have come from central government, which has consistently urged local authorities to review management methods and adopt a more systematic and strategic approach (Stewart, 2003). For some years the new closer links and partnerships with business have facilitated the importation of private sector management techniques (Stoker, 2004; Keen, 1994). Senior managers have, on the whole, been eager to take up the new language of management with its emphasis on commercial and business metaphors, and the promise of a more influential role for themselves (Keen and Scase, 1998). The result has been an identifiable change in local government management, and much has already been written about the emergence of 'new managerialism' and its creation of managerial elites (Clarke, 2004).

The new managerialism has been described as authoritarian (Farnham and Horton 1993, p. 248). Its introduction into the public sector is seen as an attempt to change values, priorities and practices, and by so doing gain support and legitimation for a radical programme of reform (Finlayson, 2003). This has involved extensive training and development for top public managers, enhanced financial incentive for managers willing to adopt these new principals and often redundancy for those who resist (Farnham and Horton 1994, pp 248-249; Diamond, 2001).

Saunders (1984) identified this trend towards managerialism several years earlier and described how local government officers were being replaced by corporate managers who are able to move easily between local government, central government, private industry and commerce. These new cosmopolitan managers reversed to trend local managers who had occupied local government career structures for so long. Cochrane (1991) described this new breed as 'managerial careerists' and suggests that they seek legitimacy from their ability to fit in with the latest management language, such as the shift from 'client' to 'consumer' (p.290)(Clarke, 2004).

In this managerial transformation, the traditional public sector themes have been replaced by the development of a professional, corporate image and quasi-commercial approach to managing people (Stewart, 2003).

In this new corporate world, the language of local politics is superseded by management speak which is seen to legitimate management authority as a morally and politically neutral technical activity. This view of public sector managers has them managing local demands on the state but forcing a private sector influence onto local state policy (Stoker, 2004).

In this way, the 'professionalisation' of local government management reinforces the tendency towards centralisation and corporatisation, in that business interests and national priorities can be better represented at the local level (Diamond, 2001; DTLR, 2001).

### ***Local versus Cosmopolitan Perspectives***

Organisational researchers accept, broadly, the early work of Gouldner (1957), which describes the influence of cosmopolitan-local roles on job satisfaction and turnover in organisations (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996). Over the years, local and cosmopolitan roles have been thought to be closely related to a number of important job characteristics (Whitley, 1989). A related notion is the concept developed by Gouldner, reported in Berger and Grimes study (1973) of the opposition of local versus cosmopolitan in the context of a critique of bureaucracy and bureaucratic knowledge and authority.

He detected a contradiction between those whose authority depended on position and those whose authority depended on expertise. Cosmopolitans are the expert professionals with readily traded knowledge on the labour market. Locals have little "specialised" knowledge but their interests are identified with the organisation and have local knowledge, for example, of workplace cultures (Ackroyd and Crowdy, 1990; Keen and Scase, 1998)

Practitioners who seek expert knowledge are well aware that it cannot be transferred easily between settings. A further commonplace is that managers in the organisation may have the local knowledge of "what to do in practice" and use it to subvert experts (Eason, 1988). Johnson (1972) recognised this notion when he suggested that the universality of knowledge when applied by professionals in organisations, these can be subverted by organisation power relations (Hardy, 1995). Whitley (1989) stated his belief that senior managers develop local skills as a necessity of their job role

Senior management skills are less specific to particular problems (referring to specialist issues) and more restricted to particular organisations ..... They deal with a succession of tasks and problems in one system rather than discreet separate locations..... they rely on a broad diffuse knowledge base, which includes extensive local knowledge ..... Managerial skills are relatively specific to particular organisations and industry sectors.'(Whitley, 1989).

The result of the low degree of standardisation of tasks, change and fluidity of problems and the need for innovation means at least for senior managers they are likely to rely on a diffuse broad knowledge base which includes extensive local knowledge(Whitley 1989; Flynn, 1995). Senior managers, regardless of their professional knowledge and expertise, become by necessity locals, primarily identified with and committed to the institution in which they work (Ackroyd, 1995).

This suggests, therefore, that those who are unable to become committed to the organisation remain cosmopolitans, committed to maintaining the skills and values of the profession to which they belong (Gouldner, 1957; Ackroyd, 1995; Keen and Scase, 1998).

In the simplest conceptualization, locals are tied more tightly to their organisation by their identification with it. Although they may have been cosmopolitan at the time of their initial training, extended concern and involvement with their organisation following this initial training often fosters a more formal and provincial involvement (Lowndes, 1999; Ransom and Stewart, 1994).

This increased involvement with the organisation undoubtedly allows the individual to become more connected with and embedded in the social network of the organization (Keen and Scase, 1998). Local activity exacts a cost, however, with the internal focus causing obsolescence in the original skill-set (Stefik, 1995). It may also generate new skills that are not readily transferable and commensurate benefits that are not easily matched elsewhere (Keen, 1994; Eraut, 1985). Dissatisfaction with both the job and the employer are widely understood as important reasons for leaving the organisation (Parker, 1994; Stoker, 1999). Similarly, research on the psychological contract suggests that failure to follow the implicit agreements made between an individual and the organisation will result in turnover (Diamond, 2001). Those who join the organisation as locals present themselves as more flexibly available for work within some reasonable bounds. Locals expectations in work are lower and more general, whereas, cosmopolitans may have higher expectations of their job and work environment and consequently a lower level of tolerance for perceived violations of contractual expectations (Keen and Scase, 1998).

### *The Methodology used in the Study*

The survey group was taken from a wider study investigating recruitment and retention in local government. The survey group consisted of chief and deputy chief officers working in councils in England. Twenty chief officers were selected for interview with all agreeing to a semi-structured format, the criteria for their selection was based on their being representative of the larger postal survey questionnaire population in terms of gender, age, intention to quit the organisation in the next year and perception on whether of local or cosmopolitan orientation. The postal survey consisted of questions adapted from other studies aimed at identifying cosmopolitan and local orientations. The questionnaire was sent to all 410 councils for the head of central services to reply to there were 261 replies received being 63 per cent response rate.

Details of the Survey Group					
Stayers			Leavers		
Men	170	65.13%	Men	37	14.17%
Women	47	18.0%	Women	7	2.7%
N=261	217	83.14%		44	16.86%
Total Survey Group = Men 207 (79.3%) Women 54(20.7%)					

## Measures used in the Study

The postal questionnaire used twelve measures to identify cosmopolitan-local orientation, job satisfaction and psychological contract fit. 'Having Job Satisfaction' was used as a measure in itself with a four point scale of expectation and a four point scale of recognition, perceived expectation and perceived fulfilment of that expectation. The discrepancy between the two scores, if any, were used to identify the degree of correlation across the whole survey population. The closer the correlation the closer the psychological fit, orientation to the organisation and intention to stay in its employment. 'Having job satisfaction' and 'Developing professional friendships in the workplace through your job' were used to determine satisfaction and degree of professionalism. 'Doing challenging work'; 'using professional skills fully'; 'good opportunities to use initiative'; 'having knowledge of the organisation'; 'having transportable skills'; 'that feedback on your performance is received' and 'seeing the results of your work' were used as measures of cosmopolitan-local orientation and fit to the psychological contract. The measures 'having managerial responsibility'; 'that you can see work or projects through to their conclusion'; 'that you have the freedom to organise your own work' were further measures of fit and orientation but also were measures of autonomy and job satisfaction.

Results of the Survey		
Measures	Staff Leaving (Cosmopolitans)	Staff Staying (Locals)
Having Job Satisfaction	0.30	0.56*
Doing intellectually Challenging Work	0.60*	0.49*
Using Professional Skills Fully	0.49*	0.56*
Good Opportunities to use Initiative	0.42*	0.56*
Having knowledge of the organisation	0.56*	0.61*
Having transportable skills	0.49*	0.50*
That feedback on your performance is received	0.15	0.49*
Seeing the Results of Your Work	0.64*	0.59*
Having Responsibility	0.56*	0.58*
That you can see work or projects through to their conclusion	0.54*	0.45* <sup>2</sup>
That you have the freedom to organise your own work	0.65*	0.51*
Developing professional friendships in the workplace through your job	0.46* <sup>2</sup>	0.64*
Leavers N=44 r significant at => .478 at .005 one-tailed test * and .432 at .01* <sup>2</sup> and .364 at .025* <sup>3</sup> and .306 at .05.* <sup>4</sup>		
Stayers N=217 r significant at =>.478 at .005 one-tailed test * and .432 at .01* <sup>2</sup> and .364 at .025* <sup>3</sup> and .306 at .05.* <sup>4</sup>		

## *Results*

The view that less-satisfied staff are more likely to express their interest in quitting the organisation was confirmed, as expected, this relationship between intent to turnover and job satisfaction was supported. It also appeared that those having a more local identification, and perceiving themselves as such, are more satisfied with their jobs. Those who were more cosmopolitan in orientation, and perceived themselves as such, had lower levels of job satisfaction. The findings of this study show that individuals who were more strongly identified as cosmopolitans were more likely to report their intention to quit their employing organisation, whereas, those who were more strongly identified as locals were more likely to stay. Intention to turnover was also related to job satisfaction. Job satisfaction was higher among those who were more strongly identified as local and, conversely, lower among those more strongly identified as cosmopolitan.

Although the psychological contract was not central to the present study, perceived fit of the psychological contract to the individual's initial expectations, were examined to see if the experience of locals and cosmopolitans differed. A good fit between the individual and the job suggested that the psychological contract was sound and proved consistent with reduced intent to turnover and job satisfaction. Those who identified themselves as local in orientation perceived a better fit between their jobs and the psychological contract than did those viewing themselves as cosmopolitan in orientation.

The individuals with the strongest intention to turnover are less local in orientation, less satisfied with the facets of their job used in the survey and more likely to feel that the psychological contract is not being well maintained.

## *Discussion*

At least three potential explanations for this configuration of results remain. First, it may be true, as suggested, that bureaucratic organisations such as local councils are so broadly populated by locals that the difference between cosmopolitan and local as independent constructs are not fully conceptually identifiable from one another. Both those identified as cosmopolitans and those identified as local show at interview and in the survey results that they both understand the need to create coalitions and control their work agenda; get along with unquestioning compliance; and developing popularity, impression other managers, develop and show interpersonal skills consistent with seeking promotion. Gouldner (1957) saw the opposition of local versus cosmopolitan in the context of a critique of bureaucracy. He detected a contradiction between those whose authority depended on position and those whose authority depended on expertise. Cosmopolitans are the expert professionals with readily traded knowledge on the labour market. Locals have little "specialised" knowledge but their interests are identified with the organisation and have local knowledge, for example, of workplace cultures (Ackroyd and Crowdy, 1990) Gouldner's typology too readily assumes that the specialist knowledge and skills are readily applicable without special knowledge of where they are going to be applied, without knowledge of what Argyris and Schon (1978) call the theory of action in an organisational setting. Practitioners who seek expert knowledge are well aware that it cannot be transferred easily between settings.

A further commonplace is that lower hierarchical levels in the organisation may have the local knowledge of "what to do in practice" and use it to subvert experts. Eason (1988) has examined the strategies for technological change in the light of the knowledge and lack of knowledge of systems users. His preferred model is to incorporate the users in an evolutionary framework so local and expert knowledge come together in developing systems (Argyris and Schon, 1978).

Johnson (1972) suggests the universality of knowledge when applied by professionals in organisations, can be subverted by organisation power relations. Ownership interests in organisations can compel focus on specific problems and require confidentiality so much so that a professionalised occupation shows little concern with the production of calculative and generalised knowledge. Senior management skills, however, are less specific to particular problems and specialist issues and by nature are more restricted to bureaucratic organisations. Senior managers deal with a succession of tasks and problems in one system rather than discreet separate locations, one system means reliance upon a broad diffuse knowledge base, which includes extensive local knowledge which means that managerial skills are relatively specific to particular organisations and sectors such as local councils working in the public sector (Whitley 1989). The result of the low degree of standardisation of tasks, change and fluidity of problems and the need for innovation means at least for senior managers they are likely to rely on a diffuse broad knowledge base which includes extensive local knowledge(Whitley 1989).

A distinction is made between knowledge based on a network of social relations and resources, whose possession gives both access and power, but only relevant to the organisation in which that network exists. Knowledge of how to pursue interest in the organisation is socially conditioned for individuals into a habitus. A habitus then is the knowledge social individuals have about possible actions in the social field of the organisation. Knowledge is of course partially shared. Argyris and Schon (1978) capture much of the notion of tacitness and background, and outside/inside knowledge in their discussion of organisational learning.

The creation of practical knowledge is, on the other hand, seen to be particularistic with regard to context and to individual. It can arise from decision based situation where prior considerations lead to action which if successful is then replicated, or from reflection. The practitioners have to embody the knowledge in their practice which may not be a simple or painless process, but may need a reorganisation of their frameworks of understanding, values and style at the individual level. Such an embodiment, may become then part of the taken for granted tacit knowledge of the practitioner. It becomes available for diffusion by processes of demonstration and witnessing or by reflection and rationalisation it can be codified to a recipe which cannot be necessarily directly applied elsewhere without interpretation. Practical knowledge of course can be made reproducible and communicable by reducing it to recipes, procedures and protocols. These can be reproduced in practice without regard for their ostensible function or effect. Practice can be ritualised. Commentators see work based on these as an inferior compared with the complexity of, for example, senior management work (Whitley 1989) or professional work (Eraut 1986). From the point of view of practical action, both sorts of knowledge for use need to be contextualised.

## *The Knowledge Base of the New Local Government Manager*

The pressures brought to bare on local government management have consistently urged local councils to review management methods and adopt a more systematic and strategic approach. The development of links with business have facilitated the importation of private sector management techniques, at least in name. Many senior managers have converted from their professional roots and accepted as common speech the commercial and business metaphors. Even so, the introduction into the public sector of innovations such as strategic management while changing the values, priorities and practices, and by so doing gain support and legitimation for a radical programme of reform. This has involved extensive training and development for top public managers, enhanced financial incentive for managers willing to adopt these new principals and often redundancy for those who resist. This trend towards managerialism saw local government officers being replaced by corporate managers who are able to move easily between local government, central government, private industry and commerce. These 'managerial careerists' do not seek legitimacy from the electoral process, but from their ability to fit in with the latest management language, such as the shift from 'client' to 'consumer'. In this managerial transformation, the traditional public sector themes of collectivism, welfare and civic duty have become unfashionable. 'Personnel' is now 'Human Resource Management', chief officers are 'directors' and glamorous, career enhancing, 'flagship projects' compete for scarce resources.

In this new corporate world, the veil of rationality is spread over contentious decisions concerning, for example, the imposition of staff redundancies, pay freezes and cutbacks in services. The emphasis is placed upon achieving 'leaner', 'fitter' organisations through a process of 'downsizing' or 'rightsizing'. However, as Farnham and Horton point out, this notion of rationality hides the fact that collectively senior public service managers are actually 'agents' of political and economic change and, in this sense, they argue that management has been politicised:

Such managers may claim that they are neutral professionals, carrying out policy made by the politicians and committed to organisational effectiveness and efficiency. In fact they have been responsible for driving through a series of extensive and sometimes contentious programmes of political reforms in the public services in the name of managerial competence. In this way, the 'professionalisation' of local government management reinforces the tendency towards centralisation and corporatisation, in that business interests and national priorities can be better represented at the local level.



## ***Conclusion***

Complexity and localisation and the nature of management work are likely to limit the usefulness of universalised management knowledge to those situations where high degree of control of variation can be exercised. Management can be considered as a social practice where shared knowledge is applied problems of which there is a shared definition, in a given environment. Such a framework helps to facilitate and legitimate a management pedagogy which recognises the practical skills on which managers rely on to assemble primary practices and concepts through which their application can be better understood.' However this project is likely to be limited by the nature of personal knowledge and the possibilities of its articulation.

## References

- Ackroyd, S. (1995), 'The New Management and the Professionals: Assessing the Impact of Thatcherism on the British Public Sector Services', *Work-Organisation-Economy*, Working paper No.24
- Ackroyd, S. and Crowdy, P. (1990) Can Culture be Managed. Working with "Raw Material: The Case of the English Slaughtermen. *Personnel Review*, Vol. 19/2.
- Argyris, C. and Schon, D. (1978) *Organisational Learning*: Addison Wesley Publishing Co.; Reading Mass.
- Berger, P., and Grimes, A. (1973). Cosmopolitan-local: A factor analysis of the construct. *Academy of Management Journal*, Vol. 16, pp.187-206.
- Clarke, J. (2004) *Changing Welfare, Changing States: New Directions in Social Policy*. London: Sage.
- Diamond, J. (2001) *Managing Change or Coping with Conflict? Mapping the experience of a local regeneration partnerships*. *Local Economy*. Vol. 16/4 pp. 272-285.
- DTLR (Department of Transport, Local Government and the Regions) (2001) *Strong Local Leadership: Quality Public Services*. London: HMSO.
- Eason K (1988) *Information Technology and Organisational Change*; Taylor and French: London.
- Eraut M (1985) Knowledge Creation and Knowledge Use in Professional Contexts; *Studies in Higher Education*; Vol 1910, No 2.
- Farnham, D. and Horton, S, (1993), 'New Public Service Managerialism', in D. Farnham and S. Horton (eds), *Managing the New Public Services*, Macmillan, London (pp. 237-254).
- Ferlie, E., L. Ashburner, L. Fitzgerald and A. Pettigrew (1996), *The New Public Management in Action*, Oxford University Press, Oxford.
- Finlayson, A. (2003) *Making Sense of New Labour*. London: Lawrence and Wishart.
- Flynn, N. (1995), *The Future of Public Sector Management; Are There Some Lessons From Europe?*, Discussion Document Presented to LMU June.
- Goulder A (1957) Cosmopolitans and Locals; Towards an Analysis of Latent Social Roles: *Administrative Science Quarterly* 1.
- Hardy, C. (1995), 'How understanding power can help bring about strategic change', Conference paper, British Academy of Management, September.
- Johnson T (1972) *Professions and Power*; Macmillan; London.
- Keen, L. (1994), 'New Management in the Local Government - Rhetoric or Reality?', conference paper presented to Cardiff Business School, September.

Keen, L. and Scase, R. (1998), *Local Government Management: The Rhetoric or Reality?*, conference paper presented to Cardiff Business School, September.

Lowndes, V. (1999) Management of Change, in Stoker, G. (ed) *The New Management of British Local Governance*. Basingstoke: Macmillan.

Parker, D. (1994), '*Privatisation and the Internal Environment: Developing Our Knowledge of Change Management*', Conference Paper, Cardiff Business School 27-28 September.

Ranson, S. and Stewart, J. (1994), *Management for the Public Domain*, Macmillan London.

Stefik M (1995) *Introduction to Knowledge Systems*. Morgan; San Fransisco.

Stewart, J. (2003), *Modernising British Local Government: An Assessment of Labour's Reform Programme*. Macmillan: Basingstoke.

Stewart, J. and Ranson, S. (1988), 'Management in the Public Domain', *Public Money and Management*, Spring/Summer, 13-18.

Stoker, G. (2004), *Transforming Local Governance: From Thatcherism to New Labour*, Macmillan: Basingstoke.

Whitley R (1989) On the Nature of Managerial Tasks and Skills; Their Distinguishing characteristics and Organisation; *Journal of Management Studies* 26.3.