

reflection and introspection. *Cities and the Creative Class* is a further elaboration of research that led to Florida's theoretical concept of creative class and its relationship to geography and economic growth. The book serves as a tool for local government decision making and for human resources, urban, and economic development. It's a valuable guide for public administrators interested in regional growth through the use of what Florida considers the most valuable economic asset: people. With increasing emphasis on attracting quality individuals to public agency employment, the book also provides insights for creating environments that are inviting to creative, knowledgeable workers.

Creative Class: Economic Growth and Public Management

In Florida's view, cities should be centers of creativity and creative capital is the key resource, which can transform regional markets. Because creative class workers, (individuals financially compensated for their creative work), prefer looser ties and increased diversity and inclusion in their communities, creative capital becomes more important than social capital in attracting economic growth. This is, he suggests, because creative class individuals are less interested in the ties of civic duty and responsibility than they are in less invasive, temporary community ties. He states,

"The kinds of communities both that we desire and that generate prosperity are different than those of the past." Florida recommends harnessing creative potential through the use of the "3 Ts of economic development, technology, talent, and tolerance." Attracting creative-class individuals, he argues, is the single most important tool for cities seeking economic growth.

Cities and the Creative Class is full of case examples of cities in various stages of renewal and growth.

It also provides clear and easy-to-follow comparisons of variables he views as indicators of creative-class-friendly communities. Tolerance for diversity, availability of technology, and the physical style of the environment (bohemia) are used along with conventional variables such as climate, recreation, and median house price to assess and rank U.S. cities. He also considers the negative consequences created by creative-class-based economies such as lack of affordability of housing in areas with high concentration of creative-class individuals as renovation takes place, uneven regional development, and political polarization.

Florida, in this second book, provides answers to questions raised by his first. For public administrators, this book provides details and answers that make application of creative-class concepts more practical. The examples, rankings, and charts

provide information that can support and serve as background for policy decisions and for economic development projects, especially at the local government level. In a world of limited resources, maximizing human capital resources of all people in a community may indeed be a critical to economic growth and prosperity. How we view community, human resources, and economic development may be altered by the creative class and its contribution to the work of public administration.

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Strategic Thinking for High- Performance Management

A Review of High-Performance Government, Edited by Robert Klitgaard and Paul Light (Rand Corporation, 2005)

A. C. HYDE

High-Performance Government is that rare example where the sequel is better than the original. In this case, that's not really fair, because the original was a forty-eight-page report, which has been reprinted in its entirety as the first part of the sequel. (Those public managers who have already read the second Volcker

Commission Report, *Urgent Business for America*, can begin *High-Performance Government* on page 89.)

How the above transpired to produce this new work is probably a story in and of itself. The short version is simply that after *Urgent Business for America* played to mostly positive reviews, it became another report on the shelf. Paul Volcker, as only Paul Volcker can, played another card by donating a significant sum of money to the Rand Pardee Graduate School to have their researchers and others examine and rethink the consequences, not the premises, of the commission's recommendations. So what you have in this sometimes sprawling but hugely insightful work is the first significant public management book about performance in the new century. It rivals John Robert's *The Modern Firm*, currently regarded by many (this reviewer included) as the

best business book thus far on performance in the twenty-first century.

High Performance in Three Parts: Structure, Leadership, Incentives

There are twelve different chapters written by different authors organized around the three key Volcker Commission recommendation areas: organizing by mission, enhancing leadership, and linking incentives to performance. The editors do a remarkable job showing restraint, letting the chapters speak for themselves, and not prefacing or summarizing. Public managers will like some chapters more than others, but the surest course is to sample broadly through the chapters and keep this at work in a convenient place for ongoing reference.

That especially includes the opening segment—Part I—“What broad changes will transform government in the future?” The opening chapter on the Market State is not your “round up the usual suspects” listing all the dynamic forces in the environment coming to your area soon. It includes a serious discussion on changing public and private roles and responsibilities (as opposed to now shop-worn “blurring of the boundaries” analogy) and candidly advises that the “national security exception” changes entire equations on public roles and structures. The other chapter in this opening segment reprises another Rand seminal work, *Shaping the Next One Hundred Years*, that reminds managers that high performance must also encompass another set of demands for robust decision making under increasing uncertainty.

Another strength of this work is the broad range of government problems and programs used for in-depth assessments on performance measurement, reorganization, human capital, etc. One tends to think of Rand as closely linked to defense, and indeed there are many defense applications

examined, but the breadth of the research and the depth of the discussion of concepts, criteria, and analytical illustrations are really remarkable. The chapter by Beth Asch entitled “The Economic Complexities of Incentive Reforms” (pay-for-performance systems) is a real high point. While she concludes that pay for performance can be effective, her analysis of the problems and unintended consequences should raise the stress levels of new reform-minded human resources managers significantly. While no one thinks pay for performance was ever going to be easy, her assessment makes clear that few understand how really difficult pay for performance is going to be.

It will be interesting to see what kind of impact *High-Performance Government* has on strategic management thinking in the federal government. As different federal agencies struggle separately with the growing federal deficit and the “budget divide” widens between the defense and national security agencies and the rest of the domestic agencies, *High-Performance Government* might be seen as applying to the haves and not helpful to the have-nots. Hopefully that will not be the case. *High-Performance Government* is about all of government and what it needs to be. It makes the first case in this new century for how the sum of the parts can be greater than the whole. ■

And In Closing...

A “Sideways” Interview with A. C. Hyde (ACH) and Hyong Yi (HY)

Seven years of editing “Views” equals 224 pages of *The Public Manager (TPM)*, minus the annual index pages and the random cartoons. We thought we’d reserve the last two pages for an interview of sorts with some reflections on where we started and where we ended up.

Q. Let’s start with the beginning—what was the original idea behind “Views”?

ACH. Well, it was mostly Tom Novotny’s idea. His policy for *TPM* was contributors should be infrequent and that even the regular features or departments shouldn’t go on for more than a year or two. He probably hoped to contain us a bit. We made a deal—give us the last eight pages for

commentary articles and book reviews and we’ll add a new dimension to *TPM*. We wanted to call it, and in fact did in the opening issue (Spring 1998), “Resource Reviews.” Tom changed that to “Views You Can Use.” I don’t think either one of us noticed that until the third or fourth issue.

Q. So was there a goal in terms of what you hoped to cover?

ACH. Hyong had this idea of doing a public management alphabet. There’d be an article in each issue with a letter for each management acronym—like A for Activity-Based Costing, B for Balanced Score Card, C for Customer Service Quality. We’d stop after twenty-six issues. Great concept—but Tom always reserved

