

# THE AARHUS COMPASS

The political decision



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SYSTEM

CITIZEN

**THE AARHUS COMPASS**  
Less system. More citizen.

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## THE AARHUS COMPASS

Citizens and our surrounding society have developed, and if we are to sustain our public welfare model, we must keep up with this development. To help us navigate this process, we've created a new framework of understanding for the City of Aarhus. We call it 'the Aarhus Compass'.

The Aarhus Compass describes the kind of municipality and community we want to be – and are on the way to becoming. The approach we've been following until now has taken us far in relation to meeting the 'Aarhus Goals' set by the City Council. But not far enough.

We need to aim higher: Less system. More citizen. With the Aarhus Compass, we will focus even more intensely on what has value for our citizens and our society. We will increase our emphasis on co-creation in our approach to public welfare development – and we will work, develop, manage and lead in a more knowledge-informed way.

Fundamentally, what this entails is initiating every form of collaboration by stepping into the other's shoes – and creating space for local leadership and for our employees' knowledge and experiences.

## THE CITY OF AARHUS' NEW FRAMEWORK OF UNDERSTANDING IS BASED ON THREE MAIN PILLARS:

### Strengthened focus on value

*– Aarhus must be a good city for everyone*

The Aarhus Goals are our point of departure

We expand our concept of effect into a concept of value

We place value for our citizens and society at the very heart of things

### Strengthened co-creation and co-production

*– We create value together with citizens  
and with society*

'Rethinking Local Government' (Kommune Forfra) and  
the Active Citizenship Policy are our point of departure

Value is something we create together

The nature of the task determines who is best qualified to contribute

### More knowledge-informed management and practice

*– We translate knowledge into value*

We understand knowledge as data in a broad sense

Goals and evaluations must make sense to the stakeholders  
involved in the co-creation of value

We supplement our managerial practices with a strong culture of learning

## WHY A NEW FRAMEWORK OF UNDERSTANDING?

The City of Aarhus acknowledges that we can only deliver the public welfare services of the future through close collaboration between the public sector, civil society and business and industry.

From dealing with climate challenges, public health and a healthy synergy between city and countryside to our core public welfare services, it is evident that the engagement of our citizens, businesses, volunteers and associations must play a decisive role if we are to succeed. The potential to create value for citizens and society is much greater if we work together. Of course, the classical requirements for municipal management and administration still apply: We must safeguard the legal rights of our citizens, offer a uniform level of service, practices that uphold the law, reliable, efficient and financially sustainable operations as well as transparency through systematic follow-up procedures.

But the City of Aarhus has much higher ambitions. We will do an even better job of realising the 'Aarhus Goals'. Aarhus must be a good city for everyone. A city with a place for everyone. A city of community and fellowship. A city where everyone is healthy and everyone thrives. A growing city with a strong private sector. A sustainable city with good urban and local environments.

The approach we have been taking until now has brought us a long way. But not far enough. At the same time, we must deal with the conditions that are undeniably changing and the pressure we're experiencing in regard to several agendas:

With regard to our core public welfare services, our citizens and businesses are increasingly demanding individually tailored solutions. The municipal finances are strained by demographic developments, continued inequality and increasingly complex challenges in relation to child services, social and health services and eldercare. And in response to the general democratic crisis of trust in society, there is a need to strengthen

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social cohesion and trust between citizens and politicians – and between citizens and the system.

These challenges cannot be solved by increasing efficiency or finetuning the way we as a municipality handle our tasks. For this reason, in March 2019, the City Council decided that the City of Aarhus was to have a new framework of understanding: a reinterpretation of the municipality's role and our approach to leadership, management and the development of public welfare. It is this new framework of understanding that we now know as the Aarhus Compass.

### **A new approach to leadership, management and the development of public welfare**

The Aarhus Compass describes the municipality and the community we want to be – and are striving to be. Our aim is 'Less system. More citizen'. With this aim, the Aarhus Compass will intensify our focus on what has value for our citizens and our society. We will increase our emphasis on co-creation in our approach to public welfare development. And we will work, develop, administer and lead in a more knowledge-informed way. This means that we must focus even intensely on our vision – what it is we will strive to achieve together: Making Aarhus a good city for everyone. In other words, our leadership and management practices and approach to performing our core tasks must focus on creating value, understood as good lives and good living conditions for everyone in Aarhus – with a genuine focus on and even greater emphasis on the citizen perspective than previously.

This also means that the new framework of understanding demands that we adhere to the Active Citizenship Policy and "Rethinking Local Government" (Kommune forfra) to an even greater degree, in order to expand our perspective on who can contribute to creating value and how this value is best created. To maintain and develop our public welfare society, we must

meet the expectations of our citizens and businesses for more individually tailored solutions, greater flexibility, better use of digital technologies and more holistic interventions. Our collaborators must encounter employees and managers who have a high degree of local autonomy, who can see the situation from the other's perspective, who are free to exercise their professional judgement, expertise and common sense in solving tasks as well as encouraged to do so, and whose approach is knowledge-based.

What is more, it means that we must balance our classic managerial focus on getting the basics right with an approach to leadership that fosters risk-taking, innovation and co-creation. This framework of understanding must contribute to the development of a culture in which there is room to 'remain in Beta' when the first solution turns out not to be the best possible solution, and when the best possible solution turns out to be more difficult to develop than initially assumed.

Finally, we must move away from a conception of management as primarily being about someone overseeing other people. Our managerial practices must, to a higher degree, foster freedom with responsibility, accompanied by a greater focus on learning and knowledge-sharing at the leadership level. For this to happen, we must rethink how we create and follow up on our budgets. Within the given political framework, we must develop a more cohesive approach to our follow-up procedures, where objectives and evaluations first and foremost are meaningful for the parties directly involved in creating public welfare, and where we insist on reducing the distance between top management, employees and citizens. The point of departure for setting goals must be that all stakeholders relevant to a particular issue must contribute to defining what we want to achieve and how we do so. And when we follow up on how well we have succeeded in creating value, the system's quantifiable and objective data must be supplemented by the perspectives of citizens and employees to a much greater degree.





Vi er her og vi lytter

Hjernerådgivningen

VI ER HER  
OG VI LYTTER

FRIVILLIG  
FREDAG

VI ER HER  
OG HAR  
FOR OS

VI ER HER  
OG GØR  
EN FORSKEL

VI ER HER  
OG VI LYTTER

Bidrag  
med en

Mødrehjælpens Lokalforening præsenterer...

Den rullende kage



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## THREE INTERRELATED GUIDING PRINCIPLES

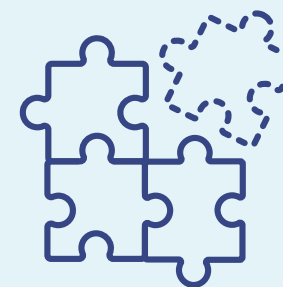
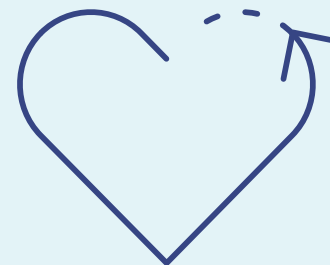
The following three principles will guide the City of Aarhus' new approach to leadership, management and the development of public welfare:

- 1) *Stronger focus on value – Aarhus must be a good city for everyone*
- 2) *Strengthened co-creation and co-production – We create value together with citizens and with society*
- 3) *More knowledge-informed management and practice – We convert knowledge into value*

In this regard, we – as politicians, managers and employees – are the ones who need to develop the most, and this must take place in a single coordinated movement. With honesty about the dilemmas this will entail, and the new demands this framework of understanding will make on all of us. The three guiding principles are interrelated and mutually reinforcing. With these principles as our guide, we must find new ways to listen, solve, learn and lead.

In the following, we unfold what we mean when we say that the City of Aarhus' leadership, management and public welfare development must be guided by these three principles. We also provide some examples of the dilemmas that may be encountered and how to navigate them.

At the same time, we would like to stress that we do not have all the answers. So, we must put the Aarhus Compass to work in practice and share the knowledge and experience we gain as we learn by doing.



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## GUIDING PRINCIPLE 1:

### *Stronger focus on value*

With the 'Aarhus Goals' and 'the Aarhus Story', the City Council has formulated a vision and a handful of overarching goals that apply across departments, build bridges between the municipality and the surrounding society and address the value the City of Aarhus must contribute to creating.

Put simply, focusing more strongly on value – on the foundation of the Aarhus Goals – means:

- **That we expand our concept of effect into a concept of value.** When defining what we must succeed in achieving, our focus is not solely defined by what the law, the municipal service catalogue or the professional guidelines say or the data we happen to already have. To a higher degree, we must base our understanding of value on 'lived life'. If a dialogue begins with what the municipality can offer, at best we will end up discussing what the effect of the municipal intervention could be. But if on the other hand the dialogue is initiated on the home court of the citizen, business or collaborator, and we allow the discussion to take its point of departure in their dreams and perspectives on what characterizes a good life or a good city, we can both arrive at a common understanding of value and have a conversation about what difference we can make together – and whether other actors than the municipality need to be involved. In other words: The definition of value can't take place behind a desk. We have to start by asking and listening.

- **That we give value an absolutely central role.** The value for citizens and society that we must create together must be the focus of leadership and management. The decision on who is to contribute, what resources are to be used, how the activity is to be organised and what needs to be done more specifically must always be guided by what adds value.

However, focusing more on value can also give rise to dilemmas: At the end of the day, who has the right to define 'value'? Citizens, experts or politicians? Whose opinion takes priority if these stakeholders disagree? What if there are competing and incompatible political or professional perspectives?



Or if there is a tension between the individual citizen's experience of 'value' and what has value for the community?

Politicians, managers and employees will regularly encounter these issues. Many of us already encounter these dilemmas today, and they will become even more pronounced as we place more and more emphasis on co-creation and work in an increasingly knowledge-based way. Some preliminary standpoints might be:

- Ultimately, the right to define value always lies with our politicians. But we are striving to achieve a common understanding of how we should negotiate and balance competing values through responsive dialogue, genuine receptiveness and involving many perspectives. And when citizens, businesses and collaborators have contributed to shedding light on value dilemmas, we give them something in return by being open about the grounds on which political and managerial decisions are made.

- Our ambition is a strong, meaningful connection between the goals the municipality works with at the local level and the overarching Aarhus Goals, which the City Council is responsible for following up on. When we build bridges between the overarching visions of the Aarhus Goals and the more concrete, local goals, this must first and foremost be meaningful for the municipal employees who perform the core tasks.

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## GUIDING PRINCIPLE 2:

### *Strengthened co-creation*



Making Aarhus a good city for all demands something of everyone who lives, works, studies, runs a business or association in Aarhus – not just municipal managers and employees. Many of the greatest public welfare challenges must be addressed through new collaborations. Ensuring the municipality's climate resilience or reducing loneliness, homelessness or lifestyle illnesses takes innovation and active citizenship. It demands that we make room for many different competencies, perspectives and resources and that we take on a shared responsibility.

With the Aarhus Compass, we are expanding our perspective on who can contribute to creating value, and how this value can best be generated. The welfare of the future must be created through the interplay between citizens, businesses and the municipality – and in some cases, by civil society alone, without the interference of the municipality. And occasionally, we are also part of a national or international collaboration when we create value.

In brief, turning up the volume on co-creation – on the basis of the Active Citizenship Policy and 'Rethinking Local Government' means:

- **That value is something we create together.** Public welfare is not something the municipality provides for citizens. Public welfare is something we create together – as people engaged in a relationship with one another. With co-creation, we expand the right to initiate and the right to participate, and we increase awareness that both the individual and the community – as well as the public sector, civil society and industry – can play a significant role in developing Aarhus.

- **That the task defines who is best qualified to contribute.** The City Council has overall responsibility for realising the political goals for the City of Aarhus as a whole. But the City Council, municipal managers and employees, and citizens all share responsibility for defining a given task concretely and reaching a shared understanding of how best to perform it to the benefit of the target group. This applies regardless of whether the

task is delivering core public welfare, developing policy or influence the behavior of the municipality, citizens or businesses. For this reason, we must rethink how we work together in Aarhus, and find new ways of involving each other that give all stakeholders a sense of common ownership.

To achieve this, we must identify the factors that either hinder or promote co-creation. Communication is one key to co-creation and active citizenship. Good communication is based on respectful, egalitarian information-sharing and dialogue – and it places demands on how we interact with each other. To act as citizens, we must be treated like citizens. Both in writing and in speech.

Turning up the volume on co-creation can also lead to dilemmas and questions:

- The municipality is a government authority, a supplier of services and a community of citizens. Is co-creation the same, and is it equally easy to encourage more of, regardless of the role of the municipality? Can there be limited for co-creation, for example built into legislation or City Council resolutions? Should we insist on co-creation where it challenges citizens' legal rights or the best decision in the eyes of specialists/experts? What if co-creation demands a lot of resources?

- How do we ensure representativity in co-creation? Not all groups of citizens find it equally easy to participate, so how do we design co-creation on everyone's terms? With room for those who represent the extremes as well as the middle of the road? Offline, online, after the children have gone to bed or organised in another way that suits the rhythms of the participants?



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## GUIDING PRINCIPLE 3:

### *More knowledge-informed management and practice*

The City Council's decision to develop a new framework of understanding also expresses a desire for a clear shift in the municipality's approach to management and leadership. It's about having the courage to play, test, fail and change course. And because public welfare is about good lives, the knowledge of citizens must also be included when we follow up on how things are going.

'Freedom with responsibility' must characterise our approach to management to a higher degree. We must supplement our managerial practices with a strong culture of learning – and that takes leadership. As a municipality, we naturally have a duty to society to ensure that our common resources are used to produce the greatest possible value. This must take place within the framework determined by the political process, and resources must be allocated through trustworthy, reliable processes on the most well-informed background possible. For these reasons, we cannot do without the classical mechanisms of management and oversight entirely. But we must move away from a conception of management as primarily a matter of someone monitoring other people. The better we get at being curious and sharing our knowledge, resources, experience and expertise, the better job we will do of developing Aarhus.

In short, strengthening knowledge-based leadership and practice means:

- **That we understand knowledge as data in a broad sense.** We must be able to discuss value, effects and quality from a variety of perspectives and on the foundation of a broad conception of knowledge that is not limited to objective quantifiable data, but that makes room for subjective qualitative and experience-based knowledge. We take both qualitative and quantitative data seriously, and we make a conscious distinction between data that is best suited to informing long-term strategic development and data for concrete, local improvements in quality.



- **That goals and evaluations must make sense to the stakeholders involved in the co-creation of value.** The knowledge we gather must first and foremost be used to support municipal employees in their interactions with citizens, businesses and other collaborators.

- **That we strike a balance between management and a strong culture of evaluation and learning.** Citizens, politicians, managers and employees of the municipality must have opportunities to learn by doing. The classical managerial and oversight mechanisms that we must have must be supplemented by a much more intense leadership focus on interpretation and learning.

Harmonizing the following considerations will be an important common task:

- That the municipality's elected leadership has a legitimate right to set goals for the value the City of Aarhus must contribute to creating – and to require follow-up evaluations of whether we have succeed in creating it.

- That we must have a stronger focus on gathering knowledge that can contribute to genuine learning and quality development in the municipality's performance of its core tasks – at the level of the individual teacher, care assistant, building official, etc.

- And that we must at the same time avoid setting too many goals at once or failing to aggregate knowledge from local to municipal level. The ambition is not more bureaucracy, but rather better bureaucracy – and an approach to management and leadership that contributes more visibly to creating value.

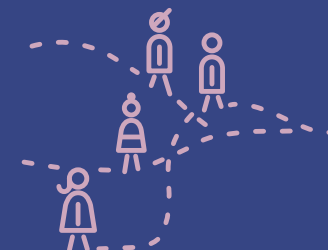
## TO SUCCEED, WE MUST EXPLORE NEW PATHS

The development the Aarhus Compass aims to support and intensify will not succeed if this framework of understanding is nothing more than words on paper. We can't settle for writing, structuring or organizing ourselves in a new way. To succeed with this development, we must continue to build on the experiences we've already gained – with innovation, active citizenship, new ways of developing policy, establishing learning communities, etc. This will require visible leadership and competency development. And it will take the courage to try things out, dialogue and relationships of trust between politicians, leaders, employees and all of the other stakeholders who contribute to making Aarhus a good city for everyone.

The Aarhus Compass illustrates these new paths with articles, cases, portraits and tools. Examples that demonstrate how this framework of understanding is already being reflected in new approaches and concrete changes in day-to-day operations all over the City of Aarhus. Hopefully, these examples will provoke interest, curiosity and the desire to try out new things in order to develop a model of public welfare that puts citizens before the system.

The examples in the Aarhus Compass also contribute to illuminating many of the **dilemmas** that emerge as consequence of navigating after the Aarhus Compass.

It is not possible or necessary to resolve these dilemmas; but the stakeholders involved in a task must find a **standpoint** from which they are able to act and perform the task. This applies regardless of whether you are politician, citizen, municipal employee, volunteer, business or association. The Aarhus Compass articulates possible standpoints and encourages reflection on how we can relate to and navigate the concrete challenges and dilemmas we face.



## THE AARHUS COMPASS ILLUSTRATES NEW PATHS



### NEW PATHS TO LISTENING

- In order to focus more intensely on what is valuable to our citizens and society, we must practice putting ourselves in the other's shoes.
- This starts with the ability to listen actively and be genuinely curious about the other person's perspective.



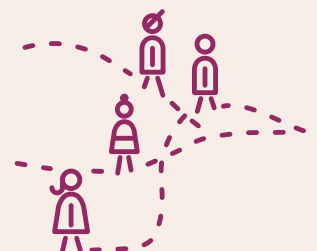
### NEW PATHS TO LEARNING

- The classical approach to management must be supplemented by more practice-centered learning communities. It's about having the courage to dare to play, test, fail and change course.
- The knowledge of our citizens must be brought on board, both when the municipality measures value and when it develops new solutions.



### NEW PATHS TO SOLUTIONS

- Dealing with the most serious challenges to our public welfare takes innovation and active citizenship. They must be addressed through new, equal partnerships between the municipality, citizens, businesses and voluntary associations.
- The municipality must play a different role and make room for a many different competencies, perspectives and resources.



### NEW PATHS TO LEADERSHIP

- We must make it meaningful and relevant for everyone to participate actively in the development of people, the city and society.
- We must be able to discuss how things are going openly – including when things don't go the way we hoped. And first and foremost, the goals and evaluations we base our leadership on must make sense to the stakeholders who contribute directly to the development of our public welfare.

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## THE AARHUS COMPASS: BACKGROUND

The Aarhus Compass was approved by a unanimous City Council on 28 April 2021 and is a reimagining of our approach to leadership, management and public welfare development.

The new framework of understanding is the result of an inclusive dialogue in which citizens, municipal employees, leaders at all levels as well as politicians and national and international experts have participated.

In the process of including all of these voices, we have asked questions, for example: What are the benefits and pitfalls of intensifying focus on value? What will this demand in relation to leadership, management and co-creation? We have prioritized formulating a clear, honest description of the dilemmas that unavoidably arise when we intensify our emphasis on the the citizen perspective on what 'value' is. Similarly, we have also prioritized delineating the contours of standpoints in these dilemmas and illustrating possible new paths to listening, solving, learning and leading we can take when we navigate after the new framework of understanding. The publication 'The Aarhus Compass: Less system. More citizen' presents and illustrates these dilemmas, standpoints and new paths.

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The Aarhus Compass is the result of a broad process of involvement. Since the City Council decided in 2019 that the City of Aarhus was to have a new framework of understanding, citizens, businesses, municipal employees, managers, politicians, Danish and international experts have made their mark on its development.

Anchoring the Aarhus Compass is not a task in addition to everything else we are already doing. It's a culture that over time must be integrated into the way we work, and which also involves making decisions about what this process requires us to leave behind.





