DOES POLITICAL CHANGE AFFECT SENIOR MANAGEMENT TURNOVER? AN EMPIRICAL ANALYSIS OF TOP-TIER LOCAL AUTHORITIES IN ENGLAND

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In many political systems the political neutrality of senior managers’ tenure is often cherished as a key part of the politics-administration dichotomy and is subject to formal safeguards. We test hypotheses about the impact of political change on senior management turnover drawn from political science, public administration and private sector management theory. Using panel data to control for unobserved heterogeneity between authorities, we find that changes in political party control and low organizational performance have both separate and joint positive effects on the turnover rate of senior managers. By contrast, the most senior manager, the chief executive, is more sheltered: the likelihood of a chief executive succession is higher only when party change and low performance occur together. Thus the arrival of a new ruling party reduces the tenure of senior managers, but chief executives are vulnerable to political change only when performance is perceived as weak.

A central feature of systems of representative government is that elections can, and often do, lead to the replacement of one ruling party by another. Changes in party control are widely held to have consequences for a range of variables including taxation, public spending, policy processes and public services (Boyne 1996). Control of bureaucracy by politicians to achieve their goals is a classic theme in public administration (see Friedrich 1940; Finer 1941; Wood and Waterman 1994; Meier and O’Toole 2006). New rulers use a range of ex ante and ex post controls, and often seek to reform the ‘administrative machinery’ that is responsible for translating their preferences into activities and outcomes (Pollitt 1984). Senior managers form the highest echelon of non-elected officials in government and are an important part of the machinery for political parties seeking to develop and implement their policies. Political influence over appointment and dismissal of officials has long been noted in a sizeable literature, as discussed by Hood and Lodge (2006). Within this literature there is a body of work on systems with explicitly political appointments to posts, for example, in the context of presidential appointees to the US Federal Government (Aberbach and Rockman 2000; Lewis 2007). A large literature also exists on control of senior management in the private sector (see Fredrickson et al. 1988; Boeker 1992), something which has become increasingly relevant because of efforts to make control of public sector managers more business-like (Hood 1991; James 2001). However, little systematic, empirical research has been undertaken on the impact of party politics on the turnover of senior managers in supposedly politically neutral systems of administration, either in the UK or in other countries.

In this article we ask whether the arrival of a new ruling party leads to the replacement of the career officials at the top of public organizations. We explore this question by examining the relationship between executive succession in English local authorities and
changes in political party control. First, we synthesize theoretical arguments for and against the existence of such a relationship by drawing on two large literatures: political control of the bureaucracy and control of senior management in private firms. We then theorize how a relationship between political change and senior management turnover might be moderated by organizational performance. Next we derive hypotheses, discuss how we operationalize our theoretical variables, and test our hypotheses against panel data on English local authorities for the four financial years 2002/03–2005/06. Panel data are particularly useful in this context because they allow us to test and control for differences between local authorities that are reasonably stable over time but difficult to observe—an example of this being variation in the local context in which public services are provided—that may confound relationships observed in cross-sectional analysis. Finally, we draw a number of conclusions for theory and policy.

THEORETICAL PERSPECTIVES ON MANAGERIAL TURNOVER

Control over managers who are responsible for running organizations is a broad field of study, covering both public and private sector organizations. In this article, we examine one form of ‘overhead’ democratic control of the public bureaucracy: decisions by new ruling parties to pursue the replacement of senior officials. While there are special issues concerning the relationship between political principals and bureaucratic agents, there are similarities with the role of private sector boards, analogous to the ruling party group, that seek to control the executives of a private corporation. We therefore draw upon research on public and private organizations to develop a single set of hypotheses on the relationship between political change and executive succession.

Democratic control over administrators is one of the classic two stages of representative government, the other stage being control over elected politicians (for a discussion of this literature, see Meier and O’Toole 2006). In spite of its democratic pedigree, the traditional public administration model proposes a strict demarcation between the spheres of politics and administration, which reflects the formal requirement to sustain good practices of governance, whereby politicians decide the overall basis of policy and bureaucrats decide matters of implementation. The origin of this model lies with Wilson (1887) but Goodnow (1900, 1902) developed it more thoroughly. It should be noted that these authors, while concerned with understanding and reforming American government (and, in the case of Goodnow, American local government in particular), never intended the politics-administration dichotomy to serve as an empirical description but instead viewed it as a normative ideal (see Bertelli and Lynn 2006; Meier and O’Toole 2006). Nevertheless, a distinguishing characteristic of the traditional model of public administration is the protection of officers against politically motivated dismissal (Horn 1995). In Miller’s (2000) view, a somewhat sheltered bureaucracy with a career civil service acts as a protective device, allowing politicians to commit credibly to refraining from excessive rent-seeking. An independent bureaucracy might also allow politicians to shift blame and get credit for resolving difficulties (Fiorina and Noll 1978). As an example of the latter, Golden (2003) argues that Italian legislators designed their country’s public administration to be cumbersome and slow in order to be able to gain credit for extensive constituency service.

The argument that political influence on managerial appointments worsens performance dates back at least as far as the work of the leaders of the Reform movement in the United States (for a nuanced review of their arguments, see Bertelli and Lynn 2006, pp. 27–36). These leaders created formal structures, such as council-manager authorities,
to try to separate politics and administration. But the debate remains important. Lewis (2007) uses US federal program performance data to test how political appointees perform in comparison to career civil servants. He finds that, with the exception of political appointees with long tenure (almost quasi-civil servants), it is career officials who lead the better-performing programs. This relationship remains when a host of alternative explanations are controlled for. Looking at the accuracy of executive branch revenue forecasts in the American states, Krause et al. (2006) come to similar conclusions: organizations primarily staffed with civil servants appointed by merit perform better than those staffed by political appointees.

As a result of such factors, political systems have evolved formal procedures to prevent politicians from making direct choices over appointments. These are largely about security of tenure, in particular in the face of political adversity, and selection and promotion according to merit (Johnson and Libecap 1994). This protection can be a barrier to the use of dismissal as a mechanism of control and can permit a neutral administrative machine to survive political change and to serve different political masters equally well.

Despite the concerns to protect officials from political manipulation, new political rulers may have several reasons to attempt to remove permanent officials. Parties in power may have different policy priorities to those leaving office, which bureaucrats may not share. In addition, the new leaders may not trust nor know about the competence of bureaucrats who served under previous regimes. They may think that bureaucrats appointed by the previous set of incumbent politicians do not share the values of the current administration, which in turn may make them less likely to implement their preferences. One way of securing the implementation of their wishes is to remove the ‘old guard’ of officials who may have become closely associated with the previous regime, and to appoint new senior managers who are untainted by a close relationship with the previous incumbents. The US literature points to control over appointments as one of the ways in which politicians seek to control the bureaucracy, largely at the federal executive level (Wood and Waterman 1994; Wood and Marchbanks 2008), doing this through replacements when a new president enters office and when there is a change of policy. While the principal-agent literature has focused more on attempts to rectify the information asymmetry between bureaucrats and politicians, studies have also looked at appointments to control the bureaucracy. Brehm and Gates (1997, p. 200), for example, argue that politicians like to appoint principled bureaucrats to limit the supervision problems for politicians. Bureaucrats who believe in the mission of the politician are supposed to need less day-to-day control and can be trusted to get on with the job.

There have been many attempts at reform of the senior management personnel function in established democracies (see Hood 1991; Pollitt and Bouckaert 2004). Much of the ‘new public management’ movement has involved attempts to augment political control over bureaucracy by breaking up the traditional ‘public service bargain’, with the aim of reviewing or limiting the secure tenure to which many bureaucrats were previously entitled (Hood and Lodge 2006). In the new public management model, bureaucrats are agents of politicians and the power to replace them is a major source of influence for politicians. Although the new public management involves politicians giving managers freedom to manage resources, the freedom is within a framework of accountability that sets out politicians’ key priorities (Hood 1991; Pollitt and Bouckaert 2004).

Some of the political controls over managers in new public management models came from experience in the private sector, especially from big business in English-speaking...
countries. A particular concern was in making control of managers in the public sector more business-like by creating chief executive posts, weakening protection from dismissal, and providing stronger incentives to follow the interests of politicians (James 2001). In this light, useful insights on managerial turnover can be provided by research on private firms, where the senior management team (the Chief Executive Officer and other top corporate officers) is accountable to the board of directors. A number of studies have attempted to identify the sources of senior management turnover in the private sector. The board of directors figures prominently in some of them, but there has been surprisingly little attention to the impact of board turnover on managerial turnover. Some authors argue that the board tends to be controlled by one of several factions inside a corporation and that the balance of power between them changes from time to time. At the top of a corporation, senior management turnover may be a consequence of one faction having replaced another (Fredrickson et al. 1988).

Our first hypothesis reflects this set of arguments on public and private organizations:

H1: The turnover of senior managers will be greater if there is a new incumbent administration – that is, if a change in party control takes place.

Another reason why an incoming administration might seek to replace incumbent officials is to improve organizational performance, which might be regarded as facilitating the smooth functioning of the democratic process because ruling parties’ prospects of re-election are partly dependent on the judgements of external stakeholders on the standard of public service provision. Negativity bias has been found in this relationship, with relatively poor performance being punished electorally without a corresponding reward for relatively good performance (James and John 2007). It is possible that a new administration enters office with a mandate to correct the poor performance of the previous incumbent, which is partly caused by under-achieving senior managers: or at least perceived to be so. Even without a new administration, incumbent politicians have an incentive to be concerned about underperforming managers because of potential electoral damage down the line.

In contemporary local government, politicians across the political spectrum value service performance even if they also have slightly different policy priorities – as reflected in different party labels. The implication is that if officials fail in achieving performance priorities they are likely to be held accountable for this, and so the turnover of senior managers and chief executives will increase:

H2: The turnover of senior managers will be greater when public service performance is low.

Theoretical arguments on the impact of politics and performance on senior management turnover have considered the separate but not the joint effects of these variables. The existing literature therefore implicitly treats these two variables as additively separable; however, it is more likely that they are contingent on each other. We expect that political change and low performance will have mutually reinforcing effects, and that managerial turnover will be especially high if a new political party gains control of a low-performing organization. By contrast, political change is likely to have weaker effects if the organization is already performing well (politicians may ask themselves ‘why should we risk a reduction in performance by disrupting the management team responsible for current achievements?’). Similarly, low performance is less likely to lead to managerial turnover in the absence of political change. While the ruling party has a concern
with avoiding poor performance, it has a longer association with senior officers than an incoming party, will already have worked with them closely, and may have been responsible for their appointment. These factors will make the politicians reluctant to accept that change is necessary (for a discussion of responses to organizational decline, see Mellahi and Wilkinson 2004). We therefore expect that:

H3: In the presence of both party political change and low performance, the turnover of senior managers will be greater.

The size of the board in the private sector has also been argued to be a potential influence on executive succession. A unified dominant group is likely to provide a stable organizational context for the activities of managers, and to provide clear and consistent signals about what is required of them and what counts as good performance. Larger boards are less likely to achieve such unity, and are more likely to become factionalized, which may lead to lower security of tenure for senior managers (Ocasio 1994). Similarly, in the public sector, a governing party with a large majority may split into factions and destabilize the senior management team, either because managers become scapegoats who are pressured into stepping down or because good managers leave in search of a more supportive setting for their work. The major British political parties are made up of factions with very different views on a number of policies (Maor 1997). We would expect such factionalism to be more likely in larger majorities. Thus our final hypothesis is:

H4: The turnover of senior managers will be greater in councils where the absolute number of seats held by the ruling party is large.

Thus, theory suggests that politicians have a direct incentive to apply rewards and sanctions to appointed officials, depending particularly on the level of organizational performance that is achieved, but also on other factors. Even if outright dismissal might be difficult because of protected tenure, many senior managers can be induced to leave voluntarily through increases in oversight and micro-management by the elected body. For example, Brady and Helmich (1984, pp. 30–1) describe how a school board heavily involved itself into the day-to-day operations of its school district until the superintendent chose voluntary early retirement. Generally we expect that politically motivated change mostly occurs by these and other means, including negotiated early retirements and early departures with severance packages. In any case, it is often impossible to disentangle such induced departures from truly voluntary departures, even in the private sector (Osborn et al. 1981; Wagner et al. 1984). The bottom line is that even in countries with strong civil service protections politicians do have some means of removing senior officials, especially when organizational performance is perceived to be low.

The literatures on the relationship between elected and unelected officials in the public sector and on the control of senior management teams in private firms are rich and varied. So far, however, there have been few studies that address these hypotheses, either in national or local governments, although some studies have been published on the tenure of city managers in US local governments (Whitaker and DeHoog 1991; Feiock and Stream 1998; Watson and Hassett 2003; Hanbury et al. 2004; McCabe et al. 2008). The relevance of evidence from this latter context to our hypotheses is limited for several reasons. First, most US cities have non-partisan political systems, so it is impossible to examine the effects of changes in party control. Second, city managers can be removed from office by a simple majority vote of the council, so they lack the formal insulation from political interference that is enjoyed by officials in many other modern public bureaucracies.
(a discussion of this in the English context occurs below). Third, these studies mostly focus on the length of tenure (measured in years) of city managers, and do not explicitly attempt to explain differences in turnover across local government units (the study by McCabe et al. 2008 is a rare exception here). Finally, the US studies lack direct and comparable measures of organizational performance that would allow us to test whether this variable moderates the effect of political change.

Nevertheless, the studies of US city managers provide some insights on the impact of local politics on the tenure of the top official. Feiock and Stream (1998) asked managers to rate the importance of conflict between Democrats and Republicans in their community, and the authors test the impact of this variable on managerial tenure. This perceptual measure of party conflict has no discernible relationship with tenure, perhaps because of the absence of formal partisanship in most cities. Whitaker and DeHoog (1991) study 33 city managers who left office between 1986 and 1988, and find that over half of these had been in communities with ‘unstable politics’. Whether this is significantly different from the pattern for those who remained in office is, however, not tested in this study. Similarly, Watson and Hassett (2003) explore why long serving city managers stay in office, and find that these managers cite political stability as a major source of employment stability. Again, however, no comparison is drawn with the political stability experienced by those who leave office. Finally, McCabe et al. (2008) provide sophisticated and compelling evidence because they test a multivariate model across 143 municipalities, and seek to explain why some city managers stay while others go. Moreover, although they are unable to test for changes in party control, they include a measure of the extent of turnover in council members from one election to the next. This variable has a positive relationship with city manager turnover; this provides some support for the view that political instability leads to managerial instability.

Comparative studies of local government show that the UK is highly party politicized, with strong party discipline and adherence to ideological programmes. In other countries, political parties play a weaker role and there is more influence from individual candidates and interest groups (John and Saiz 1999), something that makes it likely that political parties will seek to influence the organization of the bureaucracy. Party politicization in English local government, while growing throughout the twentieth century (Gyford 1985), has increased since the early 1980s (Gyford et al. 1989; Young and Davies 1990; Copus 2004; Wilson and Game 2006). With such strong lines of control, it is likely that a new ruling group (for example, as a result of a switch in control from Labour to Conservative) would wish to appoint new senior managers who are enthusiastic about their mandate. Party politicization may mean that a new set of political leaders will regard the incumbent officers as too closely associated with the political values of the previous regime, and unlikely to support new policies or implement them with zeal. In addition, British local government has been subject to a variety of new public management reforms since the 1980s (Leach et al. 1994; Martin 2002), which may tempt new administrations into thinking about strong managerial solutions to policy implementation and encourage personnel change. Beyond this, a new ruling party may value the symbolic effects of appointing a new chief executive or entire senior management team, showing evidence of a ‘new broom’ at work. Such factors could combine to tie the fate of officials to those of their prior political masters. Following electoral defeat of the ruling party, their bureaucratic agents may face inducements to leave.

These political pressures towards change need to be balanced against the constraints on removing the existing managerial elite – at least in the short term. In the Local
Government Act 2000, the most recent relevant legislation in the UK, the principle of political neutrality of chief executives was maintained. Chief executives have statutory protection from dismissal: in addition to regular employment protection there are rules set by central government and an independent person must approve a dismissal. Because formal dismissal is difficult, politically motivated change occurs by other means, including negotiated early retirements and early departures with severance packages. The reality may sit between the stereotypes: a new administration will seek to retain some of the senior managers so they can still manage the day-to-day operations of the administration; however, they may seek to replace some critical personnel, particularly if they are perceived as being too closely associated with the previous administration. If managers feel they are not welcome or if they do not share the same political inclination as the new ruling party, one would expect departures. These may be voluntary or may involve an element of compulsion even if dismissals themselves are extremely rare.

DATA AND MEASURES

Our units of analysis are the top-tier local authorities in England. We use panel data covering the first four years of the independently run Comprehensive Performance Assessment (CPA) of authorities, that is, for financial years 2002/03–2005/06, on all London boroughs, metropolitan boroughs, shire (non-metropolitan) counties and unitary authorities that were under the control of a political party. A council is defined as being under the control of a party in financial year 2002/03 (April 2002–March 2003) if the 2002 elections (held on 2 May) resulted in that party controlling the council. We use the same criterion of party control for the three other financial years, since local elections were always in May or June, not long after the beginning of a financial year. We are limited to the 2002/03–2005/06 period because the Comprehensive Performance Assessment did not exist before 2002. In addition, we are limited to top-tier local authorities because it would not be appropriate for our purposes to pool these with district councils. Performance data on the district councils, while superficially similar in terms of grades, are based on fundamentally different criteria and therefore not meaningfully comparable to our data on top-tier authorities. Further, since our theoretical arguments include the effect of the size of the ruling party, in our sample we can only examine council-years that were under the control of a political party. This means that 19 councils not under the control of any political party during any of the four years of our study are excluded. We also exclude council-years with no overall party control (NOC) because these observations have no information to address hypothesis 4. Nevertheless, if a council came under the control of a single party after an election, that council entered our sample during that year. While it might be preferable from a scientific standpoint if all local authorities were always under the control of a single party, this has never been the case in England. Up to the 1940s, and in rural areas up to the 1970s, the national parties played only a minor role in English local government (see Gyford et al. 1989). Since then, the major national parties gradually managed to provide most of the councillors but there have always been a significant number of hung councils – those under no overall party control. While their number increased in the mid-1980s, it has remained relatively steady since the mid-1990s (Rallings and Thrasher 1997, 2003). Thus, while we recognize the potential limitations imposed by not being able to clearly assign political responsibility in every council and every year, our sample is no less stable than English local government itself has been in the previous decade. It should be noted that as a robustness check, we did estimate underspecified models that exclude
hypothesis 4. In these models, only our findings on change in political party control were weakened; other findings remained substantively similar. This is intuitive because adding the 19 councils with no overall party control (NOC) throughout the period of our study is analogous to adding white noise to dilute the pattern of relationships we observe. In our discussion below we report only results from models that test all four hypotheses; results from the underspecified models are available from us on request.

Our dependent variables are the senior management turnover rate and the presence or absence of a chief executive succession. We collected data on the composition of senior management teams from local authority web pages, all editions of the ‘Guardian Local Authority Directory’, archival data from 2004 provided by Oscar Research Ltd, and various editions of the Municipal Year Book. We identified the posts on the senior management team in every top-tier local authority beginning with the 1999/2000 financial year and the names of the post holders in every year. The turnover rate indicator is defined as:

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\text{Turnover rate} = \frac{\text{Number of new names on senior management team}}{\text{Number of positions mentioned}}
\]

In this definition, the denominator is the number of positions on the senior management team in that year. It should be noted that our findings are robust against changes to the definition of the turnover rate. If we use alternative definitions that include the number of vacancies, or moves from one post to another on the same senior management team, our results remain not only qualitatively similar but are even rather similar numerically. For clarity of exposition, we focus on the definition given above, namely the proportion of new senior management post holders amongst all senior management posts in a given authority in a given year.

Hypothesis 1 is tested by a binary indicator of whether or not a party that was in opposition before the election becomes the new majority after the election. While we only include values from the same financial year for this variable (this covers up to 11 months after the election), we also tested models including one- and two-year lags of political change and performance. The overall conclusions on performance remain similar, while the relationship with political change is only present in the same financial year as the change in political control. This is intuitive because a new majority leadership of the council would, soon after taking office, be expected to try to induce undesired senior managers to leave. Since the values from the same financial year most clearly represent this, we only report the results from the models containing them. In addition, we exclude a measure of the percentage change in seats held by the incumbent party from last year to this year, since it was not statistically related to senior management turnover and did not qualitatively affect the other results.

To test hypothesis 2, we operationalize public service performance by the Comprehensive Performance Assessment (CPA), since this is the most salient measure for English councils. Indeed, a poor showing on the CPA tends to have adverse electoral consequences for ruling parties (James and John 2007). We use the CPA scores from the same financial year as the turnover rate indicator since more than half of a CPA score is determined by quantitative Best Value indicators that reflect the local authority’s performance in the previous financial year. Therefore using the contemporaneous CPA score implicitly puts performance temporally prior to turnover. We include a binary variable for low performance, operationalized as a CPA score of poor or weak (no or one star). Higher CPA scores form the base group. This specification tests most clearly whether low performance is related to higher turnover.
Our third hypothesis is that the effect of a political change is contingent on low organizational performance, and the effect of low organizational performance is moderated by the presence or absence of a change in political party control. Therefore we include a multiplicative interaction between these two variables in our models.

Finally, to test hypothesis 4, which is based on the idea that larger council majorities lead to higher turnover since they tend to be more conflictual, we include the number of seats held by the ruling party. A larger number of councillors belonging to the ruling party makes it more likely that some of them will belong to different factions within their party, thereby producing a greater likelihood of conflict. Other measures, such as percentage of seats held by the ruling party, would not capture this. For instance, if a majority party controlled two-thirds of a small council with only 30 seats, it would get a very high score on the percentage of seats indicator. Nevertheless, this ruling group would still only have 20 members, which is far less than a majority party on a large council of 120 seats, which could cover 61 seats even if the party barely held the majority on the council. Conflict and splitting into factions would be far more likely among the latter than among the former. Therefore, for the purposes of this analysis, our indicator is the best operationalization of the concept of size of the ruling party.

Control variables
It has been argued that larger organizations tend to have a higher likelihood of leadership turnover because a larger pool of potential replacements for the top leadership posts is readily available (Fredrickson et al. 1988, p. 258). This appears to be plausible also for local government, since large authorities often also have a substantial number of senior officers beneath the highest echelon of service directors, some of whom are good candidates to be eventually appointed service directors themselves. We include the population of the authority (from the 2001 UK census) as a proxy for organizational size, and take the log of this variable, something that is common practice because of its strong positive skew.

Our statistical model also includes dummies for London boroughs and metropolitan boroughs, because senior managers in large urban areas have a wider range of other authorities in which to seek alternative employment. Thus, shire counties and unitary authorities form the base group. Further, we include dummy variables for all but one of the years to control for unmeasured common shocks affecting authorities in a given year that might induce higher or lower turnover. We also tried environmental characteristics (deprivation, diversity and turbulence) as controls, but their inclusion did not affect our findings (for similarly insignificant findings in US local government, see McCabe et al. 2008).

Table 1 provides summary statistics for the variables. As discussed above, the estimation sample excludes 19 local authorities because our research question implies that we can only include councils that were under majority control by a party during at least one of the years of our study. As also discussed above, 97 council-year observations cannot be used because they represent instances of no overall party control (NOC) and thus cannot be used to test hypothesis 4. All in all, this leaves an estimation sample of 419 council-years. To provide further details on the sources of variation in our data, we list all councils changing control at least once in our estimation sample in the appendix.

METHODS AND FINDINGS
We have two different types of dependent variable: the senior management turnover rate in a given year, which is continuous, and the presence or absence of a chief executive
succession in a given year, which is dichotomous. The former can be estimated using a linear model, while it is preferable to use a binary response model for the specifications explaining chief executive succession. We use panel data models because causal inference from non-experimental cross-sectional studies is extremely difficult as there is no possibility to check whether an apparent effect is due to unmeasured or unobservable differences between units. For example, while a cross-section model might show a relationship between local authority performance and senior management turnover, even controlling for observed differences between authorities, this relationship might still only be an artefact that is explained by an unobserved factor (for example, that a number of authorities are simply relatively unpleasant workplaces for senior managers and once a new opportunity arises, many will move). The main advantage of using linear panel data models is that the existence of such potential confounders, even if they are unobservable, can be tested and taken into account. The fixed effects model is the starting point for a panel data analysis since it guarantees that all such unobserved time-invariant confounding factors are held constant. In some cases it is possible to specify differences between local authorities sufficiently well with observed variables so that there is no longer a need to use the fixed effects model. Where this is possible, the random effects model provides a more efficient estimator. By efficient we mean that it is better able to discern a signal, that is, an influence of a right-hand-side variable even if that signal is relatively weak and would be missed by the fixed effects model. A Hausman test can be used to diagnose whether the more efficient random effects model is appropriate. Fortunately, in our case, the Hausman test indicates that a random effects model is indeed feasible – the null hypothesis that the coefficients from both models are equal cannot be rejected (p=0.407); we thus report random effects model results. To explain chief executive succession, we use a logit model – a binary response model whose functional form accounts for the fact that the dependent variable only takes on the values of zero and one.

We now evaluate our hypotheses, first for the senior management turnover rate and then for chief executive successions. In both cases, the calculation of our standard errors takes into account that we have an unbalanced panel, with the number of time observations available for our analysis varying across the local authority units. Table 2 presents the results from our model explaining the senior management turnover rate.

Our first hypothesis suggested that a change in control, that is, the presence of a new party in control of the council, will lead to increased senior management turnover. Since this explanatory variable enters our specification linearly as well as interacted with performance, care needs to be taken in assessing whether a change in control matters. First
of all, to test whether it matters overall, we did a joint test of both terms. A joint test compares the statistical difference between the full model including all variables and a reduced model that excludes the variables being tested; in this case both change in control by itself and the product term of change in control and performance. If the statistical distance between the full model and the reduced model is large, the null hypothesis is rejected. In this case we can indeed clearly reject the null hypothesis that a change in political party control does not affect the senior management turnover rate overall. Yet what is the substantive relationship between a change in political party control and the turnover rate? If performance is fair or better (that is, when our indicator of low performance takes the value of zero), the impact of a change in political party control can simply be read from the coefficient on the base term for that variable. This shows that the turnover rate tends to be six percentage points higher if there is a change in political party control.

If performance is poor (that is, when our indicator of low performance takes on the value of one), the increase in turnover due to a change in political party control is the sum of the base term and the interaction of political party control with low performance, namely on average about 24 percentage points (from the coefficients 0.064 + 0.172 = 0.236 in table 2). While the result for a change in control when performance is fair or better could be more precise in statistical terms, overall hypothesis 1 is strongly supported.

Using the exact same method of interpretation, we performed a second joint test for performance by itself and the product term of change in control and performance. If performance is fair or better, the product term has a positive coefficient and the impact of political party control matters more. If performance is poor, the effect of political party control is even larger. These results also support hypothesis 3: political change and low performance are mutually reinforcing. Each variable enhances the positive effect of the other, so that the
presence of both makes it especially likely that turnover in a local authority senior management team will be higher. By contrast, table 2 provides no evidence that accords with hypothesis 4. The absolute size of the ruling party is statistically unrelated to the turnover rate of senior managers once the other variables are controlled for. While one might think that there be strong multicollinearity between the size of the authority (as measured by population) and the number of councillors, and consequently the size of the ruling party, this is not the case either in our study or from other evidence (see Purdam et al. 2007).

The variance inflation factors for size of the ruling party and population size are 1.7 and 1.4, respectively. The average variance inflation factor for all our variables is 1.5. All of this is unproblematic according to the conventions about multicollinearity, which suggest that individual variance inflation factors greater than ten and an average variance inflation factor greater than five are problematic (Bowerman and O’Connell 1990). Below, we examine whether the chief executive themselves is equally unaffected by the number of members of the ruling party they have to deal with.

One possible concern about our findings is that there might be other reasons than the ones we test here for senior managers to move to other authorities. In particular, senior management turnover might be higher in an authority when one or more senior managers: (1) hit retirement age; or (2) move to another employer simply because the conditions there are better, without any pressure from their old employer. The first concern might exaggerate our findings in the following case: local authorities that experience a change in political control or low performance at the same time systematically have a higher rate of senior managers reaching retirement age than other local authorities. Unfortunately, for our research, age is private information and, as such, protected under the UK’s Data Protection Act 1998. There is no way to reliably obtain this information for all senior management teams while complying with the law. Yet it is very unlikely that age works to exaggerate our findings. If the senior management age structure varies between authorities but remains constant within authorities over the four years of our study, we know that, based on the Hausman test discussed above, this variable does not affect our results because they are statistically identical to those from a fixed effects model, which completely eliminates all time-invariant differences between authorities. If the age structure within local authorities varies over time, it is most likely to do so in a way that is not directly correlated with political change or organizational performance. Therefore, any bias induced by such correlation would make it less likely that we still find a relationship between a change in party control or service performance and the senior management turnover rate. The same reasoning applies to the possibility that senior managers move to another local authority simply because the conditions there are better, without any pressure from their old employer.

We now examine whether our key findings – political change and low performance both lead to higher turnover – also hold for chief executives. Table 3 shows our findings from the logit model explaining chief executive succession.

We report estimated odds ratios. That is, for each explanatory variable we show how the odds of a chief executive succession change as the variable changes. The odds are simply the probability of a chief executive succession divided by the probability of no chief executive succession, with the latter probability being equal to one minus the probability of a chief executive succession. To give an illustrative example of this: suppose the probability of a chief executive succession given low performance is 0.4. This implies that the probability of no chief executive succession given low performance is one minus the probability of chief executive succession given low performance or $1 - 0.4 = 0.6$. The odds
of a chief executive succession given low performance are then simply \(0.4 / 0.6 = 2/3\). Further suppose that the probability of a chief executive succession given regular performance is 0.2. This implies that the probability of no chief executive succession given regular performance is one minus the probability of chief executive succession given regular performance or \(1 – 0.2 = 0.8\). The odds of a chief executive succession given regular performance are then simply \(0.2 / 0.8 = 1/4\). The odds ratio of low performance is made up of the odds of a chief executive succession given low performance divided by the odds of a chief executive succession given regular performance, namely \((2/3) / (1/4) = 2.67\). An odds ratio greater than one indicates an increase in the odds of a chief executive succession, while an odds ratio less than one indicates a decrease in the odds of a chief executive succession. To obtain the percentage change in the odds, one simply subtracts one from the odds ratio and subsequently multiplies the result by 100. In the illustrative example, subtract 1 from 2.67, giving 1.67, and then multiply this by 100: low performance as opposed to regular performance increases the odds of a chief executive succession by 167 per cent. Note that odds ratios are the only meaningful way to interpret logit results without having to specify reference cases, since the odds ratios do not depend on the levels of other variables. We prefer not to specify reference cases because reporting results for a synthetic local authority that takes on the average value on all variables is meaningless since it does not reflect actual groups of local authorities, especially since we have various dummy variables. For this reason we prefer to report odds ratios.

Hypothesis 1, that a change in political control in itself increases the likelihood of a chief executive succession, finds no support in our data. If a new party takes office, a chief executive succession is no more or less likely than it would be otherwise. Similarly, the results in table 3 show that low performance has no separate and independent effect on the turnover of local authority chief executives so hypothesis 2 is not supported.

Hypothesis 3, on the other hand, works not only for the turnover of the senior management team but also for the chief executive. Low performance and political change in combination lead to a higher rate of executive succession. More precisely, low performance is
associated with an increase of approximately 641 per cent in the odds of a chief executive succession if a change in political party control takes place. This result is obtained by multiplying the odds ratio of the base term on low performance (1.328) by the interaction term (5.578), which itself is multiplied by one because a change in party control takes place (political change = 1), to make 7.41 (subtracting one and multiplying by 100 obtains the percentage). Note that unlike the results for the senior management team, low performance predicts a higher likelihood of a chief executive succession only if there is a change in political party control. There is no relationship when there is no change in control, as the base term of performance is statistically insignificant. This finding is consistent with evidence from the private sector that performance affects chief executives and other senior managers differently: even when the organization performs poorly and stakeholders demand action, dismissal of the organization leader as the most likely scapegoat is not that common. Instead, secondary members of the senior management team are often replaced. The organization leader will only be dismissed if they lack allegiances among the currently powerful faction deciding over their tenure (Boeker 1992). It follows that chief executives are less likely to have this allegiance if the ruling party changes.

Finally, there is an interesting if statistically weak finding on hypothesis 4: the larger the number of seats held by the ruling party, the more likely a chief executive succession becomes. If the incumbent party gains a seat, the odds of a chief executive succession increase by 2.5 per cent. This relationship contrasts with the null finding on this variable for the rest of the senior management team. As in the case of low performance, here we see evidence that political effects differ between the chief executive and the rest of the senior management team. The tendency of larger ruling groups to become more factionalized appears to have stronger repercussions for the chief executive than for other senior officers. This may simply reflect the fact that it is the top official who is in most direct and frequent contact with politicians in the majority party, and most likely to feel the heat from friction within the ruling group.

Finally, it is worth noting that our control variables capture the potentially confounding effect that managerial turnover is higher in some years than others, and, at least for chief executives, is lower in London than elsewhere. In contrast to these temporal and geographical differences, we found no evidence that turnover is higher in larger authorities. This suggests that a potential internal supply of successors does not destabilize the tenure of officials in the top posts, perhaps because the labour market for these positions is regional or national rather than purely local.

A summary of our hypotheses and findings is provided in table 4. While political change in itself affects only other senior managers, not the chief executive, if a political change does occur there is a negative relationship between organizational performance and turnover for both sets of bureaucrats. If there is no political change, then low performance only affects the members of the senior management team, not the chief executive. On the other hand, larger majority parties are related to a higher likelihood of a chief executive succession but have no impact on the turnover rate of the rest of the senior management team.

CONCLUSIONS

We started this article with some reflections on the longevity of the traditional account of the relationship between politics and public administration. In spite of extensive work that points to how the worlds of politics and administration are intertwined, and
constitutive of each other, the ideas of the reform movement of the later years of the 19th century remain strongly embedded in both the formal structure of public administration and in academic understandings of it. Both academics and reformers are sympathetic to an underlying view that bureaucrats hold their office independently of party politics, and stay on after an election to serve whatever politician is in power. If this is so, studies of political-bureaucratic relationships should not expect to find personnel changes as a result of new political leaders entering power, and if they do these occurrences will be a warning about the dangers of this route of bureaucratic control. To rectify this aspect of the principal-agent problem, we might expect politicians to concentrate of the precise nature of their programmes in office, to rely on the professionalism of the bureaucracy, and on using other sources of information, such as ‘fire alarms’, that is, signals from interest groups and other allies (McCubbins and Schwartz 1984), to exercise political control.

In the UK, such views about the politics-administration dichotomy are as strong as ever, something the persistence of the neutral civil service and a highly professionalized local government bureaucracy do much to sustain. In local government, in particular, since the 1980s the officer corps has managed the delivery of increasingly complex public services in period of a massive central reform and the greater party politicization of local elections. There is also a lot of legislation that seeks to preserve the independence and permanence of the bureaucracy in the face of changes in political control. In spite of these views, we find that bureaucratic turnover follows political change; this finding is consistent with the findings of some principal-agent studies that politicians will seek to influence senior managerial appointments.

This article offers robust evidence to question the long-held politics-administration dichotomy as it affects bureaucratic appointments. Further research could assess whether these relationships hold for other time periods and other institutional contexts. The findings relate to the party politicized environment of English local government and may apply differently in other political systems, such as multi-party local governments or where political leaders or mayors have significant power over and above parties. However, given the predominance of parties in modern local government systems (John and Saiz 1999), and the importance of elected office, we expect our findings to generalize to other contexts. Our findings are likely to carry over to systems that have implemented a fair number of the tenets of the new public management, and where changes in political party control do take place. It would also be interesting to see whether or not performance feeds through elections and political change, and eventually influences the senior management turnover rate through this indirect route. The lack of a longer time series and differences in units of analysis (council-elections for the former; council-years for the latter) pre-empt us from carrying out such an analysis at this point.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Senior management team turnover rate</th>
<th>Likelihood of chief executive succession</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Change in party control increases turnover.</td>
<td>+</td>
<td>0</td>
</tr>
<tr>
<td>H2: Low public service performance increases turnover.</td>
<td>+</td>
<td>+ only if a change in control takes place</td>
</tr>
<tr>
<td>H3: Political change and low performance reinforce each other in increasing turnover.</td>
<td>+</td>
<td>+ for low performance</td>
</tr>
<tr>
<td>H4: Larger ‘Boards’ produce higher turnover.</td>
<td>0</td>
<td>(+)</td>
</tr>
</tbody>
</table>

+ = positive relationship in accordance with the hypothesis; 0 = no relationship.
The bureaucracy-democracy question is eternal to studies of public administration. Yet it becomes far more interesting when responsiveness to performance demands becomes measurable and testable. Since performance is increasingly being monitored in a quantitative and reliable way across countries and levels of government, a rich research agenda opens up for researchers to explore the bureaucracy’s responsiveness to changes in political control as well as to the level of performance achieved. Data on the turnover of local politicians and bureaucrats are rarely collected, but their existence can allow some fundamental propositions about public administration to be tested. We expect further studies to speculate on what it is exactly about local political systems that affects personnel change – is it the role of the leader, the leader cabal or the wider political party itself? We also do not know why there is a difference in political effects between the chief executive and the management team – in what ways does blame shifting occur? Finally, comparative research can explore the impact of multi-party systems on political turnover, and find out whether performance information is a necessary or sufficient condition for political control over the appointments of senior bureaucrats.

In sum, our evidence suggests that political change and managerial change are not independent events. This is not to argue that a new set of political leaders will always seek to install new faces at the top of the bureaucracy, or that senior managers need fear that a changing of the political guard will necessarily leave them vulnerable to pressures to leave their posts. Nevertheless, the results of our analysis suggest that senior managers are not insulated from political change, and that appointing new top officials is one way in which new ruling parties seek to pursue their policy preferences. Furthermore, managerial turnover is especially likely if new political leaders inherit an organization that has been judged as performing poorly, which may be regarded as a strength rather than a weakness of a system of democratic government.

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REFERENCES

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APPENDIX

TABLE A1 A listing of all changes in political party control that are included in our estimation sample (NOC: no overall party control)

<table>
<thead>
<tr>
<th>Location</th>
<th>Party Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnet</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Bexley</td>
<td>NOC→Labour</td>
</tr>
<tr>
<td>Bournemouth</td>
<td>NOC→Liberal Democrats</td>
</tr>
<tr>
<td>Cornwall</td>
<td>NOC→Liberal Democrats</td>
</tr>
<tr>
<td>Derby</td>
<td>NOC→Labour</td>
</tr>
<tr>
<td>Devon</td>
<td>NOC→Liberal Democrats</td>
</tr>
<tr>
<td>Dudley</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Enfield</td>
<td>Labour → Conservatives</td>
</tr>
<tr>
<td>Gloucestershire</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Hartlepool</td>
<td>NOC→Labour</td>
</tr>
<tr>
<td>Isle of Wight</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Islington</td>
<td>NOC→Liberal Democrats</td>
</tr>
<tr>
<td>Kingston-upon-Thames</td>
<td>NOC→Liberal Democrats</td>
</tr>
<tr>
<td>Medway</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Milton Keynes</td>
<td>NOC→Liberal Democrats</td>
</tr>
<tr>
<td>Newcastle</td>
<td>Labour → Liberal Democrats</td>
</tr>
<tr>
<td>North Lincolnshire</td>
<td>Labour → Conservatives</td>
</tr>
<tr>
<td>Northamptonshire</td>
<td>Labour → Conservatives</td>
</tr>
<tr>
<td>Oldham</td>
<td>NOC→Labour</td>
</tr>
<tr>
<td>Oxfordshire</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Peterborough</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Plymouth</td>
<td>Conservatives → Labour</td>
</tr>
<tr>
<td>Poole</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Redbridge</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Richmond</td>
<td>Liberal Democrats → Conservatives</td>
</tr>
<tr>
<td>Rutland</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Sheffield</td>
<td>NOC→Labour</td>
</tr>
<tr>
<td>Shropshire</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Somerset</td>
<td>NOC→Liberal Democrats</td>
</tr>
<tr>
<td>Stockport</td>
<td>NOC→Liberal Democrats</td>
</tr>
<tr>
<td>Stoke-on-Trent</td>
<td>NOC→Labour</td>
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<tr>
<td>Suffolk</td>
<td>NOC→Conservatives</td>
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<tr>
<td>Swindon</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Thurrock</td>
<td>Labour → Conservatives</td>
</tr>
<tr>
<td>Torbay</td>
<td>Conservatives → Liberal Democrats</td>
</tr>
<tr>
<td>Trafford</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Walsall</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>West Berkshire</td>
<td>Liberal Democrats → Conservatives</td>
</tr>
<tr>
<td>Windsor and Maidenhead</td>
<td>NOC→Liberal Democrats</td>
</tr>
<tr>
<td>Wokingham</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>Worcester</td>
<td>NOC→Conservatives</td>
</tr>
<tr>
<td>York</td>
<td>Labour → Liberal Democrats</td>
</tr>
</tbody>
</table>