Explaining the use of planning consultants in Ontario cities

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Abstract: Consulting firms providing policy advice to governments is a widespread phenomenon. This article asks why municipalities employ urban planning consultant firms to advise on public sector projects. Municipal employees from 19 mid-sized Ontario cities responded to online survey questionnaires asking for their opinions on why urban planning consultant firms are hired by their cities. In testing four possible hypotheses, this study found functionalism (the need for expertise because of a lack of in-house talent or time) to be the strongest explanation for this phenomenon. In addition to a lack of staff time and resources, the ideational hypothesis — perceived specialized knowledge and expertise of consultants — was also found to be relevant.

Sommaire : à venir

The consulting industry in Canada is growing at an incredible pace. Canadian consulting firms in 2010 earned approximately $9.2 billion and profits continue to grow (Canadian Association of Management Consultants [CMC] 2012). While we often think of consulting firms as advisors to private corporations, the public sector share of contracts for consultants has grown rapidly over the past ten years—a phenomenon that is prevalent worldwide (Kennedy Research 2012). In 2010, the Canadian public sector represented 49 per cent of consulting firms’ clients in comparison to the Canadian private sector, which stood at 45 per cent, while the not-for-profit sector constituted only 5 per cent of their clientele (CMC 2012). Provincial governments accounted for the largest share of the use of consultants within the public sector (66 per cent in
2010) and most notably in advising on health care reforms. Nevertheless, the federal government and municipal governments are also key clients. To extrapolate generalized arguments about why consulting firms are used by the public service, this article pursues a micro-level of analysis by testing its hypotheses at the city level.¹ It examines one area where consultants are frequently utilized by municipal governments: urban planning and design.

The urban planning and design consulting industry has steadily expanded its presence into municipalities. Urban planning and design consulting firms boast of their expert knowledge and creativity in finding solutions to growth and development issues facing municipalities all across Canada.² Working with municipal staff, the public, architects and engineers, these firms are shaping the urban development process by offering a full range of planning services associated with preparing official plan amendments, zoning by-law amendments, draft plans of subdivision, site plan approvals, minor variances and severances for their municipal government clients. The central research question of this article is why do municipalities employ urban planning consultant firms to advise on public sector projects? Despite the increasing involvement of urban consulting firms in municipal infrastructure projects, no systematic study has investigated why municipalities hire external consulting firms. What is lacking is an empirical assessment of the underlying factors that contribute to the increasing use of urban planning consulting firms. We selected 19 medium-sized municipal governments in Ontario to partake in an online survey assessing their views on the use of urban planning and design consulting firms. This research project offers the first evidence-based study of municipal staff perceptions of why Canadian municipalities contract urban planning firms to provide them with advice.
Understanding why municipalities retain urban planning consultancy firms for local projects should help academics and practitioners to better understand the larger implications of hiring external consultants to give policy advice. Stewart and Smith (2007) remind us that, in an era when senior levels of government are devolving responsibilities to municipalities, the policy capacity of municipalities is of vital concern (also see International Labour Organization 2001). The findings should allow local government officials to design and implement changes that fit the demands of municipal constituencies and enhance the efficiency and functionality of local governance processes.

Why do governments use external consultants?

The increased presence of external consultants in the public policy process has been well documented and established in public discourse — its pervasiveness called a “consultocracy” (Hood and Jackson 1991: 24). In one of the first Canadian academic studies on the subject, Bakvis (1997: 119) suggested that the increased use of consultants in policy making was attributable to the desire of governments for more informal “kitchen cabinets”; that is, politicized advice tailored to the agenda of political executives. In an era of increased politicization of policy and the decentralization of policy making, Wellstead and Stedman (2010, 896) argue that policy makers are more inclined today to rely on “political and ideological preferences rather than formal analysis”. The implication is that municipal officials are likely to depend on a “wider set of policy instruments” such as seeking the advice of external consultants (Wellstead and Stedman 2010: 896). Bakvis (1997: 112) does not argue that this invariably leads to a hollowing out of governance structures, but rather that consultants are “instruments” of
governments.

There is a dearth of academic literature that explains why municipalities, or for that matter other orders of government in Canada or around the globe, use external consultants to provide policy advice. Bakvis (1997) provided a survey of the issues, but he did not conduct an empirical study. This is part of a larger challenge in studying this topic. Saint-Martin (1998) offered one of the first accounts of consulting firms by comparing Britain, Canada and France, exploring why consulting firms in the first two countries had more influence in government policy making circles than in France. He concluded that institutional openness in Britain and Canada explained why consultants had more access to key decision-making centres. Saint-Martin, however, did not uncover why governments sought the advice of consulting firms. Moreover, this important study did not ascertain the view of government officials to provide an in-depth assessment of how and why governments use consulting firms and their expertise.

Using a quantitative methodology, Perl and White (2002) studied the rise of consultants in the policy process during the 1980s and 1990s. They found a correlation between how the Canadian federal government decreased its in-house operational and administrative support workers and increased expenditure on policy consultants. Specifically, they found that “in statistical terms, the adjusted $R^2$ was recorded at 0.931, which simply means that operational and administrative support explained 93.1 per cent of the variance in policy consulting expenditures” (Perl and White 2002: 56). Speers (2007) also studied the ethical and real policy challenges of contracting external consultants into the public policy process. However, neither Perl and White (2002) nor Speers (2007) used an empirical method to ask the public service for their views and
assessments of why consultants are increasingly contracted. Remedying this deficit was a major motivation behind this research project.

This study investigates why municipalities employ urban planning consultancy firms to advise on public sector projects. To answer this central research question, it identifies several possible political explanations for government policy choices and actions, drawing on and combining earlier theoretical models proposed by Dolowitz and Marsh (1996) and Parsons (2007). Four potential causal explanations that range from soft power (logic of interpretation) to hard power (logic of position) are proposed. These explanatory variables emphasize the following: 1) functionalist needs; 2) constructivist arguments; 3) ideational and emulation arguments; and 4) external financial interests. Using these four ideal typologies, this article further catalogues the broader literature on Canadian municipalities and policy consultants to construct a theoretical framework that can help to answer the research question.

**Functionalist needs: compensating for weak capacity**

From a functionalist perspective, it is assumed that municipal governments use “perfect rationality” and hence autonomously, voluntarily and independently choose consulting firms for policy advice because municipal governments lack the domestic capacity to generate the required knowledge. This logic is consistent with Perl and White (2002), who argued that the external, technical advice lacking in the public service is increasingly provided by consultants. They label this as the “knowledge expansion hypothesis” and explain that “there is evidence that the need for professional expertise may have shifted in ways that require key analytical contributions from
outside the public service on a continuing basis” (2002: 57).

This functionalist argument is further supported by the findings of Stewart and Smith (2007), who argue that the “policy analytical capacity” of municipal governments is generally weak. They find that, although it is stronger in some cities than others, municipal policy analysis capacity is generally weaker than that of the provincial and federal governments. Taking this argument one step further, Stewart and Smith (2007, 283) suggest that cities with better policy capacity, such as Montreal, are more likely to afford and therefore rely on outside policy advice from “external knowledge generators and knowledge brokers”. They argue that this results in “better public policy analysis” (ibid, 283). Moreover, as Donald Savoie (2004: 7) reminds us “policy issues no longer respect organizational boundaries and, as a result, policy-making has now become horizontal, consultative and porous.” Building on these findings, Howlett (2009) agrees that weak policy capacity and porosity can lead to contracting more consultants to supplement the work of in-house public servants.

In international relations literature, for example, it is often argued that state governments seek external policy ideas from non-state actors or, by extension, other transfer agents because governments need specialized knowledge not found in-house (see, for example, Goldstein and Montiel 1986; Haggard and Kaufman 1992; Conway 1994; Bird 2001). Similarly, management studies argue that private and public sector firms contract consulting firms because they can provide advice with “economies of scale,” “economies of scope” and “economies of repetition” (Morgan, Sturdy, and Quack 2006). In short, functionalist arguments presuppose that governments contract consulting firms to provide policy advice because of a lack of in-house
capacity to provide the transferred knowledge efficiently.

Constructivist arguments: perceptions of superior external advice

A constructivist argument assumes that municipal governments use “cognitive shortcuts” and are socialized to believe that consulting firms have expertise that is superior to that of municipal staff, inadvertently empowering consultants. Constructivist approaches in political science have argued that governments rely on the advice of external consultants because of the persuasive ability of these agents to shape and alter governments’ preferences and policies. This growing body of scholarship, loosely labeled social constructivist for its emphasis on the inter-subjective character of social contexts, has attempted to analyze government policies by better understanding intrinsic cognitive factors. Consultants are part of a category of knowledge transfer agents whose new ideas percolate through government policy spaces to reduce uncertainty and solve policy problems (see Blyth 2002 for broader constructivist arguments).

Social constructivists argue that transfer agents’ legitimacy and expertise explain why governments listen to them (Barnett and Finnemore 2004: 68). Here, consultants can be viewed as members of an epistemic community that possesses specialized knowledge and expertise. Over time, knowledge transfer agents gain the respect and deference of policy makers through repeated contact. As Barnett and Finnemore explain in their study of international civil servants’ interaction with domestic governments, knowledge transfer agents can gain influence by being in authority (for example, by holding key positions, notable roles and seats from which to exercise
power) and by being an authority (for example, by having exclusive expertise, training, experience and respected solutions to policy dilemmas) (2004: 25–26). After all, consulting firms often market their services as specialized knowledge and expertise; Barnett and Finnemore’s (2004) model shows how these consultants can be both an authority in advising on key policy problems and hence become in authority by holding significant power in the policy-making process.

Management studies of private sector consultants have generally demonstrated that clients hire consulting firms because they tend to recruit the perceived “intellectual elite” of their fields (Armbruster 2004: 1259), who provide specialized knowledge and expertise otherwise unavailable in-house (Starbuck 1992; Moore and Birkinshaw 1998; Werr 2002). Consulting firms are often seen as “high quality” (Aharoni 2000: 128) and are recommended by elite circles of “networked trust” (Glucker and Armbruster 2003). Hence, consulting firms cultivate the idea that they are providers of innovative solutions stemming from their unique and independent expertise. Evaluating the consultants’ perspective, Lapsley and Oldfield found that, despite the dominant media and public narrative of consultants as “witchdoctors,” the consultants who were involved in U.K. public sector reform were “less motivated by a desire to transform (a ‘mission’); instead, their motivation appears to be closer to the idea of epistemic communities who have certain skills for sale – ‘trade’”(2001: 527).

In this vein, Lindquist asserts: “When such ‘real’ policy analysis is demanded, the reflex is often to retain experienced policy consultants, or a handful of ‘go-to’ people in the public service” (2009: 5). Some of these consultants, Lindquist adds, have resulted from the brain-drain of
former public servants who chose to work for the more flexible and higher salaries of the consultancy sector (5). As policy consultants become perceived as an authority on particular subject matters and as these consultants are viewed, objectively or subjectively, as more skilled and innovative than their government counterparts, they cultivate a social and cognitive understanding of the positive benefits of their work and its relative superiority to that which would be produced in-house.

If this hypothesis holds, then municipalities have the in-house capability of performing the work of consultants, but the overwhelming socialization or perception of civil servants is that consultants are necessary because they are authorities on the subject matter. To illustrate this more pointedly, consider this statement by Lindquist:

> They rely on consultants to deal with peak demands, and stories circulate about consultants doing the heavy lifting on strategic policy analysis and cabinet documents, although no policy assistant deputy minister would admit this happens. Indeed, one concern is that public service departments and ministries have come to rely too heavily on consultants, particularly for key strategic deliverables (2009: 5).

As stories of consultants performing “the heavy lifting” proliferate, public servants perceive consultants as authorities on key policy issues, which solidifies the place of consultants in the policy process. This explains why, at times, as Lapsley and Oldfield (2001: 527) found, consultants were hired to legitimize internal decisions. This suggests that, if public service management were to make certain policy recommendations, they would be seen as less objective
or perhaps less authoritative than a consultant, who may be perceived as providing superior and impartial analysis and therefore deemed to be an authority on the policy or decision matter at hand.

Ideational and emulation arguments: a check on public service advice

Ideational and emulation arguments assume that municipal governments are pressured by an entrenched, ideological, pro-business belief system. The pressure of ideological currents like the New Public Management (NPM), neoliberalism or globalization on local government is well documented in numerous studies (see Diefenbach 2009). These grander ideological pressures are intertwined and often viewed as part of an “epochal development” that leaves civil servants with little to no agency (2009).

With the pervasiveness of NPM principles among the public service, municipal governments’ contract consulting firms because of the latter’s positive reputation as advocates of “best practices” found in business. As Diefenbach (2009) points out: “The basic idea of NPM is to make public sector organizations – and the people working in them! – much more ‘business-like’ and ‘market-oriented’, that is, performance-, cost-, efficiency- and audit-oriented” (893). For many critics, NPM is a “conduit” through which neoliberal values and ideas enter the public service (Shields and Evans 1998). In their study of the Canadian federal government, Perl and White (2002) argue that the NPM school of thought provides ideological support to governments seeking more “‘businesslike’ approaches to governance, including the outsourcing of analytical
activity” (50). Similarly, as Speers notes, NPM implies that “politicians are right to distrust civil servants. In hiring management consultants, politicians can use their perspective as a ‘check’ on the civil service; likewise, if the civil service hires a management consultant, doing so helps to legitimate their work” (2007: 408).

Neoliberal, pro-business policies have been viewed by all orders of governments as a key to achieving economic growth and development (Simmons and Elkins 2004). Consequently, municipal governments want to emulate the success of the private sector and adopt similar neoliberal strategies and policies. Public sector agencies have been increasingly told to run government “like a business,” which means that “it should be cost efficient, as small as possible in relation to its tasks, competitive, entrepreneurial, and dedicated to ‘pleasing the customer’” (Box 1999: 19). Indeed, the ideological acceptance of business as a model for government buttresses the image and legitimacy of consulting firms as a valuable complement to staff expertise. Consulting firms’ identity is leveraged to increase their positive reputation as pro-business firms (Morgan, Sturdy, and Quack 2006). In other words, local governments may use consulting firms because the latter are successful businesses and are thus, presumably, effective at advising municipalities on policies to better enable them to compete in the marketplace for scarce investment.

Municipal governments seeking to imitate other municipalities’ perceived economic success will subsequently gravitate towards the private sector experts who can be hired at consulting firms. Irrespective of needs, Canadian municipalities want to avoid a “stigma of backwardness” and seek the approval of private sector opinion by imitating the policies of perceived success stories.
Many municipalities may also grapple with negative branding (Anholt 2007) and perhaps contract consultancy firms in order to cultivate a more positive, pro-business image.

**External financial interests: aligned consultants**

Critical theorists argue that the policy process in cities can be steered or determined by external financial interests. Following this logic, a critical perspective of the increased presence of consulting firms in cities would contend that consulting firms are beholden to urban businesses and financial interests; these financial interest groups can include banks and other financial institutions, industry, property developers and dealers, real estate speculators, builders or contractors and of course landowners. Critical scholars also point to “land-based growth coalitions” which through coercive and manipulative means attempt to intensify land use for their own material gain (Domhoff 2009). In essence, critical theorists would suggest that consultants are either hired to rubber-stamp policies pursued by external financial interests or that consultants collaborate with external financial interests.

Urban political studies have traced the presence of external financial interests in American local politics. Using the case of Atlanta, Georgia, both Floyd Hunter (1953) and Clarence Stone (1989) demonstrated how power in urban politics was held by a regime of external financial interests. Those interests had strong influence and networking access to local public officials; their demands were catered to more than those of local citizens’ redistributive needs (Peterson
1981). In opposition to theories proposing the idea of “land-based growth coalitions” are “city-level pluralists” who see the public policy process as competitive and democratic (Dahl 1961; Cobban 2003) and hence any involvement of consulting firms is based on a competitive procurement process.

The presence of external financial pressure implies policy imposition rather than policy diffusion through knowledge transfer. In the language of policy diffusion theories, consulting firms penetrate and impose their policies on weaker entities (Bennett 1991). Similarly, journalistic and insider tell-all accounts of the consulting industry in corporate America suggest that clients are captive to consulting firms’ ideas through sinister corporate politics (Rassam and Oates 1991; O’Shea and Madigan 1997; Argyris 2000; Pinault 2000).

**Theoretical framework**

These four possible political explanations for government policy choices and actions are ideal types; they are not mutually exclusive. On the contrary, our theoretical framework suggests that government policy choices and actions operate on a continuum of these four ideal types where variants from any or all of the explanations could be used to account for government policy choices.

The survey used in our study was structured to allow a rough testing of the four theoretical frameworks outlined above. Each theoretical perspective provides the basis for a series of testable hypotheses. If a particular hypothesis is correct, then the survey results should show demonstrable support of its key components. For example, if functionalism is the dominant
explanatory variable, then respondents would be expected to stress the necessity of contracting a level, or form, of expertise that is not available in-house. The testable implications of each theoretical framework are presented in Table 1. However, the implications listed are by no means exhaustive but rather serve to enrich the analysis and discussion presented in the rest of the article.

The proposed framework provides a way of better understanding the dynamic, multi-faceted relationship between consultants and urban policy makers. It is not trying to prove that one or more theoretical paradigms are the sole explanation for urban government use of consultants. Instead, it uses multiple theoretical and ideological perspectives to understand the core issues and explain the perceptions of decision makers.

This article takes preliminary steps towards the development of a synthetic theoretical framework for understanding and better analyzing the use of consultants by different orders of government. Its micro-level analysis has the advantage of assessing the research question across several case studies. It should provide a basis for asking larger research questions, beyond the scope of this article, about the use of consultants by government. The following section introduces the methodology used to test the four potential hypotheses and then reviews the findings and discusses their implications.

[INSERT TABLE 1 HERE]
Data and methods

In order to assess the extent to which municipal governments utilized urban planning and design consultants based on functionalism, constructivism, ideational and emulation arguments or external financial interest perspectives, this study focuses on the use of consultants for urban planning services by medium-sized cities across Ontario. For the purposes of this study, medium-sized cities were considered to be those with populations ranging from 100,000 to 500,000 inhabitants, which could reasonably be expected to be capable of undertaking projects often assigned to urban planning and design consultants. Larger cities would be more inclined to have in-house administrative capacity and likely less need of consultants, thus discounting a functionalist hypothesis. Similarly, small towns would have less in-house administrative capability and may outsource a higher number of services to consultants. Choosing medium-sized cities was a way to hold other variables constant and ensure case-selection validity where they shared similar administrative and professional capacities.

Twenty Ontario municipalities were identified as using the services of external urban planning consultants for major public works projects and fit into the category of a “medium sized city,” according to 2011 Statistics Canada data. An email invitation was sent to the city planners in each municipality requesting their participation in an online survey questionnaire. The cities were as follows: Barrie, Brampton, Burlington, Cambridge, Chatham-Kent, Guelph, Hamilton, Kingston, Kitchener, London, Markham, Oakville, Oshawa, Richmond Hill, St. Catharine’s, Sudbury, Thunder Bay, Vaughn, Windsor and Whitby. Only the city of Vaughn declined to respond to the questionnaire because, according to their email response, they did not have the
staff time to complete the survey.

The recruitment process consisted of two stages. The first entailed sending a general email to each municipality’s city manager’s office informing them of the study, introducing its protocol and requesting permission to participate in the online survey. This introductory letter also asked each municipality to identify one (or more) of their staff members who could be contacted as potential respondents. Based on each municipality’s initial response, we then contacted the chosen individual(s) and forwarded to them the link to the online survey questionnaire. This initial round of invitations yielded a relatively low response rate: only five of the twenty cities responded positively while the City of Vaughn responded negatively. The other fourteen cities did not provide any form of response. Accordingly, a follow up email was sent to the specific planning departments in the remaining fifteen cities. This yielded a 100 per cent response rate, with 19 cities positively responding to the invitation to participate.

There were twenty respondents to our online survey from the nineteen cities. Respondents were employed by their city for an average of 13 years and viewed their duties as primarily management and administrative in nature. Overwhelmingly, survey respondents believed that their municipality had very frequently (27%) or often (56%) utilized the services of external consultants.

The survey questionnaire consisted of 28 questions divided into seven major categories (see Appendix 1). The first category asked for details on each respondent’s city and category of employment (elected versus appointed). This was followed by general questions about the
frequency, the reasons and the satisfaction with hiring consultants. The next four parts of the survey questionnaire posed more specific questions designed to shed light on the study’s four hypotheses. The survey ended with questions that sought to gauge the respondents’ perceptions of the success of the contracted projects and their personal reflections on hiring consultants.

Appendix 1 shows that twenty-three out of the twenty-eight questions in the survey were closed-ended. Of these, thirteen questions took the form of a Likert scale, while the rest consisted of either a yes or no choice, or required respondents to make a selection from a predetermined list. Only one of the remaining five questions directly sought to identify the professional titles of respondents, while the other four questions were strictly open-ended and sought to probe deeper into the personal professional insights of the respondents about contracting planning services to consultants and the ensuing outcomes.

The survey questionnaire was posted online at an exclusive domain from Qualtrics, an international firm specializing in online research instruments. Qualtrics provides an Internet domain and ensures its security, and compiles statistics about the number of times the instrument was accessed. Accordingly, each city that agreed to participate in the study was provided with a link to the website enabling them to access the online survey questionnaire.

All respondents answered the twenty-three closed-ended questions. In addition, they all answered the open-ended question inviting them to elaborate on the “takeaways from their municipality’s hiring of external planning consultants.” The remaining two open-ended questions—one asking for suggestions for future improvements to the hiring process for external
planning consultants; the other asking for additional thoughts or comments on the subject matter in general—had a lower response rate of 25 per cent. The following section offers a detailed discussion of the findings.

**Analysis and findings**

Before reporting on the findings of our survey, several general observations and issues are worth noting. First, most respondents believed that external consultants were used often (56%) or very frequently (27%) in overseeing municipal projects. A minority of respondents believed that external consultants were either not often utilized (7%) or were not aware of external consultants (10%) being used in their municipalities. From these findings it is clear that consulting firms’ presence is highly visible within local municipal governments. Interestingly, the study also found that a high number of respondents (76%) believed that external consultants were valuable in advising on urban planning projects. This suggests that municipal staff generally had favourable views of the work and competency of external consultants. While most of the respondents where either neutral (51%) or agreed (49%) with the statement that they had respect for the work done by the external planning consultants, only 17% of respondents wanted their municipality to use planning consultants more often. Among the reasons for not wanting their municipality to continue using planning firms were insufficient support for implementation (11%); lack of “buy-in” for the project (11%); poor teamwork (us versus them) (32%); unrealistic solutions (32%); ignoring internal skills and information available (47%); cost/benefit of project (47%); and, failure to understand the municipality’s operating environment (53%). The high cost of hiring
consultants was clearly reflected in the survey results where most respondents (65%) agreed that urban planning consultants were more expensive than using in-house resources.

Second, the survey also revealed considerable resentment towards consultants, with 83% of respondents signifying that they would not like to see consultants used more often. As one respondent noted, “[I b]elieve the process should be in house. Greater buy in from public- [sic =] credibility. More effective from a cost perspective.” Another respondent noted that “consultants should not second guess the payees.” Moreover, sometimes hiring consultants provided short-term relief but came with long-term grief. As one respondent noted, “The biggest issue when hiring outside consultants is project management. Municipalities frequently do not devote the internal resources needed to project manage outside consultants which can lead to overruns on budget, poor product due to miscues in understanding the deliverables and lack of quality control.” This sentiment was echoed by another respondent who remarked: “Even really good consultants with solid reputations need to be actively managed in order to meet expectations re: deadlines and quality control.” Similarly, another added that “often the work of consultants require[s] substantial resources from the municipal staff to support and guide their work.”

Third, while the majority of respondents agreed that they learned something valuable from hired consultants (59%), others were neutral (38%), while only 3% disagreed with this statement. Only a slim number of respondents, however, believed that consultants can be useful third-party outsiders or, as one respondent noted, “independent advice” and objective experts. Another respondent explained that “In some cases it is [to] get a third party opinion. In other cases it is to shield staff from controversial issues and recommendations.” As one respondent noted, “Outside
consultants frequently introduce new ideas or highlight experiences of other municipalities for similar projects which allows us to learn from the experiences of others.” Others variously observed that consultants had a “greater variety of experience in some areas of planning”; shared “their experience and success on similar projects”; and had the “breadth of knowledge of all topics and ability to compare with other municipalities.” These observations speak volumes about the struggles of managing external consultants.

Among the four hypotheses tested, there was weak evidence that staff felt pressured by external financial interests to hire consultants. When asked who was most influential in determining which firms were used, most respondents did not believe that it was externally determined, but rather, an internal staff decision. One respondent noted that “there are standard purchasing forms that direct the selection of consultants as per the city By-Law. Criteria include the knowledge and experience with the topic, firm’s expertise, staff experience, the quality of the submissions, previous projects of the similar type, references, cost, etc.” This also implied a bureaucratized, de-politicized decision-making process for hiring consultants. Among those respondents who referred to external actors as sources of pressure to hire consultants, most pointed to local businesses and constituents. One respondent specified that local developers had a major influence in his/her city and played a role in pressuring staff to hire external consultants. While the evidence supporting this hypothesis was the weakest, it highlighted the potential influence of local developers and other business interests on municipal affairs.

The online survey asked “what best explains why your municipality has hired external consultants?” Only 6% of respondents agreed with the statement that external consultants were
“more objective than municipal workers,” but there was more support for the proposition that “external consultants had extensive experience and success in solving municipal problems” (25%). These are not contradictory, but rather complementary views; indeed, as one respondent noted: “Good consultants can bring a depth of knowledge to a project and often can better influence decision makers than internal staff, particularly with controversial issues.”

Moderately convincing is the “emulation and replication” explanation, which suggests that municipalities use external planning consultants in order to replicate and emulate the successes of consulting firms’ previous projects for other municipalities. When asked “Do urban planning consultants refer to ideas and projects done by other municipalities?” 77% of municipal planners indicated that they had experienced external consultants making references to other municipalities to reaffirm their views and arguments. One respondent noted that “relevant and comparable examples and solution are often cited.” Those who responded positively to this question added that consultants used other municipalities as examples “almost always to justify expertise and when referring to best practices,” and that “outside consultants often have direct or indirect knowledge of case studies in other municipalities relevant to the project being undertaken.” In some cases municipal planners found it useful to have “benchmarking and examples from other areas”; this occurred “when relevant and when requested.” That said, none of the respondents believed that the choices of neighbouring municipalities to employ certain urban planning firms had influenced their municipality’s decision to employ these same firms.

The strongest explanation and hypothesis for the hiring of consultants is functionalism: municipal staff lack time and resources. Yet, there is also strong support for the
ideational/constructivist explanation that the underlying reason for using external urban planning consultants is their perceived legitimacy, specialized knowledge and expertise. One respondent noted that

perhaps you can do better with internal staff but usually you don't have the time to do it; it is often useful to have external consultants as ‘third party’, neutral sides; occasional (e.g. OMB [Ontario Municipal Board]) consultants are needed when staff and council positions are not identical. Usually at the end you realize that you could have done [projects] better [than consultants] and in many instances it is [the] staff’s task to finalize unfinished or unsatisfactory projects.

This interesting observation suggests that consultant advice is sometimes only one input in the broader policy development process.

An overwhelming number of respondents supported the functionalist argument and cited the lack of staff resources or the time needed to complete projects as an explanation for why consultants were hired. Most agreed that external consultants “have more time to study the problem than municipal staff” (84%). Municipal planners reported a “lack of time with day to day functions to project-manage and complete larger projects.” When asked whether consultants were able to provide solutions more quickly than internal resources, 47% of respondents agreed, 39% were neutral and only 13% disagreed with this statement (there is a missing 1% here due to rounding). It appears that consultants are most often brought in to meet pressing deadlines when municipal planners are overburdened. As one respondent explained, “While the municipality may have in-house expertise, hiring of consultants helps with workload and managing one time projects that
the consultant can dedicate their time to fully while professional in house staff deal with the
ongoing daily matters.” Another respondent argued that “staffing resources are probably the
biggest issue in why they’re retained. Project deliverables are met within time frames.” Another
agreed, suggesting that “the amount of work in our plans at any given time. Increased work load,
time pressures make it necessary to hire consultants for specific projects.” Yet another
respondent noted that in some cases the recruitment of external consultants is a result of
“unanticipated project or opportunity [and] Internal staffing constraints.” Lastly, one respondent
elaborated that, while a lack of staffing was a determining factor in hiring external consultants,
there was also a “political orientation to out-sourcing,” which facilitated the ability to get
political support from municipal councils.

Most respondents agreed that external consultants “provided expertise not available in municipal
staff” (66%). One of them explained: “Consultants are used for projects or reviews where staff
expertise is not available internally or where a more timely completion of a project is necessary.”
Moreover, another noted that consultants are brought in when “detailed expertise and study of
phenomena not known/experienced by in house staff.” Consultants can thus be helpful where
there is a “Special interest project – [and] consultants have the expertise needed.” One
respondent explained that

The decision to hire outside consultants is most dependent upon the number of projects
and priorities that are on-going and the ability of staff to undertake all of those studies.
Secondly, is the extent to which the study or project requires highly specialized planning
or engineering expertise that only a select number of firms would have. In addition, staff
would most often look at the timing of a project and determine if it would be better that it
go outside because of its complexity and likely time to complete.

Another added that there were “Only two real reasons [to hire consultants] in our municipality:
Do not have expertise in-house or workload issues (have capability but cannot meet timeframe
requirements).”

These findings suggest that, while indeed functionalism best explains why consultants were
hired, there is also a case to be made for an ideational, constructivist hypothesis: consultants
come with desired expertise. As one respondent observed:

Most municipal organizations use outside consultants because it is not either efficient nor
[sic] cost effective to expect that all projects can be done internally. The outside
consultant often has the ability to bring together a team of varying expertise to ensure all
aspects of the project are considered and completed in a timely fashion.

Concluding remarks

The strongest explanation and hypothesis for the hiring of consultants is a functionalist one: lack
of staff time and resources. Yet, there is some support for the constructivist hypothesis that
external urban planning consultants are retained for their specialized knowledge and expertise. If,
as these findings indicate, cities are not pressured by external financial interests to utilize the
services of consultants, then positive arguments could be made in favour of adding consultants
to the tools of administering government. Moreover, these findings point to a positive view of consultants as a means of improving government efficiency in an age of public scrutiny of government accounts and the public service. This view is supported by Stewart and Smith (2007), who argue that cities that can contract for outside knowledge, such as consultants, have better policy analysis and improved policy capacity. They add that consulting outside knowledge allows greater political independence from in-house civil servants, which may be a positive factor.

A missing or understudied issue in the academic literature and this particular research article concerns the quality of consultants’ advice. Evaluating the quality of consultants’ advice or its implementation is beyond the scope of analysis in this article, but should be the focus of additional research. To suggest that there are no costs, either political or financial, to hiring consultants to carry out the business of government would be a gross oversight. Lindquist and Desveaux (2007) have already noted the challenge of contracting out expertise more generally — be it fostering trust, loyalty, security, “capturing promising ideas,” and cost — not to mention the potential damage this causes to the remaining in-house talent. Furthermore, Lindquist and Desveaux (2007) argue that many in academia are concerned with the loss of analytical talent in public sector institutions, and whether this shift to dependency on consultants is sustainable. Moreover, Speers adds that the use of consultants can also weaken public service morale, stating “Civil servants also cringe when they are required to inform consultants of the relevant situation, only to see their own informal suggestions echoed in that consultant’s formal recommendations” (2007: 410).
We hope that the findings of this article will stimulate further inquiry into the quality, the nature and ideological viewpoint, and the actual cost–benefit analysis of consultants’ policy advice. As municipal governments take on additional responsibilities from the provincial and even federal governments, their practices will come under greater public scrutiny. The growing practice of public officials taking the advice from private agents who are not accountable and divorced from a democratic process has serious implications for the study of government and public administration. Moreover, while beyond the scope of this article, there are clear lessons to be learned about how provincial and federal governments are utilizing consultants at an incredible pace. It is hoped that future research into how, where and why consultants are used at these higher levels of government can benefit from the synthesized theoretical framework developed for this study.

<INSERT APPENDIX 1 HERE>

Notes

1 For a discussion of micro-level analysis, see Bennett and Checkel (2012).

2 For example see the website of the American Planning Association: https://www.planning.org/

3 This is the definition used by Statistics Canada (2011).

4 We thank our reviewers for pointing out that larger cities are also the ones that usually provide the largest variety of services and have the largest budgets. As such they too would be worthwhile including in a similar study. However, for the purposes of this investigation we chose to focus exclusively on medium-sized cities in order to eliminate possible confounding variables (i.e., unknown/unobservable differences between large and medium-sized cities which may influence their reasons for employing consultants).

5 The Qualtrics general website can be accessed at http://www.qualtrics.com/

6 As our reviewers highlighted, all self-report-based research (e.g., surveys) is limited by the
honesty of the respondents. For example, managers who were responsible for hiring consultants may tend to claim that the reasons for their decision to hire consultants were sound when in fact they might be influenced by other factors that would not reflect well on them should they be revealed. Although well beyond the scope of this paper, researchers in other fields (e.g., psychology and medicine) have grappled with these problems for some time. Future research on the determinants of consultancy use may very well benefit from drawing insights from this large body of scholarly work. For an overview of how the natural sciences approach the problems inherent in self-report-based research, see Stone et al. (2000).

References
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http://www.kennedyinfo.com/consulting/research/industry/public-sector?C=Fdw5KV33nOyhVV69&G=0lzMM1GO6d4WNitz


