

**Strategic Public Personnel  
Administration: Building  
and Managing Human  
Capital for the 21st  
Century**

*Edited by  
Ali Farazmand*

**PRAEGER**

**STRATEGIC PUBLIC PERSONNEL  
ADMINISTRATION**



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**Building and Managing Human Capital  
for the 21st Century**

**VOLUME 1**

**EDITED by ALI FARAZMAND**

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# CONTENTS

## VOLUME 1

*Preface* ix

### **PART I. STRATEGIC PUBLIC PERSONNEL ADMINISTRATION/HRM: HISTORY, DEVELOPMENT, AND TRANSFORMATION**

- 1** Strategic Public Personnel Administration: A Conceptual Framework  
for Building and Managing Human Capital in the 21st Century 3  
*Ali Farazmand*
- 2** U.S. Public Personnel Administration in Historical Perspective 23  
*Paul P. Van Riper*
- 3** Toward a New Perspective in Strategic Human Resource  
Management in the Public Sector 43  
*Donald E. Klingner and Gamal Sabet*
- 4** Accountability Challenges Facing Public Sector HRM in an Era of  
Downsizing, Devolution, Diffusion, and Empowerment 67  
*J. Steven Ott and Lisa A. Dicke*
- 5** Making the Transition to Strategic Human Resource  
Management: Precursors, Strategies, and Techniques 85  
*Steven W. Hays*
- 6** Productive Human Resource Management for the  
21st Century: Context and Strategies 101  
*Marc Holzer, Hedy Isaacs, and Seok-Hwan Lee*

<b>7</b>	“Strategic Planning” as Fakery: Government Does It While Pretending It Does Not <i>Frederick Thayer</i>	121
<b>8</b>	Innovations in Strategic Human Resource Management: Building Capacity in the Age of Globalization <i>Ali Farazmand</i>	141
<b>PART II. BUREAUCRACY, CIVIL SERVICE, AND POLITICS</b>		
<b>9</b>	Politics and Strategic Public Personnel Management: The Least Bad System? <i>Robert Maranto</i>	163
<b>10</b>	Ending Civil Service Paralysis: Emerging Practices and Trends in State Human Resource Management <i>Sally Selden</i>	183
<b>11</b>	A Modest Proposal Regarding Political Appointees <i>William L. Murray and Gary L. Wamsley</i>	199
<b>12</b>	Civil Service Reform in the United States: A Strategic Analysis of Past, Present, and Future <i>Ali Farazmand</i>	227
VOLUME 2		
	<i>Preface</i>	ix
<b>PART III. ORGANIZATIONAL BEHAVIOR AND STRATEGIC PPM</b>		
<b>13</b>	Phase Model of Burnout as Leverage in Meeting “Future Forces” Challenging HRD <i>Robert T. Golembiewski and Thomas A. Myers</i>	249
<b>14</b>	Job Mobility Assignments: Mechanisms for Human Resource Capacity Development <i>Lois Recascino Wise and Barbara Lamb</i>	281
<b>15</b>	High Performance Work Teams <i>Michael Klausner</i>	301
<b>16</b>	Linking Performance Appraisal to Organizational Strategic Planning: A Challenging Task in the New Century <i>Behrooz Kalantari</i>	319
<b>17</b>	Gown Goes to Town: On-Campus Commitment and Off-Campus Consulting by Public Administration and Affairs Faculty <i>James S. Bowman and Carole L. Jurkiewicz</i>	329

**PART IV. ISSUES AND TRENDS IN PUBLIC  
PERSONNEL ADMINISTRATION**

- 18** Equal Opportunity, Affirmative Action, and the Constitution: New Challenges Facing Public Human Resource Management 351  
*Jack P. Desario and James D. Slack*
- 19** The Human Resources Perspective on Workplace Violence 383  
*Lloyd G. Nigro and William L. Waugh, Jr.*
- 20** Framing Gender, Framing Work: The Disparate Impact of Traditional HRM Practices 399  
*Mary E. Guy and Jennifer A. Killingsworth*
- 21** Strategic Human Resource Management: Applying Technology to Function 419  
*Carole L. Jurkiewicz*
- 22** Strategic Public Sector Labor Relations and High Performing Workplaces: Confrontation or Cooperation? 441  
*David G. Carnevale*
- 23** Total Quality Management (TQM) and Globalization: Changing Role of Government, Challenges, and Opportunities 459  
*Ali Farazmand*
- Index* 477
- About the Editor and Contributors* 493



## PREFACE

The history of public personnel administration is as old as human civilizations. Indeed, strategic public personnel administration has been in practice for at least 2500 years, if not longer, with planning, recruitment, and development of long-term career professional experts for key strategic positions in government and public administration leadership. Several great ancient civilizations—for example, Persia, China, Assyria, Egypt, and Rome—practiced strategic personnel management systems, some systematically and others unsystematically. An example of a systematic and elaborate strategic public management is what was practiced by the ancient Persian Empire, so famous for its highly efficient and effective public bureaucracy that managed the largest empire the world has ever known.

This was evident in the planning for, and development of, political and administrative leadership elites as well as key professional experts in the ancient world-state Achaemenid Persian Empire that governed virtually the entire known world of the time. In building the historic structure of the palace city complex of Persepolis in the 5th century B.C. that employed hundreds of thousands of workers and technical professionals and engineers, educated women also played a major role as “compensation managers and supervisors” many of whom also occupied key managerial positions in the huge bureaucracy.

Similar strategic positions and personnel were managed in all other areas of the meritorious Persian bureaucracy—from building and running the Continental Royal Highway that extended from Persepolis and Persian Gulf to Sardis, capital of the Lydian Satrapy in the eastern Mediterranean area; to building and managing hundreds of miles long underground irrigation canal systems, *Qanats*; to the construction and management of the Suez Canal (circa 500 B.C.) under Darius the Great. Although the centralized professional bureaucracy of Persia was pushed

into a temporary backseat during the decentralized and yet powerful Parthian Empire for almost half a millennium, meritocracy and professionalism were immediately revived during the successive centralized and mighty Empire of Sasanid Persia that lasted till its fall to Islamic forces in the 7th century A.D.

Throughout these periods, goal-oriented strategic thinking and management characterized the Persian administrative systems and their public personnel administration for over a millennium. The legacies of the Persian strategic administrative system can be easily traced in the impacts and influences they have had on the governance and administrative systems of not only the regional governments of the east but also of the countries of the West such as Rome and Greeks that have inherited lessons learned from the knowledge on ancient Persia.

Ancient Assyria, Babylon, and Egypt prior to being conquered by Persia by Cyrus the Great in the 6<sup>th</sup> century B.C., as well as China and Rome later, also exercised various forms and degrees of practice in strategic thinking and management in governance and administration. These empires did practice strategic personnel administration, albeit unsystematically at times, and their interest in building managerial capacity through strategic personnel development was instrumental in managing major enterprises with success.

Notwithstanding the historical practice of strategic public personnel administration, the systematic study of strategy and strategic personnel administration is a fairly new development in the modern world. Indeed, such a study is only about 50 years or so old if we include the military strategic personnel administration. The more comprehensive and systematic study and teaching of strategic personnel management should be traced in the strategic management and systems theory literatures that have come to the forefront of management in public and private or business administration curricula. We also have to add the military systems in the United States and abroad in the post-World War II era. Indeed, one may argue that strategic thinking and administration has always been a key component of military planning and execution throughout the history. Thus, strategic public personnel administration has been and will continue to be a central function of strategic public administration, governance, and leadership, especially in the changing and uncertain environment of rapid globalization.

The 21st century will be characterized by rapid environmental, technological, demographic, economic, political, and cultural changes that pose serious challenges to governments and public personnel management worldwide. These challenges include growth of the knowledge societies, technological knowhows, transworld and transborder migrations of capital and labor, cyber employments and virtual workplaces, and relentless global pressures for results-oriented performance through outsourcing, networked organizations, and temporary-based human resources loosely joined by virtual places and institutions. Coping with and managing these challenges require new capacity building and development in human capital as a key asset of modern governments and private organizations. There is no escape from these global challenges of the 21st century if

governments are to survive and thrive. Failure to address these and other strategic challenges of the 21st century will only result in disasters and demises.

This book was conceived initially a few years ago, when the world had begun experiencing the massive fallouts of rapid globalization of corporate capitalism worldwide, with profound structural and process impacts of privatization, outsourcing, downsizing, and contracting out of public service and administration. The need for strategic thinking in public personnel administration and human capital development has never been so urgent. Today, strategic public personnel management is a central component of strategic governance and administration in public and nonprofit organizations. Although not a panacea, strategic personnel administration aims to lead organizations into the right directions with needed right people to achieve strategic goals and objectives in modern governance and public administration.

Aside from the above rationale that led to the initial conception of this important book, another impetus served as a major motivation: lack of few or inadequate textbooks with a focus on strategic thinking, development, and management of public personnel administration in the 21st-century governments. This book intends to fill in this major gap, and to hopefully serve as a key textbook that addresses the history, knowledge, policy, management, process, and culture of public personnel administration with a strategic perspective. Without such a strategic perspective, we cannot have a full analysis of the development and function of the field, and gain a clearly balanced picture of public personnel administration in both theory and practice.

This book is not a “how to do strategic personnel management.” Rather, it advances knowledge on the concept, history, organization, management, policy, and politics of strategic public personnel administration and its institutional settings such as civil service and bureaucracy, patronage and career systems. It also addresses a host of other issues that affect the function, behavior, performance, and value or culture of governance and public administration. As such, the book is also an important policy tool for political executives and public administrators in running the machinery of government. It is, moreover, a major primary and secondary textbook in graduate and upper undergraduate public personnel administration/HRM courses in public administration and policy programs worldwide.

This book could not have been accomplished without the genuine cooperation of its contributors. Their preparation, revisions, and last-minute updating of their manuscripts made this book a fresh and most up-to-date textbook on strategic public personnel administration or HRM. My special thanks go to all the contributors. I would also like to thank the publisher Greenwood and its senior editor, Nicholas Philipson, whose patience and cooperation made the book a success. Moreover, I would like my former doctoral student, Jocelyn Fernandez, who provided some assistance in the initial stage of the project. Finally, my appreciation also goes to another of my doctoral students, Rafiqul Islam, who assisted

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Ali Farazmand  
Florida Atlantic University  
March 2006

\_\_\_\_\_ PART I \_\_\_\_\_

**STRATEGIC PUBLIC PERSONNEL  
ADMINISTRATION/HRM: HISTORY,  
DEVELOPMENT, AND TRANSFORMATION**



# **Strategic Public Personnel Administration: A Conceptual Framework for Building and Managing Human Capital in the 21st Century**

ALI FARAZMAND

## **HISTORY, CONCEPTS, AND PERSPECTIVES**

### **History**

Public personnel administration is a historical component of public administration. As such, it is also as old as human civilization, dating back to several millennia, when mass scale public administration projects were carried out. The advent of agriculture and rise of slavery required, and facilitated, the practice of personnel management with different scales. Construction of large-scale public works projects in the ancient time required slaves, semi slaves, mercenaries, volunteers, obligatory laborers, and paid workers, all of whom had to be organized, coordinated, and managed. Selection of different workers, skilled and unskilled, and professional artisans such as carpenters, blacksmiths, accountants, record keepers, inspectors, planners, stone cutters, artists, and the like was not an arbitrary function; it was mostly calculated with instrumental rationality as well as political loyalty.

Construction of the Pyramids in Egypt, of the Suez Canal in Egypt under the Persian rule circa 500 B.C., of the gigantic Persepolis ceremonial capital-city structure in 5th century B.C. Persia, the great Wall of China about the same time, as well as many other huge public projects in Rome, Persia, and elsewhere indicate how human labor and skills were organized, selected, retained, coordinated, and managed to achieve planned and unplanned goals throughout the history of human civilizations. Similarly, the early Sumerian elaborate city planning, the early

Iranian Elamite Empire's strategic planning and construction of underground canal systems, the Persian bureaucracy and administrative system, and the Roman army regimentation demonstrate how human activities were elaborately selected, developed, mastered, and managed with efficiency and effectiveness on a large scale. Recent discoveries show evidence of "women supervisors" serving as managers of the compensation system during the 90-year-period construction process of the gigantic Persepolis superstructure as the ceremonial capital of the first World-State Achaemenid Persian Empire in the 5th century B.C. Thousands of skilled workers, professionals, and functionaries were selected from around the vast corners of the empire to perform the project; their compensation system was a challenging task. The women bureaucrats performed an efficient job of personnel management, many of whom must have served in strategic positions of public administration.

Thus, the history of public personnel administration goes as far back as early human civilizations. Continuity in civil and military public personnel administration is also manifest in the landmark public projects—roads, highways, buildings, bridges, fortifications, palaces, castles, and others—built around the world during the last two millennia.

What is more significant about the history of public personnel is the "strategic" feature of this undeclared and understudied profession within public administration throughout its long history. While supervisory personnel management is very common throughout the history, strategic personnel management has played a key function in recruitment, selection, development, and retention of strategic personnel for key positions or tasks. Thus appears the role of strategic personnel management in the history of public administration. But what does the concept "strategic" mean?

### **Concepts and Perspectives**

By "strategic," I mean at least two principal perspectives: One is the long-term, capital building and development perspective that guides today and tomorrow's preparation through education and training in human resources management for a long-term and results-oriented future performance and organizational behavior. This strategic perspective must be congruent with the overall strategic mission, vision, and plans for building and managing human capital to meet the challenges of the 21st century. It requires broad-based, holistic thinking with visions that consider all sorts of challenges as well as opportunities in the age of accelerated globalization of capital, labor, management, organizational diversity, and virtual as well as space-oriented organizations worldwide.

The second meaning of strategic public personnel administration refers to instrumentally key positions as well as functions and tasks that link the nerve system of operation of an organization in government and nonprofit organizations. All positions and functions or tasks are important to organizations. However, high-performing organizational managers and leaders know—and should know—well

that certain positions and functions or tasks are instrumental to linking strategic performance points of an organization, and this is where preparation for human capital building and management is absolutely essential to manage the highly demanding organizations with increasingly complex and challenging environments in the age of rapid globalization of the 21st century.

In this new volatile environment, every manager and administrator must learn how to ride the high waves of change, develop and pursue vision, manage his/her employees and coworkers, and coordinate human performance activities with skilled leadership, motivation, and equitable compensation. Building and developing such a human capital or asset also requires capacity building in retention and promotion, without which organizational waste and productivity loss are almost guaranteed.

Key to understanding and implementation of these strategic perspectives in building and managing human capital is innovations in flexible structuration concerning organizational authority and decision-making systems, communication networks, coordination, job and position classifications, virtual as well as space-based workplaces, planning and recruitment, and promotion, compensation, and motivation systems. The age of structural rigidity to maintain stability is over, and the new age of the 21st century requires massive "flexibilization." However, like everything else, flexibilization offers its own negative as well as positive effects to public personnel administration systems; it offers opportunities to both management and labor, but it also carries drawbacks and problems to employees and workers.

## **DIMENSIONS OF STRATEGIC PUBLIC PERSONNEL ADMINISTRATION**

There are several dimensions to strategic public personnel administration in modern organizations of governments and nonprofit sectors, as well as private sector corporations. While these dimensions are rather universal across sectors and organizations, there are key features unique to public organizations. These features include partisan politics and patronage systems, parliamentary versus presidential systems, or a combination of the two that define the environmental parameters of personnel systems in governments; legislative and other legal or constitutional requirements or constraints that public personnel managers are conditioned by; and a host of such other issues as gender, race and color, representation, diversity, fairness, and equality, among others. The following briefly outlines some of the key dimensions of strategic public personnel administration in the 21st century.

### **Strategic Planning Dimension**

Strategic planning is a key component of the systems approach to public personnel administration. A systems approach requires several key components, such as advance identification of a vision as well as mission statements, strategic and operational goals and objectives, and strategies to achieve those goals and

missions. Obviously, these coherent ideas are recent formulations and conceptualizations, but the history of strategic management is as old as civilizations and it goes back to the ancient time.

As a key component of strategic public administration, strategic personnel administration was viewed highly for recruitment and development of key leadership and supervisory positions under, for example, the first World-State Achaemenid Empire of Persia during King Darius the Great, who initiated long-term strategic planning and administration as part of his “administrative reforms” around 520 B.C. The reforms were aimed at building and developing administrative capacity suitable to the management of the vast Empire that covered virtually the entire known world of the ancient time for well over 220 years, extending at times from India and Central Asia in the East to North Africa and Southern Europe in the West (Cook, 1983; Frye, 1975).

Gender played a major role in the efficient bureaucracy, and women served as significant compensation system managers during the 80+ years of the construction of the gigantic ceremonial capital of the Persian Empire, Persepolis, involving over 100,000 professionals, artisans, and laborers, not slaves. Persians did not practice slavery since the time of their Founding Father Cyrus the Great, who abolished slavery forever in his 526 B.C. Declaration of the “Universal Charter of Human Rights,” the first in human history. The bureaucracy was staffed on the basis of merit and professionalization of the civil service and personnel system expanded by advance planning and training schools attached to the bureaucracy and public enterprise organizations throughout the Empire (Cook, 1983; Farazmand, 2001; Ghirshman, 1954). We may find similar strategic planning dimension in other parts of the ancient world, such as China and Rome.

Strategic planning envisions a long term plan of reaching where the personnel system desires to be in 10, 15, or 20 years, while outlining clear goals, objectives, and programs by which to accomplish its mission. Strategic public personnel administration of the 21st century must envision a period of at least 25 to 30 years in advance and plan for a sound system of management that has the capacity to anticipate and respond to the needs of a fast changing knowledge society in the age of globalization. This is a big challenge of strategic planning and development. No country in the current world has such a full capacity, and it will be a daunting task that challenges all public managers in the new century. Strategic public personnel planning and management must answer the big questions of “what” and “when” in governance and administration.

### **Structural Dimensions**

Structural dimensions must address the big question of “*where*,” meaning several things that point to the “*locus*” and “*focus*” of modern strategic public personnel administration. First, it means the “location” of the strategic positions in an organization. This is fairly identified by the organizational chart, but not

necessarily always the case, as some positions outside the formal organizational chart gain prominence over time and become central to organizations without being emphasized in their formal structure. Second is the “*focus*” of the subjects or departments and programs that an organizational leadership or legal authority gives them in different times. Focus may change as time and external environmental changes demand; here, flexibility and adaptation become key words in strategic public personnel management.

Third is the structural “*locus*” question of centralization or decentralization of public personnel administration. This is a key strategic question to all governments. Under the traditional systems of administration, a centralized system of personnel management was a universal rule. Many governments still practice this system through a centralized personnel agency in charge of handling all personnel matters for the entire government agencies. It provides coherence, fairness, and a high degree of professionalism, but its disadvantages such as red tape, delay, and poor or lack of timely adaptation to changing environment cannot be overlooked. Very often, highly talented recruits are lost to the labor market due to delays in processing and inability to hire qualified people in time.

The recent worldwide waves of reforms have emphasized “agencification”—not to be confused with my earlier terms of “chainification and outsourcing”—and decentralization of public personnel administration by individual agencies and organizations with great deal of flexibility and managerial discretion to respond to rapid changes and organizational needs. While offering great advantages of adaptability and flexibility, decentralization has a tendency to promote nepotism, conflicts of interests, and patronage of personalism in civil service and personnel systems; it can also promote potential administrative abuse and corruption, and thus hurting the long-term strategic performance of an organization. Centralization or decentralization is an old snake-and-ladder issue, and these two terms have taken their turn over time, as the snake gets tired of staying either on the ground or at the top of the ladder.

### **Process Dimension**

The process dimension must answer the key question of “how” in strategic public personnel administration. This dimension addresses the processes of personnel functions and behaviors leading to expected performance results or outcomes. It include software, hardware, techniques, methods, approaches, systems, procedures, rules and regulations, and many other issues that are central to the “process” of public personnel administration system—processing and transforming inputs into desired outputs. However, the real process of personnel system is dynamic and goes beyond mechanical transformation of inputs into outputs; the process becomes much more synergetic and holistic with dynamic changes of its own.

### **Value and Cultural Dimensions**

Viewing organizations as systems, we find a powerful institutional dimension of cognition, that is the normative value feature that tends to mold and modify the structural and process dimensions of an organization. The value dimension is formed by a multitude of elements such as people, religion, belief, perception, formal policy, and informal habit that never stay stagnant; rather they change and transform dynamically, and by so doing, these attributes form and reform organizational cultures by defining and redefining the basic assumptions organizations live on. The normative values helping shape organizational culture tend to institutionalize as they progress and transform; they give, and take away, legitimacy to policy and administrative actions, hence a powerful institutional dimension of organizations.

Public personnel systems operate in such an environment and carry within themselves the powerful value or cognitive dimension that is extremely important to organizational change, adaptation, and strategic functions of modern governance and administration. Once institutionalized, organization culture is the hardest to change and alter. That is why building and developing a professional, strategic oriented, and representative public personnel system of administration is extremely important to capacity building for national development and long-term modernization programs.

### **Functional Performance Dimension**

This is where action and actual behavior of performance count. Strategic public personnel administration is expected to respond to organizational, institutional, managerial, citizen-driven service expectations and needs at local, national, and now global levels, as most governments are becoming players of the globalization processes one way or the other and must develop capacity to function in this world of increasing globalization.

Strategic personnel administration is tested by its functional behaviors, that is, delivery of expected or desired results and outcomes, from planning and forecast analysis to recruitment, development and compensation, and motivation. Every step in the process of functional performance, whether decentralized or centralized, must be taken with competence, professional criteria, and democratic representation as well as responsiveness, not to particularistic interests but to the broad-based public interests of citizens. This is a functional challenge strategic personnel system must meet in the age of rapid change and globalization.

A key feature of this functional performance challenge is delivery of quality personnel, from operational to managerial, who are expected to perform and produce high quality outcomes and results. As governments are challenged increasingly to perform more like private market organizations in an increasingly volatile and changing environment, "quality" becomes more and more a top

priority to compete and progress or decline and wither away through downsizing, outsourcing, contracting out, and eventual privatization.

### **Organizational Dimension**

Organizational dimension presents an interesting yet challenging task to strategic public personnel administration. Traditional organizations of government were structurally stable and defined goals and environmental predictability. Personnel administration was similarly stable operating in a stable environment full of predictability suitable for forecasting, planning, and recruitment. Personnel systems of modern public organizations in the 21st century is significantly different and more challenging as it is more difficult. Public service delivery organizational systems have become pluralized and their structural features reconfigured toward multiorganizational and network structures with rapidly changing and adaptive capabilities or requirements that must deal with transient and temporary workforces.

To operate in this environment of networked and multiorganizational structure capacity system, modern public personnel administration must be prepared to strategically develop and adapt to rapid changes, yet not lose sight of immediate tasks of operational capacity to deliver effectively and efficiently. One way to build and manage new capacity is to integrate personnel functions system-wide throughout an organization; every department of organizational unit needs to be developed with a strategic human resource capacity management. Every supervisor and manager must be viewed as a strategic human resource or personnel manager regardless of what the departmental or locus is in the organization. Spreading personnel capacity system-wide builds organizational capacity in all areas of personnel and performance. Yet the key strategic function of public personnel administration does not diminish. On the contrary, it becomes a part of the organizational central nerve system that must read the short- and long-term environmental conditions of organizational domains. It must respond accordingly with maximum adaptation and capacity in forecasting, labor market analysis, and more exactly the environment of temporary labor force, “flexibilization” criterion, and other requirements that drive public organizations to act more like private business corporations.

### **Leadership and Managerial Dimensions**

Key to strategic public personnel administration is a sound leadership to manage not only the human capital, but also the entire organization. Leadership is the glue of an organization, and strategic personnel administration is a key part of sound leadership. No organization can exist or operate without a competent cadre of personnel, and managerial soundness requires understanding, appreciation, and proper utilization of valuable human resources that constitute the human capital of the organization, especially in the knowledge society of the 21st century.

The leadership dimension of public personnel administration presents three distinct sub-dimensions: One consists of the two groups of political and career appointees. Political executives' appointment as heads and leaders of public organizations are on the basis of partisan, personal, and political criteria. They are political managers in charge of organizational leadership. Right below them are a cadre of highly experienced, professional civil servants whose longevity in service, expertise, and professionalism afford them invaluable institutional memory so vital to organizational leadership that they become the highest valued assets of public organizations. These two groups of politicians and top bureaucrats are often in conflict due to political and partisan preferences, but their cooperation and teamwork are key to organizational success.

The second subdimension deals with the civil service system, and as an extension of the first, it has to do with the machinery of government. Civil service systems can vary from the American model to its close cousin of the British elitism, to the French bureaucratic and other parliamentary systems with a strong bureaucracy under control of the ruling political party in government. Civil service system is generally on career personnel administration with laws, rules, and regulations protecting public employees from partisan abuse and affording them a degree of independence in policy implementation as well as initiation and formulation. The higher civil servants play a key role in the management of a bureaucracy in government.

The third subdimension of the leadership dimension in strategic public personnel administration is the policy matter that plays as a guiding lever in organizational performance by its personnel. Personnel policy in recruitment, planning, development and training, compensation, promotion, and other functions sets the tone of organizational formal culture and signals values of fairness or unfairness, discrimination or equality, merit or patronage and arbitrary behavior, and representation or exclusivity in public management. It also reflects the priorities and preferences of the governing political leadership of the time.

### **Labor-Management Dimension**

Labor movements and labor organizations have been around for thousands of years. However, officially recognized or legally established employee and worker organizations have gained the status during the long struggles of the last two centuries. Yet, their progress and development has always been marred by employer organized violence, firing, and legislative pressure under probusiness governments of capitalism.

The labor-management dimension of public personnel administration is a very significant part of governance in all societies, as without employees and workers nothing gets done. And wherever there are workers and managers, there are potential conflicts and differences between the two groups. Managers always seek unrestrained absolute discretion in dealing with employees and workers. Workers and employees, however, have their own interests to protect and

promote, interests that range from pay and working conditions to job security and health and retirement benefits.

Without a union organization to deal with the power of management, workers and employees are subject to abuse, manipulation, and exploitation. Thus, public sector management-labor relations presents a strong challenge in personnel administration. This is a more serious challenge when governments are under the pressures of corporate globalization, with massive downsizing, workforce restructuring, and conversion to temporary labor at the expense of a career-oriented workforce.

### **Environmental Dimension**

This dimension of strategic public personnel administration reflects the environmental conditions the system operates in. These conditions include a multitude of religious, political, cultural, economic, financial, and geographical factors and values that influence and affect the shaping and reshaping of organizational and personnel system culture, values, performance, and effectiveness. Public personnel systems operate under local, regional, national, and now global or international environments, each of which presents significant challenges to its structure, process, and capacity to perform.

In today's environment of rapid globalization, changes come fast and challenge personnel systems to adapt to new realities of labor out-migration, immigration, job and capital flight to overseas, technological innovations, and changing knowledge and skill requirements. The world is becoming more uncertain in many ways, and managing human resources in this environment requires strategic vision, ideas, and skills.

### **Technological Dimension**

Technology is a tool to get things done with higher efficiency and accuracy. Technological innovation is key to adaptation and modernization of public personnel administration. Changing technology demands changing structural and process flexibility, with a culture that can welcome new changes. Technological changes also force public personnel managers to abandon traditional routine ways of performance and demand new techniques, methods, soft and hardware systems, and knowledge and skills in managing organizational functions. The Internet system, e-mail systems, and a multitude of other fast advancing forms of technological innovations allow managers and employees to perform with efficiency and effectiveness, while providing them with many opportunities for personal and professional growth and development. Yet, like any technology, personnel administration technologies have their own downsides. Notwithstanding these drawbacks, technological advancements are defining and redefining the environments of organizations worldwide, and e-governance and e-personnel administration systems are developing rapidly around the world.

## ISSUES IN STRATEGIC PUBLIC PERSONEL ADMINISTRATION

Key issues in strategic public administration are many and subjects of multiple volumes of book presentations. They range from social and economic to managerial, political, and legal or constitutional, local and national or global, as well as professional and labor, and the like. Following is a brief account of some of these broad issues.

### **Socioeconomic Issues**

Social issues in strategic public personnel administration raise several important concerns that range from social equity and fairness to class and social mobility and organizational representation to economic status and development. For example, “public” employment of middle and lower class as well as racially and ethnically diverse or disadvantage groups brings into society an element of inclusion and integration that contributes to social mobility. Social mobility in turn promotes potential for raising standards of living, higher income level and tax revenues pouring into government treasury, leading to more resources for economic and social programs of development, progress, and advancement.

The advantages of strategic employment further advances causes for social equity and fairness by contributing to the abridgement of the social and economic gaps that exist in society. An example is the U.S. Postal Service that was established to promote public employment, social equity, and economic development. Creation and operation of most public enterprise organizations (government corporations) have similarly contributed to social and economic conditions of populations and economies. Similarly, gender-based employment strategically removes not only barriers to social mobility and economic advancement of the female population, it may also raise educated female population into higher levels of social representation across public organizations.

Three cases may illustrate how strategically key positions can play a significant social, economic, and political role in public personnel administration in the United States. First is the long-standing struggle of the blacks and Hispanics who constitute a substantial percentage of the population, have historically and systematically suffered discrimination and exclusion from equal opportunities and promotion to important positions of public employment; affirmative action and new attempts to improve their situations have since the 1970s improved their conditions, but they still mostly lack access to key strategic positions in the federal bureaucracy and public administration. The second group are women who, after suffering a long period of similar discrimination and exclusion, have since the last two decades made significant strides toward inclusion and occupation of important positions in par with dominant white males, and indeed, many are positioned in “strategic” positions in most of the public organizations and institutions of higher education; they have passed the earlier stage of “overrepresentation at the bottom” and taken some commanding heights and are able to challenge and even exclude the dominant whites as well as other minorities, especially people of foreign origins.

The third group of people overcoming earlier struggles and potential discrimination or exclusion consists of unspoken and unspeakable people of minority religions, namely Jews, Hindus, Muslims, and others. Of these three subgroups, Jews seemed to have fared a lot better by blending in the mainstream and through extensive political and economic lobbying and organizational power. They have made a remarkable stride in positioning themselves in key “strategic positions” in almost all organizations of governance—legislative, executive, and judicial branches—at all levels of government as well as in nongovernmental, nonprofit, and community organizations, including institutions of higher education and policy think tanks. Once in a key position, they open opportunities for their own potential newcomers and provide powerful legal and network protections toward faith-based representation through seamless neutral competence and expertise in the competition process. Hindus and some other religious groups have also made somewhat fair in public employment and academic institutions, but it is the latter subgroup, the Muslims who have suffered most in the predominant religious-cultural environment of “Judaia-Christianity,” a self-declared alliance of the conservative religious Right that claims self-righteousness and superiority over all other religions.

In the post-9/11 social and political environment, there has also been a de facto “crusade war” (using George W. Bush’s own term) declared against Muslims in public organizations, institutions of higher education, and other organizations across the country. They are now subjected to exclusion and discriminatory practices almost everywhere, and by the white males, women, and “chosen” or preferred people who are in key strategic positions of organizations. In this era of self-declared global clash of civilizations—of the West against East (Huntington, 1993), Muslims often find themselves discriminated against, excluded, and subjected to arbitrary treatments, with doors of opportunities shot at their face. This is done more often rather silently and painfully, with rationality. Coming from a Middle Eastern or Islamic origin means an almost automatic subjection to exclusion and differential treatments.

These examples do not even include the Native Americans who once owned this land but have for over a century been subjected to the caging confinement of “reservations” and virtual extinction. Thus, strategic social representation is a prediction for substantive policy and program representations in government and other organizations of society. Strategic public personnel administration is therefore key to bridging such a huge gap that exists in a country whose political elites claim slogans of democracy and representation but have a long way to go, first to correct the past injustices and undemocratic practices at home and abroad, and then to practice what they preach worldwide. Strategic public personnel administration is a central mechanism through which such unfair and unequal treatments can be corrected in action.

Social representation is strategically significant though not enough in changing the outcomes of public service and administration. However, it does contribute to a change of character of public personnel administration by opening the doors to knowledge and talent development, new managerial capacity, and culture of

administration sensitive to equality and fairness. The higher the levels of organizational employment, the higher the strategic contributions to the values of public personnel administration, public management, and organizational behavior. It also contributes to the normative feature of power relationship that defines organizational leadership and behavior.

### **Managerial and Organizational Issues**

Organizational and managerial dimensions are the two fundamental and most important areas that cover numerous issues of strategic human resource or personnel management in government and nonprofit organizations. Organizational issues define the locus and focus of key positions and people in strategic locations, identify and place priorities in organizational structure and process, and emphasize the importance of culture cultivated through leadership and organizational behavior. The managerial issues develop and evolve functions and behavior that act as glues in the multiple web systems of organizational structure, behavior, and performance. They make things possible, and activate or reactivate the organizational performance engine through strategic personnel administration processes and functions, from planning and recruitment to training and development to compensation and retirement programs or lack of. In essence, organizational and managerial dimensions form the constitution of public personnel administration.

Many issues form this category, and they include structural flexibility or rigidity, location of personnel system in the overall organizational system, staff or line emphasis of personnel functions, coordination and synchronization of external and internal market domains for recruitment and selection processes, politics or merit issues, specialization or generality in knowledge requirement, centralization or decentralization, command and control system, supervision and authority relations, report and accountability matters, cutbacks or growth decision issues, growth and development, and many more. It is these and many other issues that make organizational and managerial dimensions central to strategic public personnel administration.

### **Human Capital: Knowledge and Skills**

We live in an age of human capital development, that is the age of knowledge, skills, and attitudes, all of which constantly define and redefine the structural, process, and cultural/behavioral requirements for an effective and productive personnel management in government. Knowledge means ideas and technologies, and technologies require new skills and training for their acquisition and development. Knowledge then becomes power, but power can become concentrated not necessarily by those possessing the knowledge and skills, but in the hands of those who control the means and organization of knowledge and skills. They are the elites, the power elites who by the virtue of ownership, control, and ability

to make decisions affecting large number of organizations and peoples in society are able to command and control the management of public and private organizations. With the increasing mergers of organizations, shrinking public sector organizations, privatization, and outsourcing public service functions, more concentration of power is taking in the hands of few elites who tend to dominate large number of organizations and determine the future of governance and administration.

Human capital development and management then becomes key to progress, decline, growth, performance and productivity in public and private organizations. New human capital requires new knowledge management skills, skills that are needed badly to envision, plan, and develop ideas for organizational innovation and productivity. Knowledge management demands investment in human capital building, development, and management, especially in the age of globalization characterized by rapid change and culture shocks. The new culture demands new attitudes that make or break performance and productivity standards. Human capital and knowledge management are needed in all areas of technical, intellectual, service, and operational areas, and at all levels of government from local to global. Complex environments require complex organizations, knowledge base, and management.

### **Legal and Constitutional Issues**

Legal and constitutional dimensions create and define issues that are borne out of the labor management relations, individual rights and responsibilities, laws and regulations that govern employee relations, an organizational interaction with its environment. The constitutional concerns of discrimination, liberty, freedom of speech and expression, privacy, due process, fairness, equal rights and treatment, discrimination, and many other related issues that affect the working environment and functions of public personnel management.

Strategically, these and other related legal and constitutional issues require special knowledge development and competence by application, an essential basis of legal competence not only for current but also future performance in public personnel administration. They demand capacity building in today and tomorrow's public personnel management in the categories of specialist and generalist functions of personnel, managerial and operational, and technical and service areas.

### **Merit and Professionalism**

Merit and meritocracy are the core values of any effective strategic personnel administration. Merit systems ensure the identification, recruitment, selection, and development of right human capital, with knowledge, talent, and skills that are needed to perform specialized and general functions of an organization. These attributes form the basis of professionalization of personnel administration and

organizations within which it operates. Professionalization of personnel administration promotes professionalism with standards of excellence, ethical norms and values, and performance quality in public and private organizations.

The issues of merit and professionalism define the central values of efficiency and effectiveness of a public personnel administration system. They have at the same time become the center of academic and political debates in governance and administration worldwide. Merit values can clash with the values of representation and fairness in a broader context of society, where different groups and classes of citizens with disparate educational and knowledge bases seek representation in the government bureaucracy and market organizations for employment and opportunity for social and economic mobility but lack necessary skills and qualifications to compete with well-to-do and better educated workforce. Merit and professionalism may also conflict with political values of partisan and ideological demands for control and command, change, and particularistic group interests. Thus, merit and professionalism cover a wide range of issues with far-reaching consequences for governance and public administration. They form strategic issues of public personnel administration, primarily concerned with values of efficiency, effectiveness, and broad-based “public interests.” They also promote representations and democratic values through adherence to excellence in quality performance, professional standards, and ethical and accountability criteria.

### **Politics and Patronage**

A central issue of all civil service systems is the extent to which politics and patronage play a role. Politics reflects not only the policy preferences of the time, but also the personal and partisan and a host of institutional, organizational, managerial, ideological and other forms of politics. However, the most important issue of politics in civil service is patronage as opposed to merit and professionalism noted above.

All civil service systems carry with them a degree of patronage, or running a bureaucracy with personal and partisan criteria, from recruitment to development to promotion and retirement. This issue of patronage has been the subject of numerous studies, books, and debates in governance and public administration. Should meritocracy and professionalism guide the organization and management of governance, or patronage and politics be the criteria? Patronage was pervasive as the dominant model of administration during the 19th-century American federal government. It produced the spoils system with massive corruption, which in turn led to the reform movement and the enactment of the U.S. Civil Service Reform Act of 1883. The Act aimed at abolishing corruption and replacing the patronage system with a merit system for efficiency and professional effectiveness.

After several decades of progress in professionalism and meritocracy in the civil service, the federal bureaucracy became the subject of a renewed wave of patronage during the Reagan administration in the 1980s, a decade of massive

practice of patronage at all levels, too often rationalized for policy and partisan purposes. Patronage has taken a new twist in George W. Bush's presidency by appointment of individuals with questionable qualifications for the jobs or agencies they are expected to lead. An example of this problem has been the disastrous and scandalous case of handling of the Hurricane Katrina disaster in New Orleans that led to massive policy and administrative failures on the part of the Federal Emergency Management Agency (FEMA) under Michael Brown, a close friend of Bush by virtue of financial campaign contributions. As this book is being prepared for production, a whole series of federal government failures, specifically of the Department of Homeland Security (DHS) under Chertoff, is being investigated through Congressional Hearings. The issue has gone beyond an agency failure and has touched the largest bureaucracy of the world in America, DHS.

A political scientist, Charles Jones (1984), once noted, "the causes of policy failures are, at root, political" (p. 1). Yes, when politics, not professional qualifications, guide a professional agency like FEMA in the face of disasters, the result often is disaster itself, produced by mismanagement and leadership crisis, especially at the federal level where all the institutional and logistic capacities were available but not utilized due to political failure.

### **Ethical and Accountability Issues**

Almost anything done, or not done, in government has ethical and accountability implications. Ethical issues arise when conflict of interests, bribery and embezzlement, and nepotism and favoritism, among others, are practiced and tolerated without impunity. Accountability is a safeguard against corruption, but its violation or unaccountability in decision making, policy initiation, and implementation occur when policymakers and administrators are not held accountable for their actions or inactions that cause harm or destroy public trust.

After almost 2 years of the invasion of Iraq, the CBS *60 Minutes* (Sunday, February 12, 2006) program reported that over \$8 billion of U.S. federal money given to friendly corporate contractors was totally gone and unaccounted for. Ethical and accountability issues, therefore, are central to good and sound governance and administration; they transcend civil service and all governmental processes. Ethics, accountability, and transparency along with responsibility constitute central principles of good and sound governance and administration; they often are in short supply in practice, including in self-declared democracies—or rather plutocracies—like the United States, where secrecy and unaccountability are easily rationalized under security pretexts.

### **Labor/Union-Management Issues**

Labor-management relations have been the subject of contention between employees and workers on the one hand, and employers or managers on the other hand, ever since the ancient times. With each side seeking to maximize its own

interests, the process often leads to confrontation, disputes, and at times even violence. With the rapid changes through sweeping privatization and outsourcing strategies to the degree of attempts to dismantle a century-long tradition of labor gains through struggles, and now with the full swing process of corporate globalization, the labor/unions are being pushed to the corner again and forced to losing many if not most gains they had acquired for over a century.

We will expect a return back to the practices of the medieval age, indeed worse than that age. Unlike the medieval feudal or slavery ages, where the masters and slave owners had the obligation of providing the basic subsistence of food, shelter, and security to their servers and slaves, the modern globalizing social order of corporate capitalism does not see any such obligation, moral or otherwise. Under the new order, everyone is expected to fend for himself or herself in the jungle of the market system. Yet, despite this new “market absolutism,” the labor cannot be reduced to a totally “disposable commodity” for the sake of profit. New skills and knowledge are needed in the knowledge society, and knowledge management needs trained labor/employees to run the business of government and private organizations. Thus, the issue of labor will persist with contention.

### **Technological and Other Issues**

Technological issues pose a serious challenge to public personnel administration, as innovations and advancement constantly require new knowledge and skills, as well as financial capacity to acquire them. Technological issues present both positive and negative challenges to personnel systems, freeing labor forces from hard work, while causing at the same time potential for work-related incidence of injuries and illness as well as displacements through downsizing and loss of job security.

Aside from the select issues outlined above, every stage or step taken in the process of personnel administration, in both government and business enterprises, raises many other critical issues. These include human resources planning, recruitment, selection, training and development, placement and evaluation, rewards, benefits and pay, disciplinary action, and more. And at each of these stages, all issues outlined above immediately appear and play a major role, such as patronage or merit, ethics and accountability, social and economic consideration, fairness and equal rights, etc.

These crosscutting issues transcend the entire public personnel system, and strategically define or redefine its process and outcome. Yet recruitment, development, and performance of qualified employees in the age of knowledge management is crucial, a subject of numerous studies and debates.

### **Globalization and Global Issues**

Globalization and global issues have been redefining almost everything the worlds of government and administration have experienced so far. The mega changes and

consequences these changes of globalization—a process through which world-wide integration is taking place economically, politically, and socially—are producing is beyond the clear imagination of any manager or politician. The consequences are serious, and the need for a strategic public personnel administration with a new capacity to look into the horizon and produce competent personnel and managers that can strategically guide the ships of progress and development in the high tides of change that affect government and nonprofit organizations in the age of rapid globalization has never been so great. Thus, globalization raises numerous issues and concerns for effective management of strategic public personnel administration. Indeed, globalization sets the broadest possible context in which the new, strategic, public personnel administration must operate.

### PLAN OF THE BOOK

This book is organized into four parts and twenty-four chapters. Each part carries several chapters under a common theme, and they all contain freshly presented material with the most up-to-date information and data on strategic public personnel administration. While some chapters focus on the personnel system in the United States, the overall tone of the book has universal application in mind regardless of cultural boundaries. The aim is to present instructional material that serves graduate and undergraduate classrooms, teachers, students, researchers, policymakers, public personnel practitioners, analysts, and consultants worldwide.

Part I covers seven chapters on historical, conceptual, and meanings of strategic public personnel administration. Specifically, Chapter 2 by a leading scholar of the U.S. civil service history, Paul Van Riper, sets a historical background of public personnel administration in the United States. Chapter 3 provides a new perspective on strategic personnel administration in government and nonprofit organizations; this is done by another public personnel scholar, Donald Klingner with an associate Gamal Sabet. In Chapter 4, Steven Ott and Lisa Dicke present accountability challenges that face public sector personnel managers in an era of downsizing, devolution, diffusion, and disempowerment.

Chapter 5 is a thorough analysis of making the transition to strategic human resource management; this is done by yet another expert scholar, Steven Hays. In Chapter 6, Marc Holzer, Hedy Isaacs, and Seok-Hwan Lee offer an interesting discussion of the context and strategies for productive human resource management in the 21st century. In Chapter 7, another leading scholar of public personnel management and organizational behavior, Frederick Thayer, challenges us all by arguing that “government does strategic planning while pretending it does not.” He is right on target and his challenge needs to be taken seriously, as often students, scholars, and practitioners are given the impression that strategic “planning” is a socialist idea and not practiced in corporate America. Obviously, such an impression is a false idea and must be cleared. Finally, in Chapter 8, Ali Farazmand presents an in-depth analysis of innovations in strategic human

resource management for building capacity to meet the challenges of the globalization age.

Part II deals with bureaucracy, civil service, and politics, with five chapters covering several key issues that define the character of public personnel systems in all times. In Chapter 9, Robert Maranto argues for politics and patronage in public personnel management in the United States, leaving little doubt about its drawbacks. Chapter 10 is presented by Sally Selden, who makes an argument for ending civil service paralysis through a discussion of the emerging practices and trends in state personnel management systems. This is followed by a “modest proposal” in Chapter 11 by William Murray and Gary Wamsley, regarding political appointees to solve the current crisis of the U.S. civil service and personnel management. Finally, in Chapter 12, Ali Farazmand presents a strategic analysis of civil service reforms in the United States in an historical perspective, from past to the present, with future directions and implications for education and training. This is a political economy analysis, with implications for winners and losers, management and labor, and theory and practice.

Part III covers a number of topics and dimensions of organizational behavior and strategic public personnel management in a broad-based perspective. Five chapters present burnout, job mobility, high performance work teams, performance appraisal, and ethical concern of conflict of interests of off-campus consulting activities of public administration and affairs faculty. Specifically, Chapter 13 by Robert Golembiewski and Thomas Myers offers an interesting discussion of how phase model of burnout as leverage in meeting “future forces” that challenge human resource development and management across cultures.

In Chapter 14, Lois Recascino Wise and Barbara Lamb offer an analysis of “job mobility assignments” as mechanisms for human resource capacity development. Chapter 15 by Michael Klausner presents an important discussion of high performance teams and their role in strategic public personnel administration. Chapter 16 by Behrooz Kalantari is also an interesting discussion regarding the linkage between performance appraisal and organizational strategic planning in public personnel administration. Finally, in Chapter 17, James Bowman and Carole Jurkiewicz challenge all academic scholars and teachers with their powerful discussion of how conflict of interests and ethical dilemma can develop when on-campus faculty of public administration go town as off-campus consultants to corporate business organizations and government agencies.

Part IV covers six chapters dealing with a wide range of important issues and trends central to public personnel administration. Chapter 18 by Jack DeSario and James Slack presents a powerful argument regarding new challenges facing public personnel administration, namely the issues of equal opportunity, affirmative action, and the Constitution. Discrimination and violation of individual rights are key issues of concern in workplaces all over the United States and around the world. In Chapter 19, Lloyd Nigro and William Waugh, Jr. present a significant perspective on workplace violence and human resource management in the

United States. Security and individual safety is at issue here, and the authors offer a very good discussion of how to prevent and manage workplace violence.

Chapter 20 focuses on gender. Here, Mary E. Guy and Jennifer Killingsworth offer a persuasive argument for gender-based equality and equity in workplace organizations, and against the disparate impacts of traditional human resource management practices in the United States. In Chapter 21, Carole Jurkiewicz argues for application of new technologies to functional purposes of strategic public personnel management. Chapter 22 deals with public sector labor relations and unions. Here David Carnevale offers a very important and lengthy analysis of strategic public sector relations with different approaches of confrontation and cooperation across high performance workplace organizations. Finally, Chapter 23 by Ali Frazmand offers a lengthy analysis of the current worldwide trends of Total Quality Management (TQM) and globalization, with a focus on the changing role of government, challenges, and opportunities that they can present to public personnel managers, government executives, and ordinary personnel. The chapter also offers what governments should and should not do in the age of globalization.

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## U.S. Public Personnel Administration in Historical Perspective

PAUL P. VAN RIPER

Enduring governments have always had organized civil service systems. This is the basic thesis of Max Weber's famous essay on the importance for governmental survival of a bureaucratic structure, recruited for expertise, and functioning within rules and regulations based on law.

That is, the governmental administrative systems of the great empires of the past—Mesopotamian, Chinese, Indian, Persian, Roman, Byzantine, and Turkish—had much in common. For the Western world this experience was lost during the feudal fragmentation of the Middle Ages. The creation of modern administrative systems and their permanent civil service staffs came with the development of the sovereign nation state in Western Europe during the 16th and 17th centuries. As Leonard D. White concluded in his 1930 study, *The Civil Service in the Modern State*, "Richelieu in France, Henry VIII and Elizabeth in England, and the Great Elector (Frederick William of Brandenburg, later Prussia) are among the chief architects who reconstructed the concept of the state, of office, of civil life and of permanent officials out of the debris of the feudal system."

This evolution came in three stages. Under the monarchs there had arisen by 1750 an embryonic administrative system plus the beginnings of a permanent corps of officials to manage it. Then, as the royal systems were converted into constitutional institutions responsible to parliaments and politicians, the civil offices became "the patronage" and pawns in partisan, often corrupt, political power games. In a third and modern stage, political reform brought with it the concept

of a civil service merit employment system embodying the three ideas of tenure, partisan neutrality, and open competition.

Such developments came to full fruition earliest in England, followed by France and Germany, the nations whose experience would set the example for much of the rest of the world. Most of the older nations have gone through such a cycle, as are many of the new nations now.

Following experimentation in India by the British East India Company, the merit system became a reality in Britain itself through the creation in 1855 of an impartial board called the Civil Service Commission, to supervise open examinations on a limited scale. Then an 1870 Order in Council gave the Commission full jurisdiction over examinations for most entry positions. With tenure in office and political neutrality already established, this completed the British pattern, which soon became a model for the United States.

The U.S. civil service system, in turn, has derived from a complicated set of foreign and indigenous influences. Formed by an amalgam of constitutional interpretation, partisan political practice, mid-19th-century British civil service reform, and a cultural predisposition for an open mobile society, the modern U.S. system of public personnel administration—and it is very much a system—has ended up unique in the world of governance. There have been a few influences from U.S. private enterprise and the military, but these have been distinctly secondary.

One last introductory note: this historical review deals largely with personnel administration at the federal level. This is justified because federal, state, and local governmental personnel systems in the United States have almost all derived from the same source, the civil service reform movement of the late 19th century. The principal lasting product of this movement was the federal Pendleton Act of 1883. This became a model for subsequent personnel reform efforts at all governmental levels.

## TERMINOLOGY

The French word “personnel” came into English usage in the 19th century as a noun roughly synonymous with “employees.” However the term “personnel management” is a 20th-century invention not widely used in either public or private circles until after World War I.

During the 19th and into the early 20th century, the phrase “civil service reform” denoted the emergence of a personnel management function within U.S. civil governments. Within U.S. industry, an embryonic personnel function was first known in the late nineteenth century as “welfare work.” By the first decade of the 20th century this had been transformed into “employment management.” As late as 1916 an entire issue of *The Annals* (Vol. 65) was devoted to industrial employment management, with no reference whatever in the text to the term “personnel.” The military G-1 (personnel) staff function was a product of World War I

(Hayes, 1978; Nelson, 1946). Before then personnel functions in the uniformed military were viewed merely as normal aspects of command management.

In the United States and perhaps the world, apparently the first use of the word “personnel” to characterize any separate and distinctive managerial function is found in the annual report of the U.S. Civil Service Commission for 1909 where a heading refers to the “Personnel of the Commission” and a brief report from the Postmaster General is titled “Personnel and Salaries.” In the Commission’s 1910 report there is reprinted a document prepared by the Secretary of Commerce and Labor, titled simply “Personnel,” and the managerial concept of personnel was here to stay. From there the term gradually permeated private industry and the military during and after World War I.

A half century later there was still another terminological shift. Within private industry by the 1970s the phrase “human resources management” began to replace personnel management as the preferred term. Thus far, however, the new term has been slow to be accepted within civil government or the military.<sup>1</sup>

### CONSTITUTIONAL INFLUENCES

The most pervasive constitutional influence affecting U.S. public administration at all levels, and especially public personnel management, is that of the separation of powers. The general, overall consequence is that all U.S. public administration is controlled by at least two bosses—one executive, the other legislative—and sometimes a third, the courts. It is this lack of unity of command that is the pivotal factor differentiating public from private administration in the United States, including personnel. In private enterprise the personnel director is responsible solely to the Chief Executive Officer. In U.S. governments the personnel officer is responsible not only to a chief executive, but also must enforce many legislative regulations on a boss (e.g., Hatch, wage and hour, loyalty and security, etc., and acts), must advise employees on appeals procedures (often against a boss’s actions) and, if in doubt, is expected to respond in terms of the public interest.

There are many consequences of the separation of powers, but two need discussion here not only because of their special relationship to the personnel function but also because of the great political as well as administrative importance frequently associated with their changing interpretation and development through two centuries.

The Constitution vests the bulk of the appointment power in the President, though for inferior officers, Congress may authorize appointments by department heads or the courts. However, only Congress can create or abolish offices, provide the essential perquisites of pay and allowances, and establish hours and conditions of work.

Potentially more limiting on the President’s power of appointment is the Senate’s authority to advise and consent on nominations, a practice unknown elsewhere in the world except in Latin America where constitutions have been

patterned after that of the United States (Harris, 1953, vii). Deriving from the 18th-century efforts of popularly elected colonial legislatures to control the patronage of royal governors, the system was carried into the Constitution of 1789 (Savelle, 1942, 354–355). By mid-20th century more than 26,000 civil and nearly 100,000 military offices were involved. With the removal of postmasters from confirmation by the Postal Reform Act of 1970, the civil group has been reduced to under 2,000 (Senate Print, 1992, 102–509). Fortunately for the President, the Senate has rarely turned down nominees, but the requirement of consultation plus an executive need for legislative support has at times resulted in considerable partisan patronage. This was especially true during the Great Depression of the 1930s when there was 10 to 20 percent unemployment and great pressure on legislators to find jobs for constituents.

The most uncertain legal question about appointments was faced in the mid-19th century on the issue of the constitutionality of civil service reform itself. The matter came to a head when in 1871 Congress passed a one-paragraph rider to a sundry appropriation bill authorizing President Grant to appoint a board to operate a selection system and advise him of qualified candidates for appointment. Grant in fact appointed what has become known as the First Civil Service Commission, which functioned between 1871 and 1875, when Congress refused more appropriations.

However, this first commission did not feel it could proceed until it received an opinion from Attorney General A.T. Akerman as to the constitutionality of its being inserted in the appointment process between the appointing officer and the actual appointment, with, in effect, the power to veto consideration of large numbers of persons. Viewing the matter as “a question of degree,” Akerman wrote that “though the appointing power alone can designate an individual for an office, either Congress, by direct legislation, or the President, by authority derived from Congress, can prescribe qualifications, and require that the designation shall be made out of a class of persons ascertained by proper tests to have those qualifications,” as long as the appointing power “would still have a reasonable scope for its own judgment and will” (1871, 516, 525). In effect, Akerman’s opinion still governs. A byproduct has been that the well-known “rule of three” derives more from constitutional necessity to give an appointing officer “reasonable scope” for choice than from any notions of good administration. The Constitution of 1789 was even more obscure on the power to fire—the removal power—in that the document is silent about removals except by impeachment. This prompted the first debate in the first congress of 1789. The question was whether the President should have an unrestricted power of removal or whether the removal power should parallel that of appointment and be subject to senatorial confirmation. Finally, a bill creating the first federal agency, a Department of Foreign Affairs (now State), and granting the president an unrestricted power of removal as incidental to the general executive power, was passed, but only by Vice President John Adams breaking a tie vote in the Senate. However, the matter was not permanently settled until the post-Civil War Radical Republicans sought to reverse the

so-called “decision of 1789” through the enactment of the Tenure of Office Act of 1867, which required senatorial confirmation of many removals. The failure of the Radicals by the narrow margin of one vote to impeach President Andrew Johnson for flouting the act left the President’s removal power not only intact but greatly strengthened.

Indeed, the question then became: Was there no possible limitation on the executive removal power? Late 19th-century civil service reform and the Pendleton Act of 1883 did not depend on any limitation of the removal power. If the “front door” to appointment was closed by requiring prospective appointees to pass an examination, then the “back door” of removal could be left open and unguarded. During the course of the debate on the Pendleton Act, Senator George F. Hoar, a Massachusetts Republican, noted that the measure “does not assert any disputed legislative control over the tenure of office. The great debate as to the President’s power of removal . . . which began in the first Congress, . . . does not in the least become important (in) . . . this bill . . . It does not even . . . deal directly with the question of removals, but it takes away every possible temptation to improper removals” (*Congressional Record*, 1882, 274).

But the continued punitive use of the removal power for both partisan and antiunion purposes brought the civil service reformers to push in the 1890s for better tenure protection. President McKinley responded in 1897 with an executive order requiring “just cause” for removal from that part of the civil service covered by Pendleton Act appointment procedures and known as the “classified service,” with reasons to be given in writing and the right of the employee to make a written reply. But no hearing was required and there was no penalty attached. Even this mild protection evaporated under Theodore Roosevelt, only to return under President Taft who found himself in conflict with both Congress and the labor unions for not only continuing Roosevelt’s famous “gag orders,” preventing civil servants from testifying before Congress except through department heads, but also for allowing use of the removal power, notably in the Post Office, to help break the growing strength of postal unions.

Finally, a combination of congressional retaliation and national labor union agitation led by the American Federation of Labor on behalf of the postal unions, in a context of the growing power of Progressive political strength, resulted in the passage of the Lloyd—LaFollette Act of 1912. This embedded in law the mild McKinley removal process; ended the Gag Orders by allowing civil servants, either individually or collectively, to petition Congress and congressmen directly; and authorized postal employees to join unions and to affiliate these unions with the national labor movement. Interpreted to authorize unionization throughout the federal service, this portion of the act provided a base for federal civil service labor policies for the next half century.

The Lloyd—LaFollette provision for federal labor unions proved effective, but that governing removals did not. Under a developing doctrine of public employment as a privilege and not a right, the courts consistently refused to intervene in removal cases and pass on their merits. Labor historian Sterling Spero has

concluded that by the 1920s “the guarantees of the Lloyd LaFollette Act thus become mere moral remonstrances, unenforceable if the employing authorities choose to circumvent them” (1948, 43).

This conclusion was underscored by Chief Justice Taft in 1926 in *Myers v. United States*, which involved a postmaster appointed by the President with the consent of the Senate, who was summarily removed before the completion of his term of office. Upholding the removal, ex-President Taft implied an almost unrestricted power of removal as a prerogative of the President’s general executive power.

Nevertheless, Lloyd–LaFollette authorized the Civil Service Commission to request a record on removal cases and it could report on the adequacy of the procedures involved. It created a Board of Appeals and Review in 1930, but it was not until the Veterans Preference Act of 1944 that there were any enforceable provisions supporting tenure for any civil servants, and then only for veterans. Within another 5 years veterans were able to obtain amendments to the act of 1944 giving the Civil Service Commission real enforcement powers and authorizing the award of back pay. Theoretically, such limitations might have been contested, but only Presidents might have effectively done so, and post–World War II presidents have seldom opposed the veterans lobby. Finally, in 1962 President John F. Kennedy applied the veterans’ preference procedure fully to nonveterans and established an appellate system within agencies by executive order, supported in turn by several pieces of legislation (Case, 1986). There was, of course, no question about the President’s authority to limit his own power. However, the climate of political and judicial opinion had changed greatly since the 1920s. There were great advances in labor legislation beginning in the 1930s, which produced unemployment insurance and the social security system, both eventually applied to civil servants. The rights-privilege distinction concerning office-holding was disappearing in the courts by the 1960s, and a liberal Supreme Court was breathing new life into the freedom of speech clause in the Bill of Rights. There were notable consequences for public personnel administration, among them a resolution of the historic controversy over the removal power.

This came in the Civil Service Reform Act of 1978. While it did not change the basic nature of the federal personnel system, it removed all doubt about Congress’ authority over removals. The largely permissive Pendleton Act and its executive orders were superseded by mandatory law, and much of the authority wrested from Congress by the first President Johnson was quietly handed back by President Jimmy Carter when he signed this reform statute a century later. That is, there was no longer any argument over the power of Congress to protect the tenure of civil servants who were veterans or who had been hired through merit system procedures.

But it remained for the final blow to the executive power of removal—this time at all levels of government—to come in the form of a most unexpected Supreme Court decision in 1976, *Elrod v. Burns*. As an infringement on the First Amendment’s guarantee of freedom of speech, removals for partisan political

reasons were declared unconstitutional even when applied to offices, which had been considered legitimate patronage since they were created. That is, traditional political patronage, unquestionably legal for two centuries, was suddenly outlawed everywhere with the single exception that the decision did not apply to policymaking posts. Chief Justice Burger's dissent expressed outraged disbelief and no one thought the court really meant it until it was reaffirmed several times. The Court then even expanded its antipatronage position to forbid any personnel action based on partisan political considerations. Indeed, the change was so unexpected and complete that the patronage driven government in the state of Illinois soon found itself almost without any personnel system at all (Katz, 1991).

### PRE-PENDLETON EMPLOYMENT SYSTEMS

All through the 19th century employment was a normal and ordinary part of general management, primarily involving record keeping. Until the 1920s this function fell under the purview of the then all-powerful Chief Clerks of the departments and agencies, sometimes assisted by "appointment clerks." The duties of the Appointment Clerk of the Department of Agriculture in 1897 have been summarized as follows: assisted by two more clerks, it was his duty

... to prepare for the signature of the Secretary the documents effecting all appointments, promotions, reductions, transfers, furloughs, and resignations for the entire Department; to maintain a biographical record of each employee; to conduct the business of the Department with the Civil Service Commission; and to advise the Secretary on the application of the civil service law, rules and regulations; to keep records of all transactions of his office, and to brief and file all documents relating to the work thereof. (Stockberger and Smith, 1947, 83-84)

Except for the reference to the Civil Service Commission, this job description would have covered the typical personnel record keeping work of Chief Clerks' offices for the previous century. However, employment attitudes varied considerably during these years.

The relatively stable civil employment in the U.S. federal government between 1789 and 1829 is well known. The patronage exploitation of the royal colonial governors was still a vivid memory. There was no formal merit system after 1789 but employees of character and competence were generally sought as Presidents endeavored to set the new nation on a firm foundation. The system was even pointed to in England as an example of what might be done to reform the civil service system of George III, known as "The Old Corruption" (Finer, 1952, 329).

Nevertheless, the system began to deteriorate soon after 1800. Believing in a fair division of the offices between the major parties and observing that vacancies "by death are few, by resignation, none," President Thomas Jefferson concluded, "Can any other mode than that of removal be proposed?" (Padover, 1943, 518). He as much as President Andrew Jackson can be associated with the early stages

of the notorious spoils system which was in full sway by the late 1830s. Again, this story is well known.

Even before the Civil War there was great concern about the growing corruption associated with wholesale patronage. But the best reform measure that the Jacksonian Democrats' Whig opponents—including Clay, Calhoun, and Webster—came up with was a proposal to reverse the decision of 1789 and subject removals to the approval of the Senate. This became known as the Whig theory of civil service reform. It was never attempted except in a mild form when the Confederacy included the following in its Constitution of 1861:

Art. II, Sec. 2, Cl. 3. The principal officer in each of the executive departments, and all persons connected with the diplomatic service may be removed from office at the pleasure of the President. All other civil officers of the executive departments may be removed at any time by the President, or other appointing power, when their services are unnecessary, or for dishonesty, incapacity, inefficiency, misconduct, or neglect of duty and when so removed, the removal shall be reported to the Senate, together with the reasons therefore.

This went in the direction of the Lloyd—LaFollette Act of 1912, but there has been no study of the effectiveness of the Confederate provision (Van Riper and Scheiber, 1959, 458).

### PENDLETON ORIGINS

Serious efforts to reform the U.S. federal civil service had to await not only settlement of the removal controversy but also the invention of a more effective reform measure than legislative confirmation of removals. Both requirements were met not long after the Civil War. The failure of the Andrew Johnson impeachment made it impossible to activate the Whig solution. Meanwhile, in both the United States and abroad the concept of qualification through examination was slowly gaining acceptance.

The use of examinations in the U.S. public service first developed in the military. The Gilmer Committee of the House of Representatives reported in 1842 on “the advantage of preliminary examinations . . . cadets, midshipmen, and applicants for appointments as surgeons in the Army and Navy have for years been subject to this test. The Committee has no doubt that the application of the same principles in the original appointment of clerks would be attended with beneficial results” (Titlow, 1979, 138). Under the auspices of Senator Robert M. T. Hunter of Virginia, later Confederate Secretary of State, a law of 1853 required passage of a modest qualifying test known as a “pass-examination” for clerical appointments and promotions. The examinations were to be given by departmental boards. Intermittently enforced at departmental discretion, the statute,

enacted 2 years before a similar British requirement, remained in effect until superseded by the Pendleton Act of 1883 (Van Riper, 1958, 52–55).

This 1853 law suggested another approach to civil service reform: that testing could be used in conjunction with the patronage, to weed out incompetents but not otherwise interfere with appointments. But the Civil War intervened and the patronage itself came under full-scale attack. The 1850s experience also made it clear that lasting reform could not be left in the hands of department heads alone. There needed to be a central focus for policy and control.

By the late 1860s the British version of civil service reform was well under way and had begun to be known in the United States. Reform measures introduced by Sen. Charles Sumner of Massachusetts in 1864 and Representative Thomas A. Jenckes of Rhode Island in 1865 and 1867 were based on the British concepts of competitive entrance examinations administered by an independent Civil Service Commission, followed by partisan neutrality in office. There was considerable support for these ideas and they provided a base for later developments. Meanwhile, they were overshadowed by the bitter conflict over the Johnson impeachment.

There were, of course, other foreign models to consider—French, Prussian, Persian and Chinese, for example—and there were reports to Congress about all of these. But the primacy of the British example in the minds of U.S. reformers is clear. Sumner, Jenckes, and George William Curtis, the developing leader of the reform movement as a pressure group, all were in voluminous correspondence with their counterparts in Great Britain, especially Thomas Macaulay, generally recognized as the inventor of the British type of civil service reform, and Sir Charles Trevelyan, leader of the British reform group. Moreover, there was the English cultural connection and the major elements of the British reform system met U.S. needs.

Feeding on patronage scandals, the reform movement gained momentum. After Republican reverses in the congressional elections of 1870, even President Grant came out for reform in his second inaugural. However, patronage strength and the failure of the reformers to focus on a single proposal led to defeat of the more encompassing bills. Nevertheless, a one-paragraph rider approved by Grant was tacked on to a sundry appropriation bill approved on March 3, 1871 permitting, as noted above, the creation of a civil service agency by executive order, known today as the First Civil Service Commission.

This permissive statute, avoiding any controversy over the appointing power, authorized the President to set up rules for entering the civil service and for ascertaining the fitness of candidates. To the surprise of nearly everyone, Grant took the law seriously. He appointed a commission of seven members and designated George William Curtis, the leading reformer, as chairman. New rules based on British experience were developed for competitive examinations, which were given on a limited basis in Washington and New York. Congress provided modest

funds and the first presidential staff agency was in being. Many of the precedents for modern public personnel procedures derive primarily from the 1871 law and only secondarily from the Pendleton Act 12 years later. As Lionel Murphy, author of the principal study of the Grant Commission, reminds us:

Much of the terminology and many of the concepts employed in the proceedings, reports, and other records of the [Grant] commission still prevail. Among these are: "Civil Service Commission rules," "application," "test," "grade," "eligible," "ineligible," "register," "military preference," "position," "vacancy," "apportionment," "probation," "promotion," "classification," "superannuation," "political assessment," "pernicious political activity," "boards of examiners," "ratings of 70 per cent," "three highest eligibles," "policy deciding officials," "certificate," and many others. (1942, 322)

Dorman B. Eaton, a wealthy New York attorney in whose living room the National Civil Service Reform League was founded, succeeded Curtis as chairman of the Commission. The new system did not please many politicians, however, and Congress withdrew appropriations by 1874. Grant did not abolish the Commission but revoked its rules in 1875 and operations were suspended. Nevertheless, the First Commission demonstrated that civil service reform on the British model could work.

The origin of the Pendleton Act of 1883 in the wake of the Grant scandals, the disputed election of 1876, the assassination of President Garfield by a disappointed office-seeker, and the rise of civil service reform to a major national issue is well known. Less understood is the unique role played by Dorman B. Eaton. After he had been chairman of the Grant Commission, he played a main part in the transference of British experience to the United States. In 1877 President Hayes asked Eaton to make a special study of the British reform since 1850 and report back to Hayes. Eaton spent the summer and early fall of 1877 in England. On return, he gave his findings to Hayes and then concentrated on writing a book, which was published by Harpers in 1880 under the title of *Civil Service in Great Britain*, with considerable sales of both hard cover and paperback editions.

In 1880 the distinguished Democrat and former vice-presidential candidate, Senator George H. Pendleton of Ohio, introduced a new reform measure based on previous bills. It was getting nowhere when Eaton went to Pendleton and proposed that a bill drafted by a New York Civil Service Reform Association committee, chaired by Eaton, be substituted for the senator's bill. Pendleton agreed and Eaton defended the bill in detail before a Senate committee. Great Democratic gains in the congressional elections of 1882 stimulated new interest among Republicans in civil service reform, which could promise some protection to Republican officeholders in case of a Democratic presidential victory in 1884, which in fact came about. Pendleton's bill was quickly brought forward. There was extensive debate in the Senate but none in the House. Both houses passed the

bill by large majorities and President Chester A. Arthur signed it into law on January 16, 1883.

Arthur then appointed Eaton to head the second Civil Service Commission. Though a Republican, Eaton was reappointed by Cleveland and held his office for nearly 3 years. New rules based on the work of the Grant Commission and recent developments in Britain were established and the new employment system was soon firmly in being. Eaton's role throughout the creation of the Pendleton Act may have been unique in U.S. political history. Certainly few persons have been in a position to pretest a major administrative device, as he did while chairing the Grant Commission after Curtis, then to direct the design of a new bill placing that device into effect, and, finally, to supervise the execution of that bill as a statute. At last the merit system, a term probably coined by Eaton in the 1870s, was in place in the United States.

### THE PENDLETON SYSTEM

The Pendleton bill, as originally drafted by Eaton and his associates, would have installed the British civil service system almost intact in the United States. That is, as presented the bill proposed entrance into a partisanly neutral civil service, only at a young age and only at the bottom, through competitive examinations administered by a central agency termed a Civil Service Commission. The result would have been the kind of closed career system found in the British civil service, most uniformed military services here and abroad, and the U.S. Foreign Service.

However, the U.S. Senate, in adjusting the proposal to U.S. predispositions, made one addition to and one deletion from the bill, that, together, changed the entire thrust of the system. The Senate feared testing that might be too theoretical and ordered the tests to be "practical in character" and closely related to the work to be done. Liking even less the idea of entrance only "at the lowest grade," the Senate deleted the phrase, the necessary motion being made by Senator Pendleton himself (Van Riper, 1958, 100–101). These two changes were enough to turn the British closed career system into the open, program-oriented system the United States still has today—characterized by entrance at any age, lateral entry, and occupational specialization. The Senate debates offer no evidence that its members had any particular concept or theory in mind other than a general predisposition toward practicality and social and occupational mobility. The conversion of the British system into the Pendleton system came really by accident, with the result that the U.S. merit system was then and is now unique in the world.

The Pendleton concepts remain at the center of the employment systems of the federal government and most state and local jurisdictions. It should be noted, however, that the idea of employment through competitive examinations—or any kind of test—did not come from private enterprise, here or elsewhere. It was not until the 1920s that the Pendleton employment system was picked up by a

substantial number of firms, in a movement from government to business, not the reverse.

### PERSONNEL ADMINISTRATION

Not until after World War I was there a mix of activities worthy of the designation of "personnel administration." It took the years between the two world wars for that mix to coalesce into a unified staff function. Only a few aspects of that intricate development can be considered here in a rough chronological sequence.

The first call for the transformation of the Civil Service Commission into a central "bureau of personnel" came in 1913 from President Taft's Commission on Economy and Efficiency (Van Riper, 1958, 222). Change did come soon in increments, but with new functions not always assigned to the Civil Service Commission. In 1912 Congress gave the coordination of efficiency ratings to a new Division of Efficiency within the Civil Service Commission, but 4 years later turned the division into a separate Bureau of Efficiency. Civil pensions came in 1920, their administration divided between the Civil Service Commission and Interior's Bureau of Pensions, later the Veterans Administration. Workmen's compensation, generally applied to the federal service by 1920, was placed in the Department of Labor. Position classification, invented in Chicago around 1910, was applied to the federal government in 1923. However, a Congress reluctant to give the executive branch more control over positions and salaries gave administration of the system to a peculiar separate agency called the Personnel Classification Board, composed of one representative each from the Bureau of the Budget, the Bureau of Efficiency and the Civil Service Commission. In a few departments, however, there was consolidation. The first to create a moderately full personnel system as a staff entity was the Department of Agriculture in 1925, followed by the Treasury and Interior.

It remained for President Hoover, aided by economy pressures from the Great Depression, to bring about the demise of competing agencies and to consolidate all major federal personnel functions within the Civil Service Commission by 1934. President Franklin D. Roosevelt completed the system in 1938 when he ordered all federal agencies to create personnel departments. The other side of the coin was dealt with when the Hatch Acts of 1939 and 1940 were passed. These closed many patronage loopholes and forbade partisan political activity by federal merit system employees and by state and local employees paid from federal funds.

By 1940 close to 75 percent of the federal civil service was under the merit system; seventeen states had relatively complete merit systems; and all states had at least some merit employees as a result of federal grant-in-aid requirements. That is, just prior to World War II, workers in these jurisdictions, plus many of those in over 850 cities and a few counties and special districts, came under varieties of the Pendleton system of public personnel administration (Civil Service Assembly, 1940, 8). Judged by today's standards, however, there still were notable

functional gaps in personnel. There were yet, for example, few provisions for employee health, safety, or training in U.S. governments.

The United States entered World War II with close to 1.3 million federal civil servants plus 3 million state and local. The latter figure was stable during the conflict but the federal service increased to 3.8 million at the height of the war, with most of the increase designated as temporary employment for the duration. The federal service declined to 2 million by 1948, rose to nearly 3 million during the Korean and Vietnam conflicts, then leveled off at 2.8 to 3 million where it has remained for the longest period of no growth—actually a decline in proportion to population—in its history. During the same years state and local employment, encouraged both by new functions and large grants of federal aid, grew from 4 to more than 12 million employees. That is, contrary to many popular suppositions, most of the post-World War II bureaucracy in U.S. governments—expressed in numbers of civil employees—has not been in the nation's capital but largely spread out close to home in the state and local governmental systems.

From the close of World War II in 1945, to the end of the 1970s, economic prosperity brought with it the longest period of labor shortages, especially among professional, scientific, and technical personnel, in our history. The Cold War, ensuing prosperity, and great organizational growth, public and private, brought with them considerable expansion in personnel functions.

For the first time loyalty and security became peacetime concerns, with the U.S. Civil Service Commission becoming the largest investigating agency in the country. There were new developments in ethics, nondiscrimination via a special Equal Employment Opportunity Commission, executive development through a new Federal Executive Center and several satellite units, and in the expansion of formal labor relations at all governmental levels. By the middle 1960s labor shortages produced “positive recruiting” by most public agencies, as well as for the first time a view of personnel as a cybernetic system, commencing with labor analysis and forecasts, on to training and development, utilization, and replacement. From the financial side the principal innovation came in vastly expanded fringe benefits, increasingly offered as cafeteria plans and soon totaling in costs a third or more of base pay. Much more personnel authority was finally delegated to the new federal personnel entities within agencies, coordinated at the federal level through a combined agency—Civil Service Commission inspection system.

Nevertheless, continued prosperity, greater and greater requirements for skilled personnel and, as noted earlier, the gradual closing of the backdoor to public employment were causing management and political executives to become restive over the rigidities still remaining in governmental personnel procedures. Shortly after the passage of the federal Civil Service Reform Act of 1978, Alan K. Campbell, former chairman of the Civil Service Commission and the first director of the new Office of Personnel Management, explained (Campbell, 1979, 3):

Over the years, the continuous addition of laws and regulations applied protection to salary increases, promotions and retention in the public service, producing a

system in which most personnel decisions were based on automatic considerations. . . . Positions were filled by selecting one of the top three on a list of eligibles. Promotions were based primarily on time in grade. Salary increases were determined by cost-of-living or, again, time in rank. In short, it had become a system I often like to describe as one largely untouched by human thought.

The Reform Act attempted to loosen federal personnel bonds by several novel measures. Through the act plus executive orders, the Civil Service Commission itself was divided into an Office of Personnel Management, headed by a director appointed by and reporting to the President, and a genuinely independent Merit System Protection Board, to hear employee appeals and to keep an eye on the federal personnel system. Both were guided by a new set of positive merit system principles combined with a list of prohibited personnel practices. A third agency, the independent Federal Labor Relations Authority, was created to supervise the first general federal labor relations statute (Title VII of the Reform Act) to mandate collective bargaining with civil servants. At the top of the system a Senior Executive Service (SES) was created from the old GS 16 through 18 “supergrades,” removing some job protections and making it possible for SES members to be moved around as needed, and to be motivated by new concepts of merit pay and bonuses, about which more shortly. There was a new provision to protect whistleblowers, some lessening of the evidentiary requirements for removals for inefficiency, and abolition of veterans’ preference for field grade and higher officers. A closing section of the act offered another unique proviso permitting experiments in personnel procedures involving up to 5,000 employees. These federal personnel measures echoed throughout many state and local jurisdictions and produced more experimentation. The Reform Act gave a kind of electric jolt to the entire public personnel system nationwide.

Among the responses, the only theme that has seemed to hit a popular chord among both workers and bosses has been that aimed at the creation of a more family friendly workplace. This is a development common to both public and private work systems. An interesting mixture of ingredients includes cafeteria plans of fringe benefits; flexitime work schedules; liberal provisions in a Family and Medical Leave Act, taking effect in 1993; a return to the preindustrial concept of the home work station, made increasingly possible by the new information technology; plus increasing provision for the use of part-time workers, especially women, as a major means of bringing highly qualified talent to the workforce in a time of labor shortage.

Most of the remaining civil service reform efforts of the last half century can be divided into two categories, one involving pay and the other fair employment and diversity.

Pay reforms began in 1970 when Congress startled the world of public administration by authorizing unlimited collective bargaining in the U.S. Postal Service, a newly created government corporation. This led almost immediately to a novel group incentive pay system. The Reform Act of 1978 went further. If there no

longer was much managerial discretion in the hiring or firing of civil servants, the act provided managers with new authority over pay. Most pay raises were subjected to performance criteria, and in the manner of business—for the first time among U.S. governments—\$10,000 to \$20,000 annual bonuses were authorized for top executive performance. Under the Reform Act's experimental proviso there soon were successful experiments in both pay banding and gain sharing. Other experiments were made elsewhere. A number of state and local governments are, for example, sharing portions of demonstrated savings or budget surpluses as rewards to the employees involved.

A system for adjusting federal white-collar pay to that of the private sector has existed since the Federal Pay Comparability Act of 1970. This has produced annual increments, but the Federal Pay Reform Act of 1990 finally authorized a system for the annual adjusting of federal white-collar pay to the prevailing rate in job localities, which has been used to determine blue-collar wages since the Civil War. Approaching pay from another perspective, there have recently been serious efforts to simplify job classification systems, whose tight work descriptions have long impeded employee movement of all kinds. Recent federal initiatives have experimented with very broad occupational guides designed to be inclusive across a number of occupational groups, and to provide greater delegation to managers and agencies.

However, despite such loosening up of rigid pay and classification schemes, the rise of the federal debt and state and local taxpayer revolts have tended to hold a tight lid on public pay costs, which average 70 percent of budgets in most state and local jurisdictions. Managers seeking to obtain scientific and professional talent in a period of low unemployment and high demand from private industry are still having great trouble finding qualified applicants. That is, many of the rigidities in public personnel procedures derive from current citizen and legislative reluctance to match the true going rate for scarce talent. There is much flexibility in pay systems, but the money still isn't there to take full advantage of them.

The other set of developments goes back to World War II in origin and derives from an array of statutes and procedures which now tend to be lumped together under the equal employment opportunity (EEO) and affirmative action labels. These involve a mass of detailed controls over employment and employee utilization processes as they concern minorities, women, and veterans. Most of these requirements are well known and cannot be discussed in detail here. Perhaps the most rigid in their requirements are the essentially male-oriented veteran preference statutes, which Congress is even now considering tightening up rather than loosening. Given the origins of the U.S. population, diversity is a must, but equal employment opportunity procedures are a maze, with navigation through it fraught with the threat of lawsuits, which the recent tendency of federal courts to expand the tort liability of public managers has made ever more dangerous. The voting public, elements of which stand to both gain and lose from various forms of affirmative action, remains ambiguous in its attitudes, abolishing affirmative

action in California but recently renewing it in, for example, the city of Houston, Texas, and the U.S. Congress.

The controversies involved in both public pay and affirmative action are joined in the issue of comparable worth. Comparable worth argues that many pay differences between men and women are the result of discrimination. Opponents argue that they are the result of impartial supply and demand. The federal courts have thus far, in effect, been on the side of the latter. However, more than a thousand public jurisdictions, including twenty states, have required by law that some or all public jobs be paid according to their worth to a jurisdiction rather than to the marketplace (Pynes, 1997, 179).

### IN THE NEW MILLENNIUM

By the late 1990s the underlying trends of personnel management in government were flowing in opposite directions. Pointing one way is the reinvention of government movement, stressing downsizing, elimination, or the contracting out of governmental functions, including much of personnel. The Office of Personnel Management has contracted out its massive investigative function to a corporation formed by its former employees, who are bidding successfully for investigative work wherever it may be found, public or private. There is no reason why much recruitment and employment, as well as training, cannot be done as well or better by private organizations subject to competition. Governmental collective bargaining has frequently been handled by consultants.

Return pay and fringe benefit procedures to departmental chief clerks; and give classification, promotions, and dismissal back to management from whence they came, to join performance ratings and discipline, which are already there. End the inflexibilities in public personnel management by ending 20th-century public personnel management. In the new dispensation, who needs it? Or, as a subhead in Nicholas Henry's 1995 public administration text puts it (282): "Does human resource management have a future?"

In response professional personnelists—or human resources managers if one prefers—are stressing a "strategic" concept of personnel management. Unfortunately, conventional personnelists have been thought of as controllers and enforcers, which to some extent they must be if merit is to be preserved in the face of strong partisan pressures. Strategic personnel management stresses control less and assistance to management more, in the belief that personnel considerations are basic to realistic planning in all organizations, public or private. In other words, bring to management a modernized and flexible systems approach to personnel with an emphasis on the personnel department as an indispensable aid to and agent of management.

To this end the International Public Management Association for Human Resources, the premier association of public personnelists and public personnel agencies, is in the process of preparing a training guide for a Human Resources Competency Model, based on 1996 research by the National Academy of Public

Administration. The initial elements of this new training program, the first such guidance ever provided for public personnel management, were presented at the IPMA International Training Conference held in Minneapolis in September 1997. The format thus far is strategic and managerial as compared to technical and procedural, and might well become the basis for the accreditation of both public personnelists and public personnel programs in the future.

### CURRENT OPPORTUNITIES

Public personnel management is very much at an exciting crossroads today. In a battle cry for more flexibility in personnel systems, some have adopted as their motto “let’s go back to the spoils system.” But this is the way to madness. At no time in our history has merit been more required for the management of the affairs of the world. But what can be done, and quickly? There are many examples of the new strategic approach.

At the federal level, the OPM has eliminated the 10,000-page *Federal Personnel Manual*, providing agencies with much more choice in almost all activities. It has delegated recruiting and examining to the departments and agencies, simplified the present classification system, and permitted agencies to create their own performance rating and reward systems. And it has speeded up almost everything.

If someone in a jurisdiction really cares, it is possible to make at least two more major improvements today without new legislation. One can provide a vastly improved information system about both available jobs and, for managers, about alternative procedures. In addition, there are all kinds of ways to speed up the examining and appointment process. This is especially needed in times like these, of great labor shortages. Walk-in examining and rostering were common in both world wars and should be more so now. With some legislative help—as recently in Missouri, New Jersey, Wisconsin, New York, California, and an array of local governments—any jurisdiction can open up classification, start toward pay banding, undertake experiments, simplify appeals through alternative dispute resolution, simplify the use of temporaries and provisionals, tie pay into performance through group incentives, establish flexible senior civil services, develop interest-based bargaining with unions, expand and better use probationary periods, and, especially, pay attention to managerial and citizen complaints and do something about them. In a time of extraordinary prosperity, there may even be some loosening of purse strings.

In many jurisdictions major problems lie in veterans preference, especially as it affects reductions in force (diversity is being RIFFED many places these days); the rule of three and similar restrictions; classification and pay systems rigidly embedded in statutes; the infrequency of examinations when shorthanded; requirements for promotion exams; and inadequate training of both managers and personnel people in modern personnel system functions and procedures.

That is, a lot of legislation needs to be revised, and there are special problems with employee unions, veterans groups, and the professional associations who

prefer rigid classification guidelines. But, again, Missouri, New Jersey, Wisconsin, and many smaller entities have demonstrated that a new wave of civil service reform is possible in the strategic direction. Thus far the spotlight has been on the public personnel function. Now, in conclusion, let us turn the discussion around for a moment. When it comes to two things, there is no evidence managers really want to manage. They will not handle individual performance ratings well: group incentives are much more effective and much more easily managed. Second, there is no evidence that managers really want to take back the personnel functions they once had fifty to a hundred years ago. They don't want to take the time to search for people and to worry about the myriads of details that staff people must handle. Finally, in these times of downsizing and RIFS, reemphasis on "at will" employment, and replacing of older and experienced workers with underpaid part-timers, managers have to show they are a lot more caring about their human resources or their human resources aren't going to care about them.

### NOTE

1. Part of the governmental reluctance stems from the fact that any change in official terminology would require a good deal of new legislation. Moreover, the term is unfortunate for its connotations suggesting the treatment of people as a commodity and for the term's possible confusion with welfare.

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## **Toward a New Perspective in Strategic Human Resource Management in the Public Sector**

DONALD E. KLINGNER AND GAMAL SABET

### **ENVIRONMENTAL CONDITIONS THAT AFFECT CONTEMPORARY PUBLIC PERSONNEL MANAGEMENT**

#### **Changes in the Organizational Environment**

The environment of contemporary organizations is characterized by increased uncertainty, specialization of labor, and rapidity of change (Hecló 1977). The competencies needed to solve contemporary organizational problems therefore need to be more specialized. The rapidity of changes is in part due to technological innovations in a dynamic international economy. The more competitive the market, the more responsive private businesses expect government to be. And for them, responsiveness means rapid, flexible action by public agencies and employees. Those public personnel systems that can adapt to these demands will be those that have the best chance of surviving in the future (Osborne and Gaebler 1992).

#### **Changing Demographic Tendencies**

Labor force diversification is a concept that describes the constantly expanding range of employee characteristics (Judy and D'Amico 1997). It includes differences among applicants and employees with respect to race, gender, ethnicity, national origin, language, religion, age, education, and competencies related (and unrelated) to job performance. Almost all employees, married or single,

constantly balance family and work obligations. Achieving this balance is difficult for employees, and causes problems for managers and personnel directors.

### **Emergent Market Values That Conflict with Civil Service**

In the United States, the development of public personnel administration has proceeded according to a model that demonstrates the underlying conflict between four traditional values and three emergent antigovernment values. The four traditional values (political responsiveness, efficiency, employee rights, and social equity) represent an implicit approval of collective action to achieve common goals. The three new values (individual responsibility, limited and decentralized government, and community responsibility for social services) can be traced back to declining confidence in government. Proponents of these new values say that if government cannot resolve certain social problems, let the market, let individuals, or let community-based organizations do so instead. Cutbacks in public employment, privatization, service contracting, and employment of temporary and part-time workers outside of civil service are all results of this shift in values away from collective action through government (Klingner and Nalbandian 2003).

Today, it can be said that in the United States public personnel management represents equilibrium between these competing values. Each personnel system represents a particular value for assigning scarce public jobs in a complex and unstable environment. And it can be expected that this conflict demonstrates the mixing of technical decisions (for example, how to do a certain personnel function) with political decisions (for example, which value to favor or which system to utilize).

## **THE CONSEQUENCES OF THESE ENVIRONMENTAL CHANGES ON THE FIELD OF PUBLIC PERSONNEL MANAGEMENT**

### **Change from the Administration of Positions to the Administration of Work and Employees**

In the past, legislators and chief executives tried to ensure bureaucratic compliance, efficiency and responsiveness through budgetary controls and position management (limiting the number and type of personnel that an agency could employ). Frequently, imposing median grade level restrictions as well reinforced these position and budgetary controls.

Due to a variety of political and economic pressures, the focus of public personnel management has shifted from the management of positions, which had occurred in traditional civil service systems, to the accomplishment of agency objectives through the administration of work. Through personnel departments, personnel managers have tried to achieve the efficient allocation of job tasks and the equitable distribution of rewards. Public managers have objectives to achieve but limited resources within which to achieve them. The rhythm of change

influences the extent to which the knowledge, skills, and abilities of today will be appropriate to the future. Recruitment based on a typical, traditional job description can ensure appropriate competencies for today, but limit the organization's ability to respond to future challenges.

Employees have a third objective—employee management. For them, the willingness to do the work and their ability to learn and perform well is more important than their actual ability. They want their abilities and competencies to be fully used in a way that contributes to organizational productivity and to their personal career development. They want to be managed as individuals through a continual process of supervision, feedback, and reward. The majority of supervisors share this perspective. They want to be able to assign tasks to employees in a flexible, intelligent fashion that recognizes changes in work demands and differences in employees' competencies, even among employees with the same job title. They want to be able to use and reward employees based on their contributions to the work group. At heart, they view job descriptions and classification systems as "administrative trivia," required to justify budget requests and to keep personnel managers happy, but not directly related to agency mission or day-to-day supervision.

### **Precise Differentiation between "Permanent" and "Contingent" Workers**

Personnel management requires choosing the personnel policies and techniques related to management of human resources within the organization. Taken as a whole, these procedures and value preferences send messages to employees, administrators, and interested groups outside the organization concerning the value the agency places on human resources. Therefore, public personnel directors have had to adopt reasonable policies (at least from the agency's perspective) to assign responsibilities and control costs.

First, employers continue to select and employ key administrative, professional, scientific, and technical employees through a civil service system. Relatively high pay, benefits, and job security go with these positions because they are considered essential for long-term employee retention and productivity. This includes employee assistance programs that ensure employee productivity and well-being, funded through employer-sponsored health plans.

Second, employers have tried to adapt themselves to changing job duties, limit costs, and to avoid legal responsibility by utilizing secondary labor markets (such as contract or contingent employment) for many positions that previously would have been filled through civil service. While use of the secondary labor market is recognized as a common contemporary labor force technique, the exact number and proportion of contingent workers is under debate among economists and personnel managers. Their calculations vary between 2 and 16 percent of the labor force. The higher figure is more likely correct because it includes not only contingent workers, but also independent contractors and other self-employed workers (Caudron 1996).

### The Disadvantages of a Traditional Civil Service System

Civil service systems are based on a set of fundamental assumptions about the nature of work. The following ideas have been considered essential in the historical development of civil service systems from out of the era of patronage. They have provided a reasonable guide to the design and implementation of public personnel systems for many years. They are:

Work can be divided into individual segments of work and responsibility called “jobs.”

Jobs are characterized by stability over time because government work is achieved through bureaucracies designed to provide stability and routine.

The competencies required of workers can be evaluated in relation to specific jobs, and personnel management functions can be based around positions rather than the employees who occupy them.

Job analysis and the relationship of each position to others provide a rational system for pay, recruitment, selection, and performance evaluation.

Today, as a result of the previously mentioned changes in the nature of work, some experts argue strongly that these traditional assumptions are no longer relevant for elected and appointed officials, managers, or employees in the contemporary era of environmental turbulence and instability. For these critics, traditional civil service-based assumptions function more like an obstacle and less like a useful tool for managing human resources. The flexibility demanded by specialization, the rapidity of change, and the need to balance work and family responsibilities have led to the obsolescence of the assumptions of stable and routine jobs, and of impersonal position management that characterize traditional civil service. A fundamental notion in civil service is the maintenance of rationality and equity through legal and quasilegal restrictions on administrative discretion. But an environment that demands flexibility, responsiveness, and efficiency in disciplinary action and grievances has led many personnel managers and managers to question the effectiveness of a system designed to reduce managerial discretion and favoritism (Cohen and Eimicke 1994).

This complexity and specialization require that persons work together in teams. Frequently, changing conditions require that problems be solved through the formation of task forces and other temporary organizations. The notion of working in teams is quite different from the traditional assumption that work can be divided into individual units of tasks and responsibilities called jobs. Rather than being concerned with individual administrative or professional positions, contemporary public employees are required to focus on directing work teams. In teams where interpersonal dynamics prevent the achievement of group objectives, the most important element is the ability of employees to work together, rather than their skills or abilities as individual employees. The “civic behavior” of employees and personal qualities such as courtesy, ability to solve problems together, sensitivity, and the ability to persuade and to communicate verbally across

cultures and languages, become key components to effectiveness. Yet these are difficult to measure and evaluate through the use of traditional job descriptions. In this sense, employees' tasks and responsibilities as team members are more important than a job description of what the employee does as an individual.

### **The Growth of Alternative Organizations and Mechanisms**

The emergence of antigovernment values (individual responsibility, limited and decentralized government, and community responsibility for social services) has created new and different personnel systems. Their primary objective is to limit government power and reduce the number of public employees. In fact, two methods are used to achieve this objective. First, services previously through government agencies utilizing appropriated funds have to be delivered through private enterprise. These alternative mechanisms include service contracting, privatization, franchise agreements, vouchers, volunteers, and regulatory and tax incentives (Savas 1990).

Second, for those public policy objectives that continue to be achieved through public employment, employing an increasing percentage of temporary, contract, and part-time employees enhances the flexibility of employment relationships. The emergent market-based values have replaced the traditional practice of accomplishing public employment objectives through civil service employees paid out of appropriated funds. And as long as these values continue to gain strength, this trend can be expected to continue.

### **The Consequences of These Challenges for Leadership and Employee Performance**

The clash between these new environmental conditions and the assumptions underlying traditional civil service systems creates large conflicts and problems, both political and administrative. The traditional employment contract between public employees and the public has been affected by changing economic conditions in two important respects. Most obviously, working for the government is less stable and secure. In the past, public employees would implicitly exchange lower pay for the higher benefits and job security of the public sector. Also, the emergent antigovernmental values lead them to increasingly question the value of working in the public service. In the past civil service was considered desirable because it offered the opportunity to serve the public. But after years of continued negative publicity concerning the inefficiency or ineffectiveness of public administration, it is not surprising that public employees have come to think of themselves as part of the problem rather than part of the solution. The old idea that the objective of public administration is the public's welfare rather than private profit has come under fire. And many public employees find it difficult to accept this situation when their own jobs are at stake or when they feel under attack by the public or elected officials (Peters and Savoie 1994).

The resurgence of market values and the continued advance of privatization and service contracting have caused most public employees, at least at some point, to doubt their career choice. Are there any important differences between the values, job objectives, and competencies required of personnel managers in the public and private sectors? Are there any principles and values of civil service systems that fundamentally cannot be privatized? If the majority of the functions previously performed by public administrators are privatized or contracted out, what impact does this have on providing public service or on the values underlying public employment?

### **The Need to Unify Political and Administrative Perspectives**

In this environment, conflicts have both political and administrative dimensions, and trying to resolve them requires cooperation. Sometimes it seems like elected and appointed officials, and civil service employees, operate in two different worlds. The world of elected and appointed officials tends to be larger than the world of administrators, and public administrators and employees approach their jobs in a very different manner. One way to understand the differences between politics and administration is to view political and administrative logic as alternative perspectives on reality, or two different frames of reference for action. In Table 3.1 we can see the differences in general terms (Nalbandian 1994).

For a politician, the primary value is responsiveness to the will of the people. This means sometimes acting to promote efficiency, social equity or individual rights; sometimes representing the interests of a few; and sometimes doing what is good for the majority over the long run. The elected official's focus is primarily outside of the organization and into the community or environment of political interests that rally for and against specific policies and solutions to problems. Even when elected officials "meddle" internally, it can be justified in terms of an external role like "oversight," or helping citizens find their way through an administrative agency's labyrinthine procedures.

To some extent politics differentiates itself from administration in that part of it can only be understood as a game, with its own rules and strategy and tactics. We even refer to the game of politics. Partially, it is a game because the boundaries are so broad and vague. Elected officials must manage their own careers. They cannot count merely on hard work and conscientiousness to keep them in office, and they operate in a world of values where compromise and negotiation are valued more than right answers. They come to their office with no special expertise and often without much relevant experience. They are chosen because they represent something their constituents believe will serve them well.

Because the world of politics is a world of conflicting values, communication is often through symbols that reveal those values. Politicians love to tell stories and, in return, constituents tell them stories—stories about the (in)efficiency of government, about fairness, about the special needs they want represented. The currency is power. The bottom line for an elected official is the ability to influence

**TABLE 3.1.**

	Politics	Administration
VALUES	Political Responsiveness	Efficiency and Effectiveness
FOCUS	The environment	The organization
ACTIVITY	The game of politics	Problem Solving
PLAYERS	Representatives	Experts
	Top-level managers and political administrators	
TYPICAL CONVERSATION	“What do you hear?”	“What do you know?”
MEANS OF COMMUNICATION	Interests and symbols	Information, money, concrete results
MEDIUM OF EXCHANGE	Power	Knowledge
THE DYNAMIC	Conflict, compromise and short-term solutions	Harmony, cooperation, and continuity

other elected officials and build community consensus in order to get things done, and there is no formula for success.

Hierarchy removes so much uncertainty from the lives of administrative officials that it is difficult for them to imagine the uncertainty that elected officials work with. It is hard for the outsider to identify how power is acquired and who is powerful, again because in most legislative bodies there is no hierarchy. In addition, in some governing bodies there is no specialization. The elected official’s time perspective is shorter than an administrator’s because for most elected officials, elected office is not intended to be a career. Even when it is, managing that career requires making short-term, noticeable achievements in an environment of conflicting values.

The administrative world is very different, especially at the level of the personnel specialist, the planner, the engineer, the water plant operator, the scientist at the Environmental Protection Agency, the systems analyst at the Department of Defense, the agronomist at the Department of Agriculture, the budget analyst, and so on. To these people, administration is not a game; it is about the rational, analytical application of knowledge to solve problems. While the problems may have an external origin, the focus is internal; the work is largely internal. The water plant operator may never interact with a citizen unless it’s on a tour of the water treatment plant; the same is true for the budget analyst and the personnel specialist. Their professional/technical knowledge and the hierarchy they work in bound their world. They are experts whose knowledge has been acquired over

years of education and experience. They were selected for their work on the basis of their knowledge, skills, and abilities, and not because they appealed in some abstract way to a group of voters.

“What do you know?” invites a very different response than “What do you hear?” It suggests a factual exchange where those with the most knowledge are the most valued. Problem solving requires cooperation, and fairness in the implementation of public policy relies on continuity. The administrative specialist thinks in terms of a career, and knowing that he or she is going to be around for the long haul, the vicissitudes of electoral politics are likely to be shunned rather than respected.

These perspectives differ, but successful governance, including the survival of administrative agencies, requires a blend or at least some understanding of the other perspective. It is too much to expect the politician to understand the world of the budget analyst; nor can the wastewater treatment plan operator be expected to know what it is like to see the world from the council chambers. Those who speak both languages, understand both technical and political rationality occupy the middle ground. This is one of the crucial roles of the chief administrative officer and other senior administrative officials and political executives or their senior staff. In effect, they are called upon to interpret—to translate the world of administration into value questions and to transform value issues into problems subject to administrative expertise.

### **HOW THESE CHANGES AFFECT THE ROLE OF THE PUBLIC PERSONNEL ADMINISTRATOR**

In the end, like at other points in time during the past century, we can only speculate on the emergent role of the public personnel manager as the field continues to evolve. But if the past is any indication, it is likely to include four key roles: technician, professional, human resource management specialist, and mediator (Klingner and Nalbandian 1981).

#### **Technician**

Entry-level public personnel managers are usually technical specialists or generalists. In a large personnel department, technicians are expected to know how to perform specialized functions within civil service systems.

Staffing specialists administer examinations, establish lists of eligible applicants, and refer eligible applicants to line managers for interviews and selection. This job requires knowledge of personnel law and recruitment and selection procedures, and experience in employment interviewing and affirmative action.

Job analysts or position classifiers analyze jobs to determine the appropriate competencies and minimum qualifications, respond to managers' requests for reclassification (to determine if duties, competencies, and minimum qualifications have changed over time), and recommend the appropriate salary for a position

(based on job worth factors or market conditions). This job requires task analysis, knowledge of job classification and evaluation procedures, and survey research.

Testing specialists developing valid and reliable selection criteria for positions, and defend the reliability and validity of current tests. This job requires knowledge of testing, measurement, and test validation procedures.

Pay and benefits specialists administer the payroll system, enroll new employees in benefit programs, advise employees of changes in benefit programs, and ensure compliance with federal pay and benefit laws. This job requires knowledge of pay and benefit systems; employment contracts; pensions; federal laws with respect to wages, hours, and benefits; and health, life, and disability insurance.

Affirmative action compliance officers are responsible for compliance with equal employment opportunity and affirmative action laws and regulations (U.S. Equal Employment Opportunity Commission), the Americans with Disabilities Act (ADA), gender equity with respect to pay and benefits (U.S. Department of Labor), and the Age Discrimination in Employment Act. They are the persons most concerned with recruitment, selection, and promotion activities within civil service and affirmative action systems. This job requires knowledge of state and federal AA/EEO laws and compliance agencies, and of related personnel functions (primarily staffing, pay, and benefits).

Training and development specialists determine training needs, develop and conduct training programs, and evaluate their effectiveness. Trainers must have training or experience as adult educators.

Employee assistance program directors coordinating employee assistance programs offered by the organization or by contract providers, as a response to personal employee problems that become workplace issues: alcohol and drug abuse, financial counseling, domestic and workplace violence, life-threatening diseases, legal assistance, and psychological counseling. They should know federal laws protecting the rights of employees with physical or mental disabilities (such as the Americans with Disabilities Act and the Family and Medical Leave Act); be able to conduct informal counseling with supervisors and employees; and be able to advise employees of the health and insurance benefit programs offered by the employer.

Risk managers are responsible for developing or enforcing personnel policies designed to limit the organization's exposure to legal or financial liability due to violations of employee rights, unsafe or unhealthy working conditions, or poor management practice. In particular, personnel managers who function as risk managers are responsible for reducing employer liability for workers' compensation, disability retirement, and negligent hiring, retention, or referral claims. This function may also be shared with the organization's attorney and budget officer. Risk managers must know personnel law, Occupational Safety and Health (OSHA), workers' compensation systems and procedures, and the Family Medical Leave Act.

Contract specialists' responsibilities vary depending upon the personnel system. Under collective bargaining systems, they are responsible for developing

background information to support management's positions during contract negotiations or for administering collective bargaining by ensuring that labor and management comply with negotiated agreements. Under alternative systems, they are responsible for developing and negotiating fee for service contracts with outside vendors, or individual employment contracts with employees or independent contractors. Contract specialists have experience with business law, policy analysis, contract negotiation, or contract compliance.

### **The Professional**

The issue of whether public personnel managers are professionals has been debated for years. In many practical ways, the issue seems to boil down to the extent to which personnel managers can engage in the conflicts among public personnel systems and values, and yet keep from being captured by any one of them. Conceptually, the issue seems to focus on the extent to which there is an identifiable body of competencies that define the occupation of the human resource manager, an accepted process of education and training for acquiring these competencies, and a standard of ethics that guides their application. For academics who develop theory in the field, the issue of professionalism seems to focus on the extent to which there is an underlying body of theory that forms the basis for developing and implementing alternative approaches to the personnel functions; setting these approaches theoretically within the governmental context; and then describing the extent to which role strain or role conflict among the conflicting expectations of alternative personnel systems are an aberration or "come with the territory."

If the previous discussion of competing values and systems has demonstrated anything, it is that public personnel managers will continue to be responsible for making the difficult decisions required to implement not only competing pro-government values but also their opposing antigovernment values. More than ever, good job performance will require that they recognize the inherent conflicts in their role, and yet continue to make sound professional decisions in a climate of political and economic uncertainty (Ricucci 2005).

### **Human Resource Management Specialist**

Pay and benefits constitute about two-thirds of the operating costs of the typical organization. Human resource management specialists are—or should be—experts consulted by other managers who wish to improve their ability to manage people. So in addition to professional and technical capabilities, personnel directors are responsible for experimentation, technology transfer, and education within the organization. Each of these roles merits discussion. Experimentation means the testing of personnel policies or procedures to determine their impact on a desired value (such as the effect of a new benefit, or a new performance evaluation method, on employee productivity or turnover). But personnel directors

rarely initiate personnel management innovations. Usually, these are developed in one setting and transferred to others where variables and objectives are similar. From this perspective, innovations such as privatization or use of independent contractors are administrative innovations that have been introduced initially in one government as experiments, and then adapted and adopted in other settings as a technology transfer process. Lastly, human resource management specialists function as educators for employees and other managers concerning public personnel systems—the laws, policies, and procedures used to manage employees in an organization. This educational function is performed formally, through training and development, and informally, through organizational interactions, as they perform the four personnel functions.

### **Mediator among Conflicting Values and Systems**

Initially, civil service reformers sought to establish the credibility of personnel management by emphasizing its political neutrality and focusing on administrative efficiency. This emphasis served to establish public personnel management as a technical field with a body of techniques used to perform human resource management functions, and it separated public personnel administration from politics. Ironically, however, this emphasis on political neutrality and insistence on discovering the “one best way” to manage human resources had an opposite effect on the field as well. It isolated public personnel managers from the value conflicts that characterized the world of other professionals (such as law and medicine) and minimized the ethical dilemmas that constantly confronted them—dilemmas that grew out of the political context in which all public employees operate. This created the illusion among public officials (and among personnel directors and specialists themselves) that the field was value-free. It focused personnel management on administrative techniques instead of broad human resource policy questions. This devalued the status of the profession and downgraded the importance accorded the study of personnel systems and values.

Traditional public personnel managers are usually impatient or complacent with ethical choices. In their view of public personnel administration, ethical dilemmas are easily resolved because this system is based entirely upon the civil service system as a moral ideal, with the political patronage system as its arch-enemy and moral opposite (or at best something to be continually wary of). The competing claims of alternative systems (politics, collective bargaining, and affirmative action) are considered challenges to the morally superior civil service system. Public personnel managers operating under these beliefs function either as “true believers” or as pragmatists. They are inclined to consider *ethics* unnecessary, because it is easier to think of administrative actions as purely technical and rational and infused with moral superiority, or impractical because competing claims require pragmatic compromise.

Today, the extent to which the three emergent antigovernment values will diminish the impact of the traditional four is uncertain. But if the past is any

indication, it is likely that the inherent weaknesses of the new values will be self-limiting and that there will be a swing back toward the pro-government alternatives. Therefore, it is reasonable to predict that public personnel managers will continue to play their traditional role as mediators among conflicting values, albeit on a smaller scale because of the diminished role of government in society.

### **The Changing and Complex Role of the Public Personnel Administrator**

Contemporary public personnel managers need various types of competencies in order to perform their roles well. Public personnel managers need to place continued emphasis on productivity and efficiency. They have to be competent—and keep themselves competent—in personnel law, procedures, and quantitative and qualitative analytical techniques. They have to be viewed as human beings by employees, have a positive attitude toward organizational administrators and objectives, and maintain close working relationships with other personnel professionals inside and outside the organization. Even though no administrator can be an expert in every aspect of the field, the complete personnel department cannot avoid having someone on staff who is competent in all of them.

Traditional public personnel management requires that personnel directors know the laws and regulations that control practices within a particular system, as well as the techniques used to perform personnel functions within that system. For example, traditional civil service-oriented personnel management requires knowledge of civil service rules and regulations (such as competitive examination procedures, or how to select from a list of eligible applicants), as well as how to develop and administer examinations, write job descriptions, administer pay and benefit programs, and process personnel actions.

Contemporary public personnel management requires these skills and more. It requires knowledge of public personnel management techniques, an understanding of historical developments in the field, and the ability to resolve ethical dilemmas among competing values under conditions of change and uncertainty. Personnel rules and procedures are not value-neutral; rather, they are the implicit or explicit implementation of a particular public personnel system (or compromises among several such systems). This means that each selection or promotion decision must be viewed not merely as a technical exercise, but as a case that reflects and exemplifies this historical conflict over alternative values, power, and public personnel systems.

Public personnel directors must be sensitive to the need for administrative systems to be responsive to legitimate political values and public participation in governance, especially in local government. These kinds of changes inevitably challenge the shield that the rhetoric of merit has provided the traditional manager. Now there is no escaping the political pressure personnel managers must face. They work under consent decrees and with unions that traditionally have set barriers to hiring women and minorities. At the same time, they are expected to respond to their political leaders while maintaining the integrity of the civil

service system they oversee. Yet they have no guidance from within the traditional civil service system for how to integrate these increasingly insistent and conflicting demands.

Modern public personnel managers tend to view their world as a conflict and change-oriented environment, rather than as a stable one. First, theirs is a world in which trends such as privatization and contracting out have blurred distinctions between public and private. Second, their world is controlled by a myriad of complex and conflicting laws involving affirmative action, labor relations, personal/professional liability, employee privacy, due process, and pay equity. Third, their world is characterized by constant technological innovations in areas such as data security, teleconferencing, computerized databases and report generation, and applications of interactive video to training and orientation. Fourth, their world is characterized by changes in workforce composition (demographics). For example, robotics and automation have led to the creation and absorption of many middle management and clerical positions; the workforce is aging, and the number of women and minorities is increasing—by 1980, over half the workforce employed outside the home in the United States was female. And the number of blacks and Hispanics is increasing as well (they will constitute 50 percent of the births in the United States by 2076) (Judy and D'Amico 1997). Fifth, this leads to changes in organization such as real-time problem solving, decentralization, and networking.

These changes in the context of public administration have led public personnel managers to adopt a changing definition of the field. In general, there is increased awareness of the impact of environmental factors—among them technology, economics, politics, and social conditions. There is also continued awareness of the importance of human resources to organizational productivity. Within the field of human resource management, this means increased responsibilities in the general area of environmental mediation and adaptation, including interpretation and compliance with government regulations, predicting the effects of changes in technology and workforce composition on jobs, and developing programs and systems to help line managers increase productivity. Examples are job humanization, flexible work schedules and benefits, training and education, and performance-oriented evaluation systems.

### **Toward an Evolutionary Developmental Model of the Role**

The competencies required of public personnel managers have changed historically over time as a result of changing conditions and expectations. Today it can be said that public personnel management in the United States represents a dynamic equilibrium between the previously mentioned conflicting and interacting values and systems. Each value represents a particular system for assigning scarce public jobs to applicants within a complex and changing environment. This conflict demonstrates the intermingling of technical decisions (for example, how to perform a certain personnel function) with political decisions (for example, which

**TABLE 3.2. The Role of the Public Personnel Manager in the United States**

Stage	Dominant Value	Dominant System	Public Personnel Manager's Role
Patrician (1789–1828)	Responsiveness	“Government by Elites”	None
Patronage (1829–1882)	Responsiveness	Patronage	Recruitment and political clearance
Professionalism (1883–1932)	Efficiency + Individual Rights	Civil Service	Watchdog against the spoils system
Performance (1933–1964)	Responsiveness + Efficiency + Individual Rights	Patronage + Civil Service	Adherence to legislative mandates + watchdog against the spoils system
People (1965–1979)	Responsiveness + Efficiency + Individual Rights + Social Equity	Patronage + Civil Service + Collective Bargaining + Affirmative Action	consultation + balance among competing values and objectives
Privatization (1980–now)	Individual Accountability + Limited and Decentralized Government + Community Responsibility	Alternative Organizations and Mechanisms + Flexible Employment Relationships	Adherence to legislative limits + contract compliance
Partnership (2002–now)	Responsiveness + Efficiency + Individual Accountability + Limited Government + Community Responsibility	Patronage + Civil Service + Collective Bargaining + Affirmative Action + Alternative mechanisms + Flexible Employment Relationships	Compliance + Policy Implementation + Consultation + Contract Compliance + Strategic thinking about HRM + Tension Management + Boundary Spanning

value should be favored or which system utilized in performing that function). The steps in the evolution of the role in the United States, the values, the systems, and role expectations at each stage of development, are shown in Table 3.2.

Up to this point our analysis has focused on the development of public personnel management in the United States. But we also have to think about the relationship between public personal management and democratization from an international perspective, due to the fall of international communism and the resurgence of democratic institutions in parts of Eastern Europe, Latin America,

and Africa. This development process varies from region to region, so we will therefore use several Central American republics as an illustrative example.

Despite this consensus on the importance of public personnel management to the development of democratic government and society, there has been little comparative research on the development of public personnel management in Central America or of its relationship to democratization there. Comparative administration texts do discuss civil service reform, though they do not focus specifically on this topic or region. Consequently, critical questions remain unanswered:

How does the development of public personnel management in Central America compare with its development in other Latin American countries or in other developing countries?

How does the process by which public personnel management has developed in the United States compare with the developmental process in other developed countries?

To what extent are findings about the relationship between democratization and public personnel management in Central America generalizable to the study of democratization in other developing countries?

Comparative analysis allows us to establish some key points about the development of public personnel management, and about its relationship to the democratization process in Central America.

First, each country evidences background characteristics that are similar to and yet different than the others. Among the similarities are a common language, history as parts of the Spanish colonial empire, and structure of government. Yet each also differs from the others in historical, social, political, and economic characteristics. And understanding these similarities and differences is the key to understanding their laws, government structure, and personnel processes.

Second, the history of each country shows that complex and interactive pressures toward democratization and modernization influence the development of each country. For example, there are internal pressures to allow greater political freedom (characterized by the development of political institutions), economic development (characterized by external investment and the creation of adequate private sector employment), and improved socioeconomic well-being of the population (as measured by levels of income, health, and education); and external pressures for enhanced governmental performance and stability, the growth of a stable and adequate economy, and the protection of human rights. While the conceptual and operational relationships between democratization and other variables are debated, an examination of national characteristics demonstrates that a close relationship exists between the effectiveness of a government and the effectiveness of its public personnel system.

Third, public personnel systems within these three Central American republics have developed through a relatively uniform process similar to, yet not identical with, the evolution of the field in the United States. In the beginning there is

**TABLE 3.3. The Role of the Public Personnel Manager in Developing Countries**

Stage	Dominant Value	Dominant System	Public Personnel Manager's Role
I – Elites	Responsiveness	Patronage	Recruitment and political clearance
II – Patronage	Responsiveness + Efficiency + Individual Rights	Patronage + Civil Service + Collective Bargaining	Recruitment and Political clearance + “Watchdog” over agency managers and elected officials to ensure merit system compliance
III – Merit	Responsiveness + Efficiency + Individual Rights	Patronage + Civil Service + Collective Bargaining	Recruitment and political clearance + Adherence to legislative mandates + Watchdog against the Spoils system + Contract compliance
IV – Mature Mixed	Responsiveness + Efficiency + Limited government	Patronage + Civil Service + Collective bargaining + Privatization	Compliance + Policy implementation + Consultation + Contract Compliance + Strategic thinking about HRM

a patronage system, then a transition toward merit marked by three milestones (passage of a civil service law; creation of a civil service agency with adequate location, staffing and funding; and implementation of effective personnel procedures). This proposed model is shown in Table 3.3 (Klingner 1996).

In Central America, dominance by elites during the initial stage of independence is followed by patronage-based personnel systems as political leaders seek to maximize political responsiveness. As pressures for efficiency (modernization) and employee rights (democratization) increase, the third stage is a transition to merit systems marked by three milestones: passage of a civil service law, creation of an effective civil service agency, and elaboration of effective policies and procedures. Fourth, if and when this occurs, policymakers must strive to maintain an appropriate balance among the desirable but contradictory objectives that characterize public personnel management in developed countries: (1) Establish an optimum level of public employment, (2) protect public employees' rights yet achieve administrative efficiency, (3) achieve both uniformity and flexibility of personnel policies and procedures, and (4) balance conflicting values and personnel systems.

Although the transition from patronage to merit is due to a number of external pressures, it is also spurred by internal consensus (among a coalition of

administrators, academicians, political leaders, and other “change agents”) on the general disadvantages of patronage systems: Excessive political appointments are tied to government corruption; (2) the wholesale employee turnover that accompanies elections promotes inefficiency and wastes human resources; and (3) the resultant instability, corruption, and poor government performance discourage international investors and engender cynicism or apathy among the people. The advantages of a merit system are also widely accepted by this reform coalition: it allows (1) governments to predict personnel expenses and control them within a prescribed budget; (2) agencies to manage their own human resources most effectively; and (3) public employees in professional and technical positions to develop as individuals and as a national resource.

While the general developmental process in these three Central American republics appears similar to that found historically in the United States, there are three major differences. First, because in Central America unions are a potent political force against patronage, they emerge prior to (rather than after) the transition from patronage to civil service. Second, because public employment rights for minorities and women are not yet a critical public policy issue in Central America (except in relatively developed countries such as Costa Rica), social equity as a value does not yet have significant impact on personnel systems. So stage three in Central American republics is at present a dynamic equilibrium among three (rather than four) traditional values and their respective public personnel systems. Third, while there exist considerable pressures toward privatization as part of the overall economic policy of international lending organizations to reduce public expenditures and external debt, there is also widespread realization in Central America that the development of a strong civil service is essential to democratization and development. Thus, pressures toward privatization and business models are not as strong there as in the United States. So again, stage four in Central American republics is at present a dynamic equilibrium among three values and their respective public personnel systems.

Although there has been little research into the process by which administrative innovations are developed or transferred from one country to another, this developmental uniformity appears to be based on three factors: (1) Conditions in developing countries, including pressures for modernization and democratization, may parallel (though lag behind) those in the United States; (2) personnel innovations tend to be exotic (introduced into developing countries by consultants from developed countries) rather than indigenous (“home grown”); and (3) international lenders often mandate administrative reform as a condition of continued credit.

### **HOW DO PUBLIC PERSONNEL MANAGERS GET INTO THE FIELD?**

Previous discussion indicated that public personnel management is a set of functions (planning, acquisition, development, and sanction) performed by personnel specialists, managers, and elected and appointed officials. Personnel specialists, in particular, function as technicians, professionals, human resource management

experts, and mediators. They perform these multiple roles in a central personnel office or in a public agency. Usually, at least in entry-level positions, they specialize in some aspect of the field, such as staffing, test development, job analysis and evaluation, affirmative action compliance, contract negotiation or administration, training and development, or pay and benefits. In smaller jurisdictions or agencies, the personnel function may be part of another job, and this provides basic exposure and experience.

While the personnel specialist's work involves primarily civil service systems and the employees working in them, it includes other systems as well—collective bargaining, affirmative action, political appointments, alternative mechanisms for providing public services (such as outsourcing), and flexible employment relationships (such as exempt positions, temporary, and part-time employment).

While all students of public personnel management need to know something about the job of the personnel manager as part of learning about the field, some students have a more specific interest—they want a job. Thus, their interest in what public personnel managers do is followed by two other questions: As a student, what courses should I be taking to qualify myself for a job as a public personnel manager? As a first-time job applicant, how do I get a job?

While public personnel management is a profession, it is also a profession of generalists in that people become public personnel managers through a variety of career paths. Most have some formal academic training, undergraduate and/or graduate, in public management or business administration. This may include course work in personnel management from a private-sector perspective, or in public personnel management from the perspective of civil service and collective bargaining systems. There are specialized graduate curricula in personnel management taught by a number of programs; information on public administration programs can be obtained from the *National Association for Schools of Public Affairs and Administration (NASPAA)*; information on business administration programs can be obtained through the *American Association for Schools and Colleges of Business (AACSB)*.

In addition to required courses in human resource management, many graduate programs also include a specialization area in human resource management. While the content of programs differs among institutions, common topics in a specialization are included, either as separate courses or as elements in a curriculum.

*Administrative law:* impact of rules and regulations on public administration, including personnel management.

*Collective bargaining:* Impact of unions on public personnel management, legal and political antecedents, and contract negotiation and administration procedures.

*Test development:* Development and validation of devices for selection, promotion, and placement (sometimes taught by psychology).

*Pay and benefits:* Job analysis, classification, and evaluation; setting wages and salaries through job evaluation and/or market surveys; statutorily required employee

benefits (workers' compensation, Social Security), and optional ones (health insurance, pensions, etc.).

*Training and employee development:* Design, implementation, and evaluation of orientation, training, and career development programs.

*Affirmative action compliance:* Work force diversity, equal employment opportunity, affirmative action, and employment equity without respect to gender, race, national origin, age, religion, or disability.

*Organizational development and change:* Assessing organizational performance, and changing structure and culture to make it more effective.

*Role of women and minorities:* Changing organizational culture to make it more equitable for women and minorities.

*Personnel policies and procedures:* "Topics" courses specializing current policy issues (such as workforce diversification, workplace violence, alcohol and drug abuse, and life-threatening diseases).

*Productivity improvement:* How to make organizations more efficient and effective through the application of policy-analytic techniques.

*Comparative or development administration:* Offered through public administration, business administration, economics, or international relations programs.

*Alternatives to civil service:* Use of alternative organizations or mechanisms for providing public services, or of flexible employment relationships for public employees.

University training (a BPA, a Master's degree, or even a graduate professional certificate program in public personnel management) will give personnel specialists added knowledge that can enhance their performance as specialist, professional, mediator, or human resource management expert, thereby enhancing their career options. And because public personnel functions also involve others besides personnel specialists (such as managers, supervisors, and appointed officials), many human resource management courses have more general usefulness for anyone considering a career in public policy or management.

Those without significant personnel management experience may have a harder time breaking into the field. Worldwide changes in labor markets, plus the changing political conditions under which public administrators work today, mean that there is more competition for professional jobs in many fields, including public personnel management. Often, recent college graduates without significant public personnel management experience are competing against experienced professionals who are on the job market because they have been laid off (or, if you prefer current terminology, "out-placed" or "reengineered" out of their jobs). Under pressure to "do more with less," employers will seek to hire employees who will not incur start-up costs. They may prefer to hire the experienced professional over the recent graduate.

How do you "get your foot in the door" under these conditions? The first suggestion is to take courses as part of your university education that provide you with knowledge and abilities needed by public personnel managers, particularly the entry-level positions discussed above. Take enough courses (usually semester credit hours) and the right courses so that you can apply for a major, a

minor, or a certificate in human resource management or personnel management. Second, include an internship as part of your university curriculum. Make sure it is with an organization that is looking for employees—one that uses internship programs as a recruitment mechanism rather than just a source of temporary, free labor. Your best gauge of this is by asking your university's internship placement coordinator, your professors, or current employees who started work there as interns. While a formal internship option may not be feasible for the mid career student, expressing interest and aptitude on the job may help with a lateral transfer into personnel work. With some creative thinking and job design it may be possible to share some time in the personnel office or to gain experience by seeking out personnel-related tasks in your own office. Third, tailor your résumé so it highlights the education, experience, skills, and knowledge needed for a job in personnel management. Identify related courses in management, computer sciences, statistics, psychology, law, or other fields. Fourth, practice applying for jobs and taking interviews so you know how to respond to questions interviewers ask. Why do you want this job? What work experience have you had that shows your aptitude or ability for personnel work? If you lack related experience, what skills and abilities do you have that would make it easy to learn? Why are you the best candidate for the position? Good luck!

### **TAKING CHARGE OF YOUR OWN CAREER DEVELOPMENT AS A PUBLIC PERSONNEL MANAGER**

Any preprofessional training begins to become obsolete the moment the course is over. Clearly, it is incumbent upon personnel professionals to take charge of their own self-development through continued self-study and career development. Some suggested sources public personnel managers could use as individuals to enhance their own skills and abilities are professional associations, research libraries, and the Internet (Klingner and Nalbandian 2003).

#### **Professional Associations**

Professional associations offer the opportunity to network with other professionals locally, to attend national and regional conferences, and to receive free member services such as newsletters or professional journals. All of these offer continued education and career advancement options for working professionals. Universities, professional associations, and private professional development institutes provide training courses and seminars for public personnel practitioners. Check the continuing studies or university outreach programs of local universities, or the calendars of local chapters of professional associations.

#### **Research Libraries**

Research libraries are indispensable for students or practitioners seeking to keep their knowledge of law and practice up to date. People tend to think of libraries as places where books are kept, but in reality, the past 10 years have witnessed their

transformation into sources of information, much of it stored or transmitted electronically rather than on paper. A generation ago, students researched papers by checking books out of the library, or by photocopying journal articles. They took the materials home, wrote a draft of the paper, and typed the final copy. Books are a good source of historical data, but they are rarely useful for researching current topics because the long lead-time between writing and publication (usually a minimum of 2 years). Books are cataloged by subject area, usually according to the Library of Congress cataloging system.

Research is totally different today. It's possible to research excellent papers without using books at all, by utilizing alternative information sources: reference books, loose-leaf services, indexes, professional journals, and government documents. Loose-leaf services are serial publications issued on a regular basis to provide researchers, lawyers, and practitioners with current information on specified areas of personnel practice and procedure. Indexes are bound books or CD-ROM disks that provide bibliographic sources on human resource management topics from a range of professional journals and other periodicals. Data are arranged so that references may be located by author, publication, key word, etc. They are published monthly, quarterly, or annually.

Many professional associations publish professional journals to keep members informed about current law, practice, innovations, and issues in the field. These are sent to members, or are available through research libraries. Generally, periodicals in the human resource management area are found in the HF5549.5 area (Library of Congress cataloging system). The federal government, and many state and local governments, routinely send publications to so-called repository libraries throughout the country. These government documents are sometimes hard to locate because they are not indexed by Library of Congress codes (as are books and professional journals). But reference librarians can help you if you can't locate what you need through the indexes of public documents. Or you may contact these agencies directly to request specific documents—most are free or low-cost.

It's also possible to research a popular current topic through newspapers and magazines. While the quality of newsmagazines and newspapers is uneven, some periodicals (such as the *New York Times* and *Wall Street Journal*) are noted for their thoughtful, well-researched coverage. Frequently, this is the only source you can use for current topics, as the lead-time to publication in professional journals is often over a year. Some periodicals (including the two mentioned above) have their own indexes. If your library subscribes to a comprehensive index of periodicals (such as LEXIS/NEXIS), you will be able to search the whole universe for material on a specific topic. Some popular magazines are also indexed in the indexes mentioned previously.

### **Doing Research through the Information Superhighway**

While it is of course possible to do research by visiting the library and browsing through these information sources there, all this information—and a lot more—is

available on the information superhighway (Internet). This is the global information network that connects the researcher with a wealth of electronic information. All you need is an office or home computer, a phone line with a modem, and communications software (which may even be provided free by your university or your employer. Using these tools, it's possible to use four major applications of the Internet: e-mail, listservs, browsers, and Web sites (home pages).

E-mail (short for electronic mail) is fundamental to Internet connections, since it provides the computer address from which and to which electronic messages are sent. Electronic messages are sent from one computer to another through each computer's modem, using phone lines as the transmission method across distances. E-mail has several critical advantages over conventional communication by memo, fax, or voice communication by telephone. First, it is paperless, meaning less waste and less transmission time. Second, messages are received and stored automatically for the recipient, who can "pick up the mail" and read it from any software-compatible computer using the individual's e-mail address and a confidential access code. This avoids playing "phone tag," because the complete message or question is stored, waiting to be accessed by the recipient. It also avoids long-distance phone charges since information is transferred instantaneously from computer to computer. Messages can be sent to lists of recipients simultaneously, creating the opportunity for a true communications net among people with common interests.

Listservs are tools that organize and expand the usefulness of e-mail by providing an easy way for persons with common interests to share information. Once people join a listserv, they are automatically sent every message sent on the Internet to every other member of that listserv; and a message they send to that listserv is automatically referred to all other members as well.

The positive implications of the Internet are enormous and obvious. It enables students and scholars to communicate easily and directly around the world. The problems are equally obvious: organization and quality control. With all this data floating around in cyberspace, how do users know where to look for it, and how do they evaluate the correctness or quality of the data out there? Gophers are automated retrieval services used to locate materials on a particular subject, using branching logic trees and key word addresses in a fashion similar to CD-ROM indexes used by reference libraries. Many government agencies, the Library of Congress, and universities engaged in public management research maintain gophers to help scholars find their way around the Web. Individuals, organizations, or agencies may create their own home page, a Web site identified with their particular e-mail address and used to transmit information to users through Internet browsers.

## CONCLUSION

Public personnel management has been affected by environmental change as organizations and jobs become less stable, demographic tendencies become more

diverse, and emergent market values compete with traditional pro-governmental values and systems. These changes have several critical consequences: (1) change from the administration of positions to the administration of work and employees, (2) precise differentiation between “permanent” and “contingent” workers, (3) growing realization of the limitations of traditional civil service systems, (4) the growth of alternative organizations and mechanisms for providing public services, (5) a continued need to define the values that underlie public service, and (6) the need to unify political and administrative perspectives to make government work effectively.

Public personnel managers may be viewed as technicians, professionals, mediators, and human resource management specialists. Traditional personnel managers (those who operate within a consensus on one system and its underlying values) tend to define themselves, and to be defined by others, as technical specialists working within a staff agency. Contemporary personnel managers (those who operate as human resource management experts or as mediators among competing systems and values) tend to define themselves, and to be defined by others, as professionals whose role involves a blend of technical skills and ethical decision making.

Tomorrow’s organization with increased specialization, downsizing, teamwork, and pay for performance all add challenges and anxiety to the work of elected and appointed executives, managers, supervisors, and employees. Organizing work in this type of environment of change highlights the importance of an organization and its members who are capable of dealing with the resultant ambiguity and who are willing and able to learn from their organizational experiences and make personal and organizational changes based on that learning.

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## Accountability Challenges Facing Public Sector HRM in an Era of Downsizing, Devolution, Diffusion, and Empowerment

J. STEVEN OTT AND LISA A. DICKE

Political ideology and an ideology of empowerment have collectively created an all-but-indisputable truth: *The best decisions are made by people and organizations that are closest to those who will be most directly affected.* It doesn't matter if the question is whether a decision should be made in Washington, DC, or in state houses; in a state house or in city halls; in city halls or in community councils; in corporate headquarters or in geographically dispersed profit centers; in government agency offices or in boardrooms of contracted nongovernmental service providers; or by higher-level public managers or employees who interact with recipients of services. The question has been answered before it is asked: "One size does not fit all. Make decisions as close as possible to the people who will be most directly affected." The strategies for acting on this all-but-indisputable truth in the epoch of the 21st century are self-evident: downsize, decentralize, devolve, diffuse, empower, and contract-out.

This all-but-indisputable truth and its enactment strategies have been fueled by the widely shared public perception that government is incompetent and cannot be trusted to do anything right (Lenkowsky and Perry, 2000; Ott and Shafritz, 1994, 1995). Beliefs that support this truth include: Bureaucracies are not able to provide sufficient incentives to induce government employees to work efficiently and effectively; government managers are rewarded for maximizing the size of agency budgets and staffs; and inhabitants of government bureaucracies become overzealous in exercising regulatory policies that irreparably damage businesses, families, and lives. Strategies to implement this truth represent attempts to

circumvent what are widely believed to be the irreparable causes of government incompetence—the rule-bound inflexibility of large traditional government bureaucracies that deliver monopolistic services. Proponents of downsizing, devolution, and diffusion thus envision a release of creative and administrative talents within government agencies and in contracted private organizations that deliver services for government, when centralized rule-based authority structures are removed or, at least, are dispersed (Durst and Newell, 1999; Page, 2005; Peters, 1996).

This all-but-indisputable truth and its implementation strategies also have implications for public human resource management (HRM), managers and departments and for public employees in general (Swiss, 2005). As public organizations are downsized, employee morale often plummets as fears and insecurities infect the organizational culture. Attempts to empower employees and to redesign or enrich jobs are seen as nothing more than manipulative schemes to get employees to “do more with less.” The seemingly endless attacks on the ability of government organizations and employees tend to cause talented young people to avoid or leave government jobs thus creating self-fulfilling prophecies (Kearney and Hays, 1998).

Concerns about the loss of accountability and equitable treatment when government agencies are downsized, devolved, diffused, and lower level employees are empowered have been resourcefully dismissed via a second all-but-indisputable truth: *Information technology and performance measurement are able to uphold the core values of accountability and equity.* The combined effects of these two all-but-indisputable truths have substantive implications for the processes, structures, and cultures of public sector organizations and their HRM departments. The most significant challenges these truths have created for HRM are by-products of weakened government accountability and the erosion of core public values, particularly equity (Ott, Boonyarak, and Dicke, 2001). Meeting these challenges will require new roles and skills for public HRM departments as well as considerable effort and creativity. These truths, ideologies, and strategies, and their implications for public HRM are the foci of this article.

Specifically, we argue that downsizing, devolution, diffusion, and empowerment are pervasive and persuasive ideologies, and pressures on government to implement these ideologies will not lessen in the foreseeable future. Downsizing, devolution, diffusion, and empowering provide many performance advantages, but they eliminate the historic notion of accountability flowing up through hierarchies to public officials who are accountable to the public. It has been widely assumed that recent advancements in information technology and performance measurement provide adequate replacements for up-the-hierarchy accountability, but these technologies are not yet at a level of development that they can ensure some important dimensions of accountability in several areas of government services (Nicholson-Crotty, Theobald, and Nicholson-Crotty, 2006; Page, 2005; Swiss, 2005). Alternate approaches to accountability are needed, and public HRM managers and departments can play leading roles, but the long-standing

HRM “paradigm” will need to change radically before they will be able to do so effectively.

### **THE POLITICAL IDEOLOGY OF DOWNSIZING, DEVOLUTION, AND DIFFUSION/OUTSOURCING**

House Speaker Newt Gingrich was arguably the most eloquent spokesperson for this political ideology in the 1990s. The Republican Party’s “Contract with America” became the symbol for the devolution and diffusion movement. The potency of the ideology has shown little decline. In the infancy of his presidency, George W. Bush signed Executive Orders 13198 and 13199 establishing Executive Department Centers of Faith-Based and Community Initiatives and a White House Office of Faith-Based and Community Initiatives. These orders once again visibly institutionalized the ideology at the national level, and the implications for public sector HRM could not be dismissed lightly. We expect to continue to hear the tenets of the ideology voiced as all-but-indisputable truths by politicians, the news media, and some scholars alike, such as:

*Downsize: Government is too big.* David Osborne, for example, did not believe that the National Performance Review (NPR) could succeed if it were “sold” as simply an effort to improve the performance of government. Osborne “pleaded with Gore to put the 252,000 personnel reduction goal in the [NPR] report. Had we not convinced him, I don’t think the report would have been credible in Washington” (in Light, 1998, 26). Smith and Lipsky (1993) argue that “reducing the size of government” is at least as persuasive as “reducing costs” as another all-but-unarguable justification for contracting services out to the private sector.

*Devolve: Better decisions are made close to home.* Decentralize. Let go of decisions and resources. In 1996, for example, Congress was persuaded by the governors to turn the administration of Medicaid over to the states. The governors argued that if states were freed from the Health Care Financing Administration’s (HCFA’s) endless red tape, they would make better decisions that would benefit people in their states, and with the savings from increased efficiency, states could provide the same or higher levels of services with less funding. As has been widely reported, the governors’ claims far exceeded what the states were able to achieve.

The devolution movement has not been limited to “returning” power to the states, however. At the same time that the states have been wrestling with Washington over the control of programs and funding, cities, counties, and special districts also have been pleading for increased freedom from state house controls and statewide “mandates.”

*Diffuse: Government should not engage in (and should withdraw from) the provision of any services that organizations in the private sector can and will provide.* Leading proponents of contracting-out, such as E. S. Savas (1982), have argued that the public is served best when interested public agencies and private firms are allowed to compete for public business. Positive results, including higher productivity, lower production costs, and increased customer satisfaction, reportedly have resulted from public-private competition in the U.S. government, states, and cities (Barzelay, 1992;

Chi, 1994; GAO, 1992, 1997a, 1997b; Osborne and Gaebler, 1992; Osborne and Plastrik, 1997; Prager and Desai, 1996). The strength of the political ideology of diffusion, however, has given credibility to the argument that the public sector enjoys an unfair advantage in competition with the private sector, and thus public agencies should not be permitted to compete with private firms for government contracts. For example, despite demonstrated financial and performance benefits to the government that were derived from public-private competitions for Air Force and Navy aircraft maintenance work between 1991 and 1994, the Department of Defense's program of public-private competition was abruptly terminated. In justifying the decision, John Duesche, Deputy Secretary of Defense summarily announced:

With regard to competition between the public depots and the private sector, the Task Force and other related studies and audits have concluded that: Databases and financial management systems in the Department of the Military Services are not capable of supporting the determination of actual cost of specific workloads. Although vigorous attempts have been made to execute fair public/private cost competitions . . . a level playing field is not achievable in the near term. Based on these findings public/private competition will be discontinued at present. (May 4, 1994, 1)

Studies have concluded, however, that when there are few qualified vendors in the private sector—as is the case with large aerospace firms—the government rarely saves money by contracting-out (Page, 2005). “The simple transfer of a service from public monopoly to a private one is unlikely to yield improvements in either quality or cost savings” (Miranda, 1995, 197).

The strength of diffusion as political ideology in the decades of the 1990s and 2000s has been most evident, however, in the systems for the delivery of state, county, and municipal human services. Virtually *no* human services are provided directly by government employees anywhere. Nonprofit organizations, and in some fields for-profit firms, are *the* deliverers of government-funded human services (Smith and Lipsky, 1993). Where no nonprofit organization exists to deliver human services to clientele groups, state and local departments of human services have helped employees establish new nonprofits expressly for the purpose of contracting-out services to them. In a few states, even some “case management” responsibilities—the system for ensuring accountability for human services—have been contracted-out. In most human services systems, case managers decide which clients should receive which services from which provider(s), and for assuring the quantity, quality, and appropriateness of services they receive.

Downsizing, devolution, and diffusion are accepted tenets of the political ideology of the past two decades. Decrease the size of government, push decisions down closer to home, and push services out into private organizations. Government, governance, taxpayers, the private sector, and the economy all will benefit. Quality of life will improve for individuals, communities, and the nation.

### THE IDEOLOGY OF EMPOWERMENT

The ideology of empowerment shares many tenets and themes with the 1990s political ideology, and the implications for HRM are similar. Empowerment ideology, however, has its own foci, targets, and jargon which can be sorted into two primary streams: (1) empower employees to make decisions, and (2) empower recipients of services and other members of the general public to influence government decisions. Empowerment, like devolution, reflects disenchantment with traditional government bureaucracy and inflexible, rules-based, hierarchies.

The operative assumption appears to be that the best or even the only way to obtain better results from public sector organizations is to adopt some sort of a market-based mechanism to replace the traditional bureaucracy. (Peters, 1996, 21)

Empowerment as an ideology also contains several highly optimistic themes. It is optimistic about the nature of humans if they are provided with “proper and adequate” incentives, and it is optimistic about the knowledge and abilities of lower-level employees if they can be freed from rigid bureaucratic rules and policies. And, empowerment is optimistic about positive results that can be achieved when people who receive government services are empowered, particularly when services are coproduced (Handler, 1996) and when “watchful eye” public interest groups are diligent (Light, 1998, 2000). Employee empowerment has been the more influential of these two streams, and thus the balance of this discussion about empowerment is limited to it.

Empowerment is about higher management “letting go,” turning decisions, responsibility, resources, and accountability over to the employees and/or teams of employees lower in the organization who perform the day-to-day tasks. The two overarching arguments for empowerment are: (1) empowerment permits employees to grow and develop as humans; (2) empowered employees who have been adequately developed produce positive benefits to the organization and for its clients, particularly responsiveness to individual client needs and wants. Properly selected, trained, informed, supported, and motivated teams of workers can and will organize, coordinate, control, correct, and otherwise supervise themselves (Bowen and Lawler, 1992; Orsburn and Moran, 2000; Orsburn, Moran, Musselwhite and Zenger, 1990). Multiple layers of supervisors and middle-managers were needed in earlier eras to perform these coordinative and supportive functions, but in the new political ideology they are not needed, do not add value, and impede the progress of empowered employees (Bolman and Deal, 2003). Middle managers only add needless costs and organizational rigidities. “In the latest round of budget cuts, mid-level managers are considered the easiest and more defenseless target” (Walters, 2005, 28). These two overarching arguments for empowerment are mutually self-supporting—as they have been through the past 30 to 40 years of organizational behavior and human resource theories of organization (Ott, Parkes, and Simpson, 2003).

The empowerment ideology argues for reducing or removing hierarchical layers of top-down controls, opting instead to expand employee decision-making or decision-influencing (Deming 1986, 1993; Kettl 1995). It rests on the popular assumption (Clinton and Gore, 1995; Osborne and Gaebler, 1992) that “workers and clients closest to the actual production of goods and services in the public sector have the greatest insight and information about the programs” (Peters, 1996, 48). It also rests on the belief that customer (or client) satisfaction should be the “bottom line” for government agencies. Client satisfaction is the best measure of service quality, and thus client satisfaction should drive decisions, not rules, policies, control systems, or top-down decisions.

The ideology of empowerment has been highly visible in several popular management movements of the 1980s and 1990s, including: *Quality* or *TQM* (Bhote, 1994; Deming, 1986, 1993; GAO, 1991, 1992; Joiner, 1994; Juran, 1992); *National Productivity Review* or *NPR* (Clinton and Gore, 1995; Gore, 1993; Kettl, 1995); *self-directing work teams* (Bowen and Lawler, 1992; Orsburn and Moran, Weisbord, 1991), including the Air Force’s highly-studied TQM/self-directed work team pilot project, “Project Pacer Share” (Dutcher et al., 1992; Gilbert, 1992; Gilbert and Nelson, 1991; RAND, 1990). All of these empowerment-based management movements have sought to increase organizational productivity, flexibility, responsiveness, and customer service (or client service) by reshaping organizational cultures. If the organizational culture is changed, work teams can and will coordinate their tasks and discipline their own members. Policies, procedures, and layers of hierarchy can be eliminated. Employees and work teams can have autonomy and discretion.

### **Information Technology**

Government’s ability to downsize, diffuse, devolve, empower employees, and contract-out is dependent on rapidly accessible, current, accurate information about performance and, preferably, also about outcomes (Stevens et al., 1995). Empowered employees and contracted organizations need information to manage, coordinate, and redirect activities, schedules, and resources. Higher levels of government managers need information upon which to base decisions about resource allocations and reallocations, and to maintain accountability and control over operations and resources. In traditional bureaucracies, these coordination and accountability/control functions have been performed by supervisors and lower- and middle-level managers.

“Informed” employees (Zuboff, 1988) now can perform these functions. Information technology can enable organizations to advance beyond “automating” to “informating.” The import of Zuboff’s distinction between automating and informating is reflected in a plant manager’s question: “Are we all going to be working for a smart machine, or will we have smart people around the machine?” (1988, 285). Informating is the essence of information technology in the first decade of the 21st century. With it, employees can escape from rigid organizational rules and policies—to empowerment. Information technology thus is also

about persons and offices high in bureaucracies letting go—exercising less authority and control. It is about qualitative changes in power and authority in government agencies.

A technology that informatizes can have a corrosive effect on the hierarchical organization of work. . . . Both groups [management and employees] work together to forge the terms of a new covenant, one that recasts the sources and purposes of managerial authority. (Zuboff, 1988, 285)

Readily available, low cost, highly sophisticated, networked information processing technology permits both employees and managers to access data. Teams of employees can know as quickly as management about backlogged work, the availability of resources, the status of projects or work in progress, work schedules of functionally related teams, and feedback from clients. Information technology is eliminating (or at least greatly reducing) the need for supervisors and lower-to-middle-level managers who used to perform the coordination and accountability/control functions.

### Performance Measurement

Although students and practitioners of public management had begun to take notice of performance measurement in the 1980s (Epstein, 1984; Morley, 1986), it became one of the most popular topics in the literature of public management during the 1990s and remains so today (Ammons, 1994; Behn, 1995; Berman and West, 2004; Bouckaert, 1993, 1995; Cohen, 1993; Deller, Nelson, and Walzer, 1992; Eccles, 1991; Gilbert, 1992; Hedley, 1998; Holzer and Callahan, 1998; Kamensky, 1993; Kaplan and Norton, 1992, 1996; Lisoski, 2003; Nichols and Nichols, 1993–1994; Nyhan and Marlowe, 1995; Peters, 1996; Prager and Desai, 1996; RAND, 1990; Sorber, 1993; U.S. Department of Justice, 1995). It had to. Performance measurement became a “hot topic” because *it had to work*. “The absolute worst measure is none at all” (Lisoski, 2003, 16). Devolution within and among government agencies, empowerment, and diffusion through contracting-out and other varieties of “enterprise government” (Halachmi and Nichols, 1997) could not be managed without valid, reliable, timely, and nontrivial measurements of performance (Ott, Boonyarak, and Dicke, 2001). Government accountability cannot exist without it (Altshuler, 1997; Rosen, 1998). Measurements must be available to and accessible by higher-level managers, empowered work teams, and contracting agencies.

Thus both technologies—performance measurement and information technology—must function effectively in order to prevent downsizing, devolution, and diffusion from evolving into government abdication. Unfortunately, the task of measuring nontrivial performance with validity, reliability, and timeliness can be considerably more difficult than it may appear.

There are two primary types of difficulties. First, some services can be extraordinarily difficult to measure such as, for example, quality of life for persons with

disabilities and mental illness; and changes in beliefs, attitudes, and behaviors that are “co-produced” by the service provider and the recipient of services (Clary, 1998). Consider, for example, the difficulties involved in trying to measure the sexual activity level of unmarried high school students, the prevalence of certain types of high-tech white-collar crimes, or the frequency with which crimes are committed against prostitutes, drug dealers, or pedophiles. Measurement is less difficult when the important elements of the processes, outputs, and/or outcomes can be quantified and/or observed objectively. Thus, for example, the thickness of concrete, the number of pregnant women who attend prenatal classes, the number of contact hours between service providers and patients with Alzheimer’s disease, and the number of people removed from a state’s welfare rolls during a defined period of time, are all measurable without particular difficulty.

The second and often more complex difficulty, however, is that all too often what can be measured is not what is important. Does anyone truly care how thick concrete is if freeways are hopelessly congested, how many pregnant mothers attend classes if they do not change their unhealthy lifestyles, or if the people who are removed from the welfare rolls have nowhere to live except on the streets? Often it is not particularly difficult to measure the quantity of inputs, activities, and outputs. It is often quite difficult to measure the quality of activities, outputs, and either the quantity or quality of outcomes. It is yet more difficult and expensive to measure (establish) relationships between activities and outcomes—cause-effect relationships—as is often the situation with coproduced services when activities only *influence* outcomes (Suchman, 1967). When changes in behavior or lifestyle are the desired outcome, such as for example with programs to improve the outcome of pregnancies or for people with chemical dependencies, timeliness of measurements often can pose serious problems. Outcomes can take years or even decades to establish—except through indirect and/or proxy measures, which introduce other difficulties.

We have asserted that downsizing, devolution, diffusion, and empowerment are dependent on performance measurement and information technologies. If so, we are asking more of performance measurement than it is able to deliver yet in many government services areas. Despite its rapid development in the last 15 to 20 years, it cannot yet provide nontrivial information for decisions that is consistently valid, reliable, and timely across many of the government functions that are being downsized, devolved, and diffused.

Downsizing, devolution, diffusion, and empowerment are ideologies, however, and they will continue to draw popular support. The inadequacy of an enabling technology will not diminish the ardor of their proponents.

### **ACCOUNTABILITY AND CONTROL IN AN ERA OF DOWNSIZING, DEVOLUTION, DIFFUSION, AND EMPOWERMENT**

Empowered government employees and personnel in organizations that contract with government agencies need information to manage, coordinate, and redirect

activities, schedules, and resources. Higher-level government managers need information upon which to base decisions about resource allocations and reallocations, and to maintain accountability and control. How can accountability be ensured and maintained if one of its key enabling technologies is not yet able? This is one of the premiere challenges for public management in the 21st century. It is also one of today's realities for public managers in general and HRM managers specifically. It is the environment in which many local, state, and national government employees and private sector contractors must conduct the business of government while government is being downsized, devolved, diffused, and employees are being empowered. Government's ability to be accountable for resources, service delivery, and the populations it is responsible for serving, is at risk.

"Accountability" is answerability for one's actions or behavior, often "to higher authorities including elected and appointed officials who sit at the apex of institutional chains of command and to directly involved stakeholders, for performance that involves delegation of authority to act" (Kearns, 1996, 11), a definition that ties accountability to the hierarchy through "an organized and legitimate relationship between a superior and a subordinate, and close supervision or a surrogate system of standard operating procedures or clearly stated rules and regulations" (Romzek and Dubnick, 1987, 228). Yet, "accountability is an ill-structured and underdeveloped concept in public and nonprofit administration" (Kim, 2005, 146).

Government accountability is steeped in traditions of responsibility to society and popular sovereignty (Shafritz, 1992). "The term [accountability] suggests the idea of taking 'into account' the consequences of one's actions for the welfare of others" (Donahue, 1989, 10). The notion of government accountability should not be narrowly equated with the legality of actions. Accountability also requires an internalized sense of duty (Harmon, 1995). "Organizational and professional behavior, political concerns, and the morality of administrative actions are equally important in the accountability domain" (Jabbara and Dwivedi, 1988, 5). Accountability thus also has moral, professional, and ethical dimensions (Dicke, 2002; Dicke and Ott, 1999), dimensions that can be extraordinarily difficult to quantify and measure.

On the other hand, most of us believe that external controls also are necessary for ensuring government accountability, such as legally binding obligations. The written contract is the symbol of this belief. Through contracts, "the state is responsible for actions committed in its name, and those who exercise the power of the state are answerable for their actions" (Jabbara and Dwivedi, 1988, 3). In essence, we have been conceptually assuming that when services are provided by nongovernmental organizations, government's accountability crosses the boundary between sectors via written contracts.

If indeed government has responsibilities in the moral, professional, and ethical dimensions of accountability as well as in the legal and fiscal dimensions, government agencies, and their contractors still need to be answerable for the

quality of the services that are provided and the outcomes of these services when services are contracted out to private organizations—as well as for the prudent use of public funds. The performance measurement-information system approach to ensuring accountability usually equates accountability with control. When the quantity or quality of services falls below a predetermined level, the performance deficiency is measured, and information is fed back through the information system to decision makers who take appropriate actions—a classical application of the control system model (Donnelly, Gibson, and Ivancevich, 1987).

Control “derives from one basic property: the ability to determine events or outcomes” (Stout, 1980, 6), a property of government services that seldom exists. The ability to control requires knowledge about the links between activities and results—knowledge about cause-effect relationships. With full knowledge, a manager can control events and outcomes. In practice, managers usually can have (close to) full knowledge about quantities of inputs and activities, because these types of variables usually can be measured relatively easily. The same claim cannot be made about our ability to measure the qualitative aspects of many government activities and outcomes. Thus government accountability cannot be achieved using control systems except in the legal/fiscal dimensions of accountability. Control systems cannot achieve accountability in the moral, professional, and ethical dimensions (Ott, Boonyarak, and Dicke, 2001). Thus our claim: Government managers and their contractors cannot achieve accountability in important aspects of government services by relying on the current technologies of information and performance measurement. Only rarely is there full knowledge about relationships between activities and outcomes in the moral, professional, and ethical dimensions of government accountability.

It is also important to remember the ever-present legislative and public demands for agency officials to be “in control” at all times, a reality that has created a pervasive risk-averse culture among government agencies and officials. Risk-aversion gives priority to the avoidance of errors over strategic opportunism, a preference set that tends to rely on and to favor the use of control systems. Achievement of the moral, professional, and ethical dimensions of government accountability requires a different mind-set. “Real change must issue from those deep levels of our human being where we are in touch with meaning and value” (Zohar, 1997).

### **PUBLIC HRM AND AN ORGANIZATIONAL CULTURE OF ACCOUNTABILITY**

The crux of our argument has been: (1) Downsizing, devolution, diffusion, and empowerment are powerful, pervasive, and persuasive ideologies; (2) pressures for government to continue to downsize, devolve, diffuse, and empower will not lessen in the foreseeable future; (3) historically, accountability in government has been achieved mostly upward through hierarchies, from employees, through layers of supervisors and middle-managers, to elected officials and, at least in theory, out to the public; (4) accountability in government is broader than a narrow

legalistic notion of adhering to the terms of a contract, protecting funds, or counting activities; (5) downsizing, devolution, diffusion, and empowerment eliminate government's ability to achieve accountability through hierarchies; (6) it has been widely assumed that advances in two technologies have provided an alternative means for ensuring accountability for government services that are devolved, diffused, and entrusted to empowered employees: information technology and performance measurement; (7) performance measurement is not yet at a level of development that can achieve accountability or control in many important areas of government services. If this chain of arguments has validity, an alternate approach is needed for achieving and maintaining accountability in government. Public HRM managers and departments can play leading roles in helping to change organizational cultures away from the risk-averse control orientations that have pervaded in many agencies at all levels of government.

Recent literature on the improvement of government has given considerable attention to organizational culture (Ott, 1995). For the purposes of managing government in an era of downsizing, devolution, diffusion, and empowerment, organizational culture performs four functions that may be more important than facilitating change. Organizational culture:

- Provides shared patterns of cognitive interpretations or perceptions so that organization members know how they are expected to act and to think.
- Provides shared patterns of affect, an emotional sense of involvement and commitment to organizational values and moral codes—of things worth working for and believing in—so that organizational members know what they are expected to value and how they are expected to feel.
- Serves as an organizational control system, prescribing and prohibiting certain behaviors.
- Affects peoples' expectations about organizational performance and thereby influence the quality and quantity of performance. (Siehl and Martin, 1984, 228–229)

Organizational culture is the “fabric” of the core of an organization's identity. “A culture is not something an organization has; a culture is something an organization is” (Pacanowsky and O'Donnell-Trujillo, 1983, 126). The culture of an organization is where an organization's identity, personality, and its distinctive values develop and reside. It determines the areas in which an organization can place claims on employees' energies, enthusiasms, and loyalties. Battles to establish and maintain accountability for quality are “won or lost on the basis of individual commitment—a [organizational] cultural matter and not one of bureaucratic regulation or management technique” (Sergiovanni and Corbally, 1984, ix). Perhaps then, the moral, professional, and ethical dimensions of accountability—accountability for quality—can be achieved through the shared cognitions, affects, beliefs, values, and expectations that are established through and maintained by carefully nurtured organizational cultures. Perhaps the inadequacies of the enabling technologies do not necessarily need to result in the

absence of accountability as government agencies continue to downsize, devolve, diffuse, and empower.

Changing the culture of a government organization, however, is a daunting task that requires multiple conscious efforts, applied consistently, over several years (Trice and Beyer, 1993; Van Wart, 1998). Failed attempts to change the nature of government organizations are rarely caused by management incompetence (Ott and Shafritz, 1995). More often, the “culprit” is the culture of the organization (McNabb and Sepic, 1995; Moran and Volkwein, 1992). The organizational culture, however, also can serve as the primary keys a manager can use to unlock the status quo, to help an organization change from a culture that is firmly rooted in a control orientation to a culture that is based in the moral, professional, and ethical dimensions of accountability. A culture that is based on values and beliefs consistent with a broad notion of accountability can replace technology as the enabler of responsible downsizing, devolution, diffusion, and empowerment.

Unfortunately, many public HRM departments have been ill-suited for leading change initiatives of this magnitude or complexity, both because they have lacked needed skills and resources, and because they have lacked the inclination. Too frequently, the subcultures of HRM departments have stifled and suppressed people with the abilities and attitudes needed to lead organizational change (McNabb and Sepic, 1995).

The good news, however, is that “work is underway to meet the leadership challenges facing many federal agencies” (Ingraham and Getha-Taylor, 2004, 111). Organizations are beginning to think about succession planning and grooming leaders who can continue the organizations’ tasks in the 21st century, including effective planning, creative thinking and acting quickly (Ingraham and Getha-Taylor, 2004).

As the profession of public human resource management has steadily grown away from its personnelist history, it has been growing into a more central role in government agencies, a role that often includes leading change initiatives. Public HRM skills are expanding to include methods and techniques for identifying, interpreting, changing, and maintaining aspects of organizational culture that affect productivity and empowerment. HR managers in many units of municipal, state, and national governments are emerging as pivotal actors in efforts to improve organizational effectiveness. They are leading initiatives that affect managers’ and employees’ productivity, flexibility, and commitment to values that are central to quality concerns (Ott and Baksh, 2005).

There is a possibility that some public organizations may be able to maintain broadly defined accountability through this era of downsizing, devolution, diffusion, and empowerment even if the technologies of information and performance measurement are not yet completely able to support all dimensions of accountability. Hopefully, recent advances in information technology and performance measurement will continue, and soon they will live up to their promise as enablers of accountability. Meanwhile, both of these technologies *and* HRM-led

changes in government organizational cultures are needed. It would be naive to place full faith in either without the other.

Public HR managers and departments must work consciously and effectively to develop and nurture organizational cultures that allow line managers to creatively manage the legal, moral, professional, and ethical boundaries within which employees, units, and contracted organizations flexibly manage resources, processes, and outcomes. This requires a profoundly altered conception of public HRM functions and roles. Management of cultural change would need to take priority over the administration of position descriptions, classification systems, and compensation surveys. This will not be easy to accomplish under any circumstances, but it will be particularly difficult within the current context of the downsizing, devolution, diffusion, and empowerment ideologies.

### NOTE

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## Making the Transition to Strategic Human Resource Management: Precursors, Strategies, and Techniques

STEVEN W. HAYS

At this point in the field's evolution, almost no one disagrees with the notion that Human Resource Management (HRM) needs to develop a strategic perspective. The contemporary literature is replete with references to the transformation that has putatively taken place in the roles, functions, and operating philosophies of personnel offices in government and industry (Ulrich, 1998a, 1998b). HRM's traditional emphasis upon control activities is being supplanted, we are told, by supporting behaviors that are far more responsive to the needs of line managers. The age-old preoccupation with policing the personnel system has supposedly given way to a *service* orientation in which personnelists become strategic partners with other managers in a cooperative effort to elevate organizational performance. Regulatory and enforcement functions are being abandoned as human resource professionals strive to enhance their relevancy. As such, today's HRM practitioners are being heralded as the "architects" of organization change (Ulrich, 1998b), and as "facilitators" of management improvements (Whittlesey, 1997).

These reported changes in the fundamental ethos of HRM are prompted by necessity. Public Administration (PA) in general is under assault from a widely discussed cascade of environmental challenges, including fiscal pressures, recruitment dilemmas, a hypercritical public, massive shifts in labor demographics, and an unflattering history of administrative shortcomings (Newland, 1984; Hays, 1996, 2001). Because the personnel function has often been a major part of the *problem* rather than the *solution* to PA's managerial malaise (Volcker, 1989), public personnelists now carry a disproportionate share of the responsibility for

modernizing and upgrading their professional performance. The success or failure of much of the celebrated *reinvention* agenda depends upon a much more proactive and effective brand of personnel management within state, local, and federal agencies. Thus, for better or worse, HRM occupies a central role in the struggle to reform public management.

Although there is a near-unanimous consensus that HRM can and must be transformed into line managers' strategic partner, the contemporary literature is somewhat lacking in specifics as to *how* this miracle can be accomplished. Everyone seems to agree on the revised roles and functions that HRM must internalize (Hays, 2001), but few guideposts on the path to reform are provided. What new strategies and operating techniques are required to advance the ambitious objectives of HRM reformers, and what political and/or organizational accommodations will be necessary before these changes can be engineered? The purpose of this chapter is to begin to fill in some of the details. After delineating a number of the initial conditions that must be present before strategic HRM can become a reality; an overview of potential alterations in various personnel techniques and practices is provided.

Before launching into this (somewhat self-indulgent) essay, a few important *caveats* need to be mentioned. First, the reader will quickly recognize that the suggested reforms may be impractical and/or politically inappropriate in some settings. Knowing what *ought* to be done does not always translate into action, especially when one is dealing with such sensitive issues as government jobs and career systems. Despite lots of good reasons to change administrative practice, the forces of inertia and/or political reality are powerful. Moreover, there may well be very legitimate reasons *not* to alter a particular personnel system, depending upon the social, economic, and partisan composition of the host jurisdiction. Prescription is always a risky enterprise, and we should never make the assumption that any particular model or ideal is universally applicable or advisable. A related caution stems from the inherent limitations of forecasting. Much of this essay is devoted to predictions (guesses?) as to the types of HRM techniques that will emerge as the 21st century unfolds. Although most of the suggestions are based on supporting literature and/or a small amount of empirical evidence, the limitations of forecasting are self-evident. As the economists say, "Those who make their livings by the crystal ball will often dine on broken glass." Despite being based on best-guess estimates, projections from trends that are already apparent, and academic consensus (in many cases), each prediction must be evaluated with an appropriate amount of skepticism.

### **PRECURSORS TO REFORM: POLITICAL AND ORGANIZATIONAL REQUIREMENTS**

At the risk of stating the obvious, it is a truism that personnel reform does not occur in a vacuum. Making the transition from the merit system's policeman to a strategic player in the internal operation of public agencies requires the cooperation of many actors outside of the typical HRM office. Unfortunately,

however, this reality is often overlooked by writers in the field. The personnel profession is often lambasted for being unresponsive and intransigent, yet fundamental changes in most government personnel systems cannot occur without legislative authorization. A quick review of the reform landscape confirms that almost all significant upgrades in state and local HRM systems have been preceded by statutory (and, in some cases, executive) initiatives. In order to dismantle the most oppressive vestiges of old-style personnel practice, legislation is needed to free the hands of both personnelists and line managers.

The current trends toward responsiveness and accountability (which are watchwords of strategic HRM) are built upon the elimination of the excess bureaucracy that surrounds most merit systems. This typically requires a proactive effort on the part of political leaders to reduce merit system protections, to decentralize HRM decision-making to the agency level, and to revise compensation and classification systems that impede managerial flexibility. The most dramatic examples have occurred in such states as Florida (Bowman et al., 2003), Georgia (Nigro and Kellough, 2000), and South Carolina, where the merit systems were essentially abolished. While this move may appear on the surface to be warranted, it has already proven to be a risky enterprise that can threaten the professionalism and neutrality of the civil service (see Bowman et al., 2003; Kellough and Selden, 2003). This problem notwithstanding, further legislative intervention is often needed to encourage refinements in the HRM system, including an adequate employee recognition system (which requires *money*), expedited forms of grievance handling, and simplified recruitment and selection protocols. Because merit systems have been built on a heavy foundation of statutes and executive orders, it takes more than good ideas and intentions to make significant alterations in personnel practice. In short, almost any basic revision of a government personnel system is contingent upon the existence of enabling legislation. To expect personnelists to orchestrate significant improvements in the absence of such measures is unrealistic.

Given the necessity for political approval, it is possible to hypothesize about the likelihood of HRM reform in different jurisdictions. For example, one might reasonably expect change to occur most readily in states and localities where a single party is dominant. In split-party settings, in contrast, reform is likely to come much slower. Where the legislature is divided, or where the executive and legislative branches are controlled by different parties, political intrigue and mistrust will probably discourage aggressive decentralization of HRM authority. A related hypothesis is that local governments headed by professional managers (i.e., the city manager form) are prime candidates for modernization, while highly partisan settings (the strong mayor form, perhaps) are not expected to be fertile reform ground. Similar conclusions can be drawn about the effects of unions. To the extent that unions are present and powerful, basic changes in personnel system operations will probably be restricted. Other exogenous variables that might influence a jurisdiction's tendency to embrace strategic HRM include the form of administration (high levels of gubernatorial power and the existence of an

executive cabinet should be positively correlated with strategic HRM), the personnel system's composition (civil service commissions are inversely correlated with reform, while executive personnel systems are likely to encourage innovation), and the overall political culture of the region (moralistic areas would be expected to be more reform-oriented than are traditionalistic jurisdictions). A recent surge in the number of activist governors who are "on a mission" to overhaul their states' personnel systems is one indication not only of the types of reforms that can be implemented, but also the serious *risks* associated with ideologically motivated transformations of public institutions.

Although all of these relationships are logical, there is little reliable empirical data to validate or refute the underlying hypotheses. The essential point, however, is that HRM reform ultimately depends upon effective (and hopefully *enlightened*) *political* leadership. Acting alone, personnelists can only introduce change at the margins of the field. Their capacity to engineer meaningful transformations from within is severely restricted by the legalistic and statutory construction that characterizes any highly articulated merit system.

The second major precursor to the acceptance of a strategic role for HRM is the need to alter the perceptions of a skeptical labor force. HRM's poor internal image has been a major theme of the professional literature for over 30 years (Holt, 1994; Stewart, 1996). The personnel function is widely viewed, even today, as a narrowly focused and ineffectual anachronism. Sometimes referred to as "the organizational equivalent of Siberia," the personnel office was (is?) a mysterious and unfriendly place staffed by unresponsive specialists who delighted in enforcing irrelevant bureaucratic requirements. For line managers who have spent the bulk of their careers harboring such negative perceptions, the internalization of an expansive "strategic" role will require more than a propaganda campaign. Stated simply, HRM practitioners must *convince* the management community that they deserve a "place at the table." After decades of wandering aimlessly in the administrative wilderness, personnelists bear the burden of proof in demonstrating to other managers that they have something of value to offer the organization.

Recommended solutions to HRM's image problem abound. The theme that permeates every set of recommendations is that personnel practitioners need to redefine who and what goals they are supposed to serve. Instead of emphasizing rule enforcement, they must view line managers and other employees as their primary clients. Control activities would thereby be supplanted by supporting behaviors, and the personnel office would become much more attentive to the impact of its activities on the bottom line. In other words, practitioners must learn to act strategically, to link their activities with the broader goals of the organization, and to assess each procedure on the basis of its contribution to the agency mission. Concerns such as organizational productivity, programmatic outcomes, lowered staffing ratios, and elevating employee morale would take precedence over traditional staffing priorities (as exemplified by rule compliance, merit system operation, and grievance processing). Terms that have been used to describe this revised organizational role include "facilitator" (Whittlesey, 1997), "partner" (Santry, 1996), and "service provider" (Roussel, 1995).

Obviously, a role transformation of the scope described above doesn't "just happen." An incredible number of hurdles block the path to change. Professional inertia, a slow learning curve, statutory and procedural impediments, and an inadequate tool kit of appropriate staffing techniques all constitute potential pitfalls. To this list we must add the probability of managerial reluctance, since HRM's redefined role may well be too much for many managers to easily accept. Therein lies a conundrum: How do personnel practitioners achieve a sufficient level of credibility with fellow managers to be allowed to demonstrate their new competence? Other public administrators must be willing to allow personnelists to participate aggressively in the strategic mission of the agency, yet their instincts will probably encourage resistance because of personnel's past reputation for inflexibility and failure. In a sense, the personnel profession is confronted with a chicken/egg controversy. What comes first, inclusion in the decision-making process (which would be perceived as a risky enterprise by traditionalists), or a clear demonstration that the human resources department is positioned to make important contributions to the agency's mission? Many managers are prone to await the latter, a situation that often precludes the former.

Although this fundamental dilemma will probably take decades of experience (and experimentation) to completely resolve, there are two essential requirements that must be met for HRM to have any hope of receiving broad managerial acceptance. First, the function must be *decentralized* in order to expedite decision making, enhance responsiveness, and improve the likelihood that personnelists can make themselves relevant to other managers. Second, progress must be made in improving the *transparency* of the personnel system. Policies and procedures should be reviewed according to their contributions to the agency's mission. Any requirement that is redundant, inefficient, unduly burdensome, or opaque should be abolished or revised. The ultimate necessity is to streamline the traditional facets of the personnel function so that greater attention can be devoted to activities that enlarge HRM's role in the pursuit of strategic objectives. Some of the specific roles and techniques that might assist in this endeavor are addressed below.

### **ROLE TRANSITION: EXPANDING HRM'S ORGANIZATIONAL RELEVANCY**

An implicit assumption of the preceding discussion is that the human resources function is destined to either expand its organizational mission *or* to lose whatever remaining relevancy it possesses within modern public agencies. Indeed, in the absence of a reconfigured and invigorated HRM department, most staffing activities will probably be targeted for outsourcing, as has occurred in many private corporations (Rubino, 1994).

Prescriptions for reform inevitably emphasize a plethora of new roles for personnel practitioners. According to the conventional wisdom, the development of a strategic perspective—coupled with involvement in the management mainstream—requires that personnelists engage in activities that have heretofore largely been foreign to the profession.

Before we can even begin to list the types of roles that HRM offices will be asked to assume, another critical precursor to successful reform must be addressed. Specifically, the *modus operandi* of practitioners will have to undergo a fundamental transformation. Instead of specializing in narrow technical areas (e.g., recruitment, classification, benefits, and administration), there is widespread agreement that the personnel function must be practiced by *generalists* who have broad organizational outlooks and diverse skills. Obviously, this fact presents a serious and multifaceted challenge. Individuals who have spent decades performing narrow specialties are unlikely candidates to become “strategic partners” with line managers. The transition to an expanded brand of HRM will require *time* (as the old generation of personnelists retires and/or retools), *training* (the next generation of human resource managers will require new competencies that are rarely available today), and *new modes of service delivery* (including new job duties and role expectations).

There is no shortage of prescriptions for how personnel practitioners should behave when functioning “strategically.” Because HRM’s emerging roles are so thoroughly (even exhaustively) explained elsewhere (Hays, 2001; Hays and Kearney, 2001; Stright, 1993; Tokesky and Kornides, 1994), only a brief summary of their major new responsibilities is provided below. For the most part, the essential components and advantages of each role are both predictable and self-evident.

### **Buffering Environmental Change**

One of the most effective ways for HRM to become an accepted partner in strategic decision-making is to enable the agency to cope with rapid change. This responsibility transcends and permeates all of the other roles that are forecast for HRM.

Because most of the challenges of environmental turbulence involve *people*, the personnel function must logically be a frontline warrior in the agency’s struggle to remain viable. Varying facets of this responsibility include (a) the recruitment and retention of a competent labor force; (b) development of a reliable human resource planning system that correctly anticipates and prepares for worker shortages and bulges; (c) creation and maintenance of an adequate system of employee recognition and reward; (d) design of an employee development program that recognizes employee potential and “builds a leadership bench” (Ulrich, 1998b); and (e) involvement in the regular diagnosis and treatment of organizational maladies that could impede mission accomplishment.

A wide array of specific programs and activities might conceivably be involved in this imposing list of obligations. Government training programs, for example, have typically fallen far short of what will be required to “empower” the workforce of the 21st century. According to most experts in the field, the traditional emphasis on skill building is counterproductive in an era characterized by rapid obsolescence. HRM’s dilemma here is to help their agencies to become “learning organizations” by inculcating abstract abilities—for example, analytical thinking, goal flexibility—that are pliant and universally applicable (Kemske, 1998). In

addition to the obvious need for much more sophisticated systems of employee training and development, HRM will be expected to engineer innovations in performance evaluation (which represents a *notorious* technical deficiency), recruitment (where *flexibility* is becoming increasingly essential), and employee motivation. Taking the pulse of the organization through regular employee attitude surveys, and maintaining the competitiveness of the salary structure by conducting periodic wage surveys, should have already become almost routine in any well-developed public personnel system. Other initiatives that will be demanded of personnelists are *succession planning* technologies (Carey, 1997), *applicant tracking* systems that enhance the agency's ability to monitor and attract qualified personnel (McCausland, 1999), and *environmental scanning* capabilities (Tokesky and Kornides, 1994), just to name a few. Insofar as environmental scanning is concerned, the ultimate objective is for the HRM office to monitor legal, economic, and labor force changes that might affect the agency's workforce. The role requires not only an awareness of external factors that are potentially significant, but also the ability to interpret their impacts and communicate relevant implications to line managers.

Once personnelists are able to adopt this proactive professional posture, the basic composition of the HRM function will be transformed. As has long been advocated, they will (hopefully, anyway) assume the role of internal *consultants* who advise other managers on how to build and protect a healthy workforce. The personnel office could thus become a source of *ideas* rather than the creator of bureaucratic minutiae. Over time, other managers might then begin to expect the HRM office to initiate policy proposals and to aid in their implementation. This encapsulates the "partner of line manager" concept that has been so exhaustively advocated, and implies additional contributions that would logically accrue if the expanded model of HRM were to actually spread throughout public personnel systems.

### **Building Leadership Capability**

Next to helping them to cope with rapid change, perhaps the most critical responsibility that HRM can assume is to assist public agencies with the leadership crisis that pervades government. This involves not only the attraction and retention of desirable employees (which, in the current context, is a massive challenge in itself), but also the cultivation and nurturing of leadership talent once it is recognized. Every component of the personnel system must be involved in this strategic mission, since any weak link in the chain can result in worker disgruntlement, apathy, and/or attrition.

In effect, the HRM office must design and maintain a leadership development *program*—an integrated set of steps and tools that ensures the steady progression and refinement of both executive ability and worker competence. Essential components of such a program would probably include many of the following: an extensive orientation program for new employees (something that is typically

lacking in the public sector); a succession planning strategy that projects future leadership requirements and identifies promising candidates for fast-track promotions; a system of peer, subordinate, and group evaluation (the so-called 360-degree evaluation) that emphasizes developmental goals over control and punishment; job rotation and multifunctional assignments to enlarge the managers' vision and job skills; a rank-in-person (as opposed to rank-in-job) career system that enables the organization to assign individuals on the basis of their interests and talents; competency-based training programs to upgrade abstract leadership skills; the proactive use of *mentors* to guide and instruct prospective leaders; and an appropriate reward structure (broadbanding is one promising innovation, as is skill-based pay; most experts are reluctant to endorse "merit pay" due to its checkered history in the public sector).

Once again, the potential benefits to both the HRM office and the agency should be apparent. The symbiotic relationship between the human resource function and all other components of the management infrastructure are especially evident within the leadership development arena. By building an aggressive career ladder for public managers, HRM practitioners can cut many channels into the administrative mainstream.

### **Technology Transfer**

Another prime opportunity for HRM to expand organizational capacity is presented by the pressing demands of the information revolution. Compared to much of the private sector, public agencies are ill equipped to adopt and utilize emerging information technologies (IT). Recruiting and retaining IT personnel are nearly impossible objectives in some settings due to salary disparities between the two sectors. As a result, the HRM function is confronted with a daunting challenge. To the extent that it can assist with the development and retention of IT personnel (and thereby aid the agency in integrating new technologies), additional credibility can be gained with line management.

For the most part, the greatest strides in this regard have occurred in agencies that follow a "grow your own" IT strategy. That is, human resource departments are best served by enlisting members of the current workforce in developmental programs that bind them to the agency for specified periods of time. Interested employees are singled out and provided with subsidized training opportunities, after which they have a contractual obligation to remain in the organization for 2 to 3 years (or else they must reimburse the agency for the costs of their training and related expenses). An essential supplement to this type of program is more generalized training strategies that help other workers harness the technological tools upon which future work will depend. This necessity again accents the importance of training within the expanded OHR office, and suggests that personnel practitioners will be expected to *lead* the agency's efforts to stay ahead of the technology tidal wave (Johnston, 1996).

## Upgrading Human Resources Practices and Techniques

The final major shift in HRM focus stems from the profession's need to heal itself. Much of the personnel function's celebrated image problem can be traced to the fact that many of its favored techniques simply don't work. Despite the investment of enormous quantities of resources in the pursuit of effective staffing strategies, the field is replete with failed and counterproductive methods of recruitment, testing, performance evaluation, discipline, grievance handling, *ad nauseam*. To truly emerge into the sunlight, HRM must do a much more thorough job of assessing the utility of its activities, jettisoning those that do not contribute to strategic objectives, and searching for better ways of performing its various functions.

In effect, a primary new role for HRM practitioners is to be more aggressive in the pursuit of *best practices*. Because each public personnel system is a potential laboratory of experimentation, and because innovation within HRM offices has become widespread in recent years, there is usually no need to reinvent the proverbial wheel. All that a personnelist needs to do is to survey the relevant literature and to import any new human resource technique that has shown promise in other jurisdictions. This task is greatly simplified by the existence of Internet Web sites that trumpet successful efforts to improve personnel system operations. The most visible source of such information is made available by the joint efforts of the National Association of State Personnel Executives (NASPE) and the International Personnel Management Association (IPMA). These two organizations sponsor an awards program that recognizes especially notable "best practices" and makes the relevant information available to any interested users in state and local government. Similarly, nonprofits such as the Annie E. Casey Foundation have invested considerable resources in identifying and chronicling HRM Best Practices that are being effectively employed in social service agencies (see Center for the Study of Social Policy, 2001).

Although much work remains to be done in this regard, the amount of progress that has occurred in the past decade is quite stunning. For organizations that are known for inflexibility and inertia, public personnel systems currently demonstrate an astounding proclivity to modernize and embrace change. This phenomenon bodes well for the future, since the ultimate success of strategic HRM depends upon the profession's ability to perform its basic responsibilities effectively.

## TRANSITIONAL STEPS

Anyone who is familiar with the way that HRM has traditionally been practiced will undoubtedly recognize the scale of the task ahead. If personnelists are truly destined to become strategic partners with other managers, then merely delineating a number of new role responsibilities will not suffice. Good intentions must be translated into action. As has been noted, some of the most significant

prerequisites for success are not within the purview of personnel practitioners. The cooperation of politicians and line managers cannot be taken for granted, and is generally an absolute necessity for systemic changes to occur.

With or without the support of those outside of the HRM profession, however, there are a few obvious steps that might be taken to promote progress toward the goals that have been articulated. Depending upon the legal framework of any particular jurisdiction, worthwhile improvements can be made in HRM operations merely by tinkering with the specifics. And, with the cooperation of a sympathetic agency director, much more ambitious alterations may be within reach of the typical personnel director.

### **Taking an Aggressive Posture Toward Best Practices**

The identification and adoption of relevant best practices is by far the most accessible reform that any HRM office can implement. With few exceptions, some jurisdiction somewhere has experimented with a new strategy for performing virtually any facet of personnel operations. Moreover, a consensus seems to have formed around the utility of many techniques and strategies that are relatively straightforward and readily transportable. There is little disagreement, for instance, about the advantages of wide salary bands over narrow step systems (broadbanding), *any* type of behaviorally based performance evaluation over the trait-based rating scales that still predominate in some areas, and flexible recruitment protocols (e.g., “on the spot” hiring) over rigid formats such as the widely detested “rule of three.” Relatedly, experience within the private sector supports the notion that one of the best means of attracting qualified workers is through *referrals* from current employees, that skill-based pay (i.e., paying workers additional compensation as they acquire new abilities) is preferable to most other forms of “merit” compensation, and that well-developed orientation programs reduce turnover and training costs. In the current vernacular, it doesn’t take a rocket scientist to figure out that these types of “reforms” are widely applicable and well worth the investment.

In addition to the formal literature on best practices, there is a considerable volume of research focusing on the expected directions that the field will take over the next decade or more (Newland, 1984; Stevens, 1995). Whether or not these prognostications should be given much weight is certainly subject to debate. Yet, since much of the research is derived from surveys of supposed “experts” in the field, it is not unreasonable to assume that their opinions are worthy of some (perhaps slight) consideration. Canvassing decision leaders in a given field, primarily through the use of Delphi techniques, is a routine forecasting tool.

The most comprehensive survey to date (Hays and Kearney, 2001) consists of the opinions of two professional groups involved in public sector HRM, the members of IPMA (who are primarily agency personnel directors) and the membership of the Section on Personnel and Labor Relations (SPALR) of the American Society for Public Administration (an entity that is largely composed of faculty who

teach HRM). Their predictions are remarkably consistent both with each other and with the broader literature. They overwhelmingly anticipate a much heavier reliance upon technology within HRM, as exemplified by the increased presence of computer-assisted testing, resume databases, automated customer service, and the delivery of training to differing worker populations. Consistent with much of the reinvention agenda, they also predict the heightened importance of temporary workers, contracting out provisions, 360-degree evaluation, job rotation, and performance management. Likewise, they expect health care and employee development to become the primary job benefits; retirement plans are likely to become far less lucrative with a rapid shift from defined benefit to defined contribution systems. Other predicted trends include the declining use of position classification and rank-in-job career systems, the end of rating scales as a means of performance evaluation, continued emphasis on pay for performance, and the virtual elimination of paper and pencil examinations.

Although each of these trends must be taken as a mere possibility, the overall direction of the anticipated changes ought to sound a warning bell in many personnel departments. Given the state of affairs in some locations, these expected changes are coming far too quickly to HRM professionals who are completely unprepared for the consequences. Also, each reform program represents a potential threat to traditional notions of the civil service. As has become evident in over twenty states, HR reform often takes shape as an assault upon career public servants and the expansion of managerial prerogatives (including the conversion of more and more positions to an at-will status). Hopefully, calls for the strategic involvement of the personnel department will at least motivate some of the effected parties to examine reform options before it is too late, and to take appropriate steps to ensure that “reform” doesn’t backfire.

### **Structural Revisions in HRM**

The expansive new vision of HRM that has been described thus far cannot occur without corresponding alterations in the structure of agency personnel departments. A consistent theme among critics of the field is that it is overly specialized, a condition which contributes to introversion, narrowness of focus, and excessive reliance upon bureaucratic procedures (i.e., an emphasis on process over outcomes). To ameliorate this dilemma, the fixation with job specialties must be reduced or eliminated.

As was noted earlier, the concept of a *personnel generalist* is ascendant. Under this configuration, personnelists assume a wide range of responsibilities rather than spending their careers as classifiers, testers, or employee relations specialists (to name just a few of the possibilities). A generalist might be assigned to a subunit of the agency and therein serve as the line manager’s advisor for the full array of human resource needs. He or she would probably handle all recruitment chores, conduct exit interviews, survey employees about job satisfaction and related concerns, mediate employee relations disputes, and handle any number

of related assignments that affect the human resources function. Alternatively, a central personnel agency might cross-train its employees, and then assign each person to a specific organization. Their roles would then be to serve as liaisons between the HRM office and the agency. As advisors and consultants to line management, they would assist with problem solving in any area involving staffing, evaluation, or labor-management disputes. With luck, they would be welcomed into the agency's decision-making network and thus help to realize the ambitious goals of strategic HRM.

To accommodate this new operational format, one author has proposed that HRM offices will soon resemble "three-legged stools." Those specializations that have not been decentralized to subunits—such as record maintenance, benefits administration, and perhaps some recruitment activities—would be housed in the first leg. Conceived as a "service center," the purpose of the unit would be to process paperwork efficiently and to assist line managers with their technical human resource needs. Training and employee development activities would be vested in the second leg, a structural indication of the heightened importance that such activities ought to enjoy in the near future. The third leg would house the personnel generalists who would function in the "consultant" role that has been described repeatedly above. In effect, the internal structure of the OHR office would directly reflect the revised image that the personnel function hopes to achieve.

### **HRM Benchmarking**

A final step that personnel practitioners can take without undue hardship is to establish performance standards or *benchmarks*. HRM is already the most heavily benchmarked facet of management, thanks in part to the fact that so many aspects of the function can be measured or otherwise evaluated (Brecka, 1995; Holt, 1994; Struebing, 1996).

There are several important reasons why personnelists (especially those in the private sector) are so enamored with performance standards. One immediate benefit is that they enable personnelists to critically evaluate the effectiveness of their procedures. Once the assessment process is set in motion, the odds are that some inefficient practices can be purged. Similarly, benchmarks provide quantifiable proof of the contribution that the human resource function makes to the agency's mission. Targets such as staffing ratios, turnover rates, and absenteeism provide insight into the health and dynamics of the organization. After a baseline measurement has been established, the agency can compare its performance across time, with other public agencies, or under different sets of procedures. Another promising idea is to develop benchmarks relating to the personnel office's success in aligning human resource goals with the organization's strategic plan. If this can be accomplished, personnelists are better able to assert the legitimacy of their claims on the strategic decision-making process. One final benefit is that decentralization of the personnel function is aided when operating units can be held

accountable to an agreed-upon standard of performance. This ensures that no agency misinterprets its charge, violates legal requirements, or adopts practices that are contrary to established policy. Thus, for example, a central personnel office might enforce benchmarks covering such contingencies as test validation requirements, the distribution of merit raises, frequency of performance evaluations, and cost/benefit calculations (e.g., the number of personnel managers per worker). Authority is decentralized in this arrangement, but accountability mechanisms remain intact. This result can be used to assuage the concerns of some officials about the potentially negative consequences of HRM decentralization. With quantifiable performance standards in place, those who might seek to exploit government positions for private or partisan gain are at least partially restrained.

### SOME CONCLUDING THOUGHTS

In summary, personnelists are in a position to make important strides toward the strategic HRM model, provided that they are willing to internalize a new set of operating strategies and philosophies. Even a single administrator in a small jurisdiction can make a difference, since the raw materials for change are readily accessible. Although few public agencies are likely to completely embrace the strategic perspective, HRM can solidify its organizational status through incremental advances. The process will undoubtedly take time, but seldom has there been such wide consensus concerning the intended direction of reform. Compelling justifications propel HRM toward a different paradigm, and the road to change is unusually well marked.

Perhaps the most serious threat to reform—other than apathy—is the risk that personnelists will overreach. The tasks at hand are so expansive that it would be easy for many professionals to become “caught up in the moment” and exceed their capabilities. Given the fact that most practitioners have not been trained to perform strategically, caution is especially important early in the reform process. This point has been hammered home several times in the private sector literature, where strategic HRM has a much longer and more successful history. Even where high-level support is present and other conditions are favorable, our counterparts in business and industry urge us to “aim for evolution, not revolution” (Stright, 1993, 69). The most successful reforms have occurred in settings where “top-gun HR functions concentrate their intellectual and organizational firepower on a limited number of high-stakes targets” (Down et al., 1997).

For most public agencies, this implies that personnelists should initially focus on targets of opportunity, such as the implementation of best practices that are particularly appealing. Benchmarking, too, can proceed without an enormous investment of time, resources, or prestige. Only after they have had an opportunity to acquire needed skills and credibility with their peers should the finer points of strategic HRM be attempted. If HRM practitioners can prove themselves worthy, then the ultimate potential of the public personnel function might be realized.

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## Productive Human Resource Management for the 21st Century: Context and Strategies

MARC HOLZER, HEDY ISAACS, AND SEOK-HWAN LEE

The context of management in the 21st century is dynamic. Characterized by private competitiveness, demands for existing and new services, budget and other resource constraints, pressure for high performance, community involvement, as well as political pressures, these impulses pose challenges for managers in the public and private spheres.

Managers of contemporary public organizations are confronted with convergent demands from civil society. They are influenced by demands for responsiveness and effective government, for citizens' rights, social equity, greater involvement in governance, and changing workforce attitudes and expectations. The political-administrative interplay juxtaposes the requirement for modern and transparent governance with government provision of more services for society, although it often has fewer real resources. In democratic states, whether they are developed or are in transition, public managers face the challenge of responding through strategic quality management. Managers are forced to respond with innovative rather than traditional orientations to managing their resources. In particular, productive public organizations require innovative approaches to human resource management. Managers require an effective approach to human resource management that helps to create and maintain an environment conducive to a productive workforce.

No aspect of productive public management in public organizations is more important than people—government's most extensive and expensive investments are people. Fifty to eighty-five percent of government budgets are spent on salaries

and benefits for employees. Guy (1992a) emphasizes the importance of people in productive public organizations:

The easiest way to make quick productivity gains is to mechanize a process. The most difficult, but most enduring, way to make productivity gains is to develop each worker's desire and ability to be maximally productive. The reason is simple: It is people who, in the long term, control the productivity of any organization. (307)

As Minzberg (1996) asserts, an organization without human commitment is like a person without a soul: skeleton, flesh, and blood may be able to consume and to exert, but there is no life force. Government desperately needs a life force. Thus, recognizing and responding to emergent human resource management demands is directly connected to improving productivity in public organizations.

Productive organizations are humane and show genuine concern for meeting employees' needs. This characterization of productive organizations is in synch with the view that managing human capital is largely about satisfying human needs and balancing people's needs with those of the organization (Holzer and Callahan, 1998).

Human resource management, according to Isaacs, is the totality of people concerns and the ability of the organization to manage these concerns. When managers deal with these concerns effectively, they are likely to achieve agency mandates as well as satisfy employees' needs: challenging work, job satisfaction, recognition for achievement, pay that allows them to live comfortably, a safe and healthy working environment, and a healthy labor relations climate (among other factors). Agencies need a competent, productive, motivated workforce in a working climate that encourages harmonious relations between managers and employees (Isaacs, 1996).

Human resource management is no longer simply about conforming to personnel processes. It is no longer simply about protecting employees and the integrity of personnel systems from management abuse. Under traditional management models there was an emphasis on adherence to processes. Under performance improvement models there is now an emphasis on achievement of organizational outcomes—of explicit and implicit promises to the public (Cooper, 1998). The purpose of human resource management is to support managers and employees with the goal of better serving the public. Systemically, this requires the traditional HRM elements of:

- hiring appropriate personnel to achieve agency mandates;
- training and developing personnel; and
- rewarding personnel using material as well as psychological rewards—setting up the organizational climate that encourages loyalty and cooperation at the workplace.

In this era of limited resources, decline of public trust, and demands for high level of performance, HRM systems now also require:

- creating and maintaining a quality workforce that is diverse;
- empowering employees;
- enabling employees to manage work and family responsibilities, and holding managers accountable for merit principles and EEO (Naff, 1993);
- identifying different types of employees' motivational bases; and
- identifying factors affecting cooperative culture at the workplaces.

The challenge that productive public organizations face is even greater when we consider their dynamic context. Changing social, technological, legal, political, and physical factors in the external and internal environments are likely to influence how we manage our organizations' most important and complex assets: People.

In this regard, the purpose of this chapter is to provide an overview of the dynamic context of human resource management and important strategies for managing human resources productively for the 21st century.

### **THE DYNAMIC CONTEXT OF PRODUCTIVE HUMAN RESOURCE MANAGEMENT**

Overall, productive human resource management should be understood in the context of an open system in which external and internal environments are interconnected. These environments for human resource management constitute a dynamic, open-world system (Cooper, 1998). Such a system is likely to influence government's ability to attract and retain personnel to perform new, often more complex, tasks in an environment in which government competes with the private sector for human resources and changes in technology result in greater demand for knowledge workers and for information systems that support management decisions. Bohlander and Snell (2007) opine that rapidly changing technologies obviously require a higher quality workforce and adaptive strategies.

Furthermore, the changing demographic profile of society requires a workforce that is diverse. Holzer and Callahan (1998) advocate human resource management that values all employee differences. This view is supported by Bohlander and Snell (2007), who argue that diversity requires a mutually beneficial relationship. Public organizations benefit from diversity by recognizing differences and potential concerns of employees. In this regard, the increasing presence in the work force of women and racial and ethnic groups has given rise to a body of literature focusing on diversity in organizations (Golembiewski, 1995; Rainey, 1997).

Permeable boundaries of public agencies and jurisdictions also pose challenges for human resource management. Cooper (1998) points out that the important problems to be solved do not stop at organizational or jurisdictional boundaries. In many instances government agencies or jurisdictions do not have authority over each other. In all likelihood, problems are solved collaboratively or not at all. In this context a supportive human resource management process requires that public managers acquire problem solving skills, and these skills are likely to be most effective in a collaborative organization ethos. Making things happen is not a

top-down affair, but requires human resource management that recognizes competency requirements of agencies and provides needed training and development.

Within organizations, department and unit boundaries are also permeable. This requires that the human resource management department take a team player approach and work with other departments toward attaining organizational objectives.

The changing legal environment also requires human resource management that facilitates management's awareness of relevant laws. In the absence of this awareness, public organizations run the risk of lawsuits and ridicule.

Internal factors, in particular the values held by agency leadership, and the related culture of the organization, are likely to influence human resource management. In particular, agency leadership determines the importance of human resource management to the agency. If the heads of agencies minimize the importance of people to the agency's overall success, so will line managers. In turn, the human resource department will undertake only routine-level human resource management rather than the innovative, productive approaches that require greater efforts.

Leadership's concern for employees who are an agency's internal customers influences the quality of human resource management as well. Employee-centered leadership recognizes the totality of people concerns, demonstrates that employees are valued, and has the vision to create strategic plans for human resource management. Holzer and Callahan (1998), in their account of public agencies that are productive, add credence to the view that the commitment of top management is a necessary first step for disseminating values throughout the organization. These values influence how organizations manage people.

It should be noted, however, that no productivity increment is a product of a single employee's efforts. Even if there is top management support and commitment, we cannot expect productivity improvement in public organizations unless public employees are all committed to improving productivity. Empirical research undertaken by Holzer and Olshfski (1990–1996) confirm that recipients of Exemplary State and Local Awards (EXSL) indeed have committed personnel at all levels along with having support from top agency executives. It turned out that having committed personnel was the most important factor for innovation (Holzer and Olshfski, in Holzer and Callahan, 1998).

The agency culture represents its value system. Individual and organizational performance, and the feelings that people in an organization have about that organization, cannot be understood unless one takes into account the organizational culture (Schein, 1988). The culture that eventually evolves in a particular organization is a complex outcome of external pressures, internal potentials, responses to critical events, and probably, to some unknown degree, chance factors that could not be predicted from the knowledge of either the environment or the members. This organizational culture is one of the important factors affecting employee's motivational bases for productivity improvement (Romzek, 1990). The culture typically indicates how agencies regard their customers, the environment, and their employees (Huber and Schuler, 1993). Culture is often reflected in

human resource management processes. Agencies that have a culture of caring for and respecting individuals are likely to provide benefits for a variety of employee needs. In this way, employees learn the culture of the agency through human resource management activities: how the agency selects personnel for hiring and promotion, what criteria it uses to evaluate them, and whom it compensates most highly.

The future hardly turns out to be what we expect. In a dynamic organizational context, where the only constant is change, organizational leadership is required to make change a part of the organizational culture. Such a culture typically reflects the importance that the agency places on people, while not denigrating the importance of materials and machines. This culture typically reflects a leadership that views change as a challenge and an opportunity to improve. According to Mills (1994), the leader in a culture of change creates new ways of doing things, engenders new worlds.

The political-administrative interface may keep the public agency on its toes. Human resource management in public agencies may have political ramifications. Attempts at politicization by elected or other officials will not be received uncritically. Human resource management processes, such as hiring and firing, are no longer backroom activities and must be able to stand scrutiny. Many agencies come into play depending on the issue: Agency interdependence is evident, for example, when policy questions concerning performance appraisal in the federal government are being resolved. Several agencies—the Equal Employment Opportunity Commission, the Office of Personnel Management, the Federal Labor Relations Authority and the Merit Systems Protection Board—have become involved in these policy issues. Productive human resource management in such organizations balances attempts at politicization with principles of merit and equal employment.

Our argument above is that factors in an agency's external and internal environments are likely to influence human resource management. Recognizing these factors and their effects helps to prepare human resource managers to respond to human resource management challenges and to carry out an agency's responsibilities in this regard. In productive organizations, those persons with responsibilities for human resource management recognize these factors as opportunities rather than problems. Such responsibilities are dispersed throughout an organization. Agency heads and their top management team, managers, and human resource managers have a shared responsibility for human resource management. Thus, virtually all agency managers, as Naff (1993) points out, are the human resource management department's customers. With the support of the human resource management department, agency managers maintain the quality workforce; empower, develop, and train employees; and are held accountable for observing justice, fair play, and (above all) merit principles at the workplace. In that dynamic context, human resource managers facilitate change, and guide, advise and facilitate implementation of human resource management plans and processes. In effect, human resource management departments provide supportive processes so that agency managers may deliver better services.

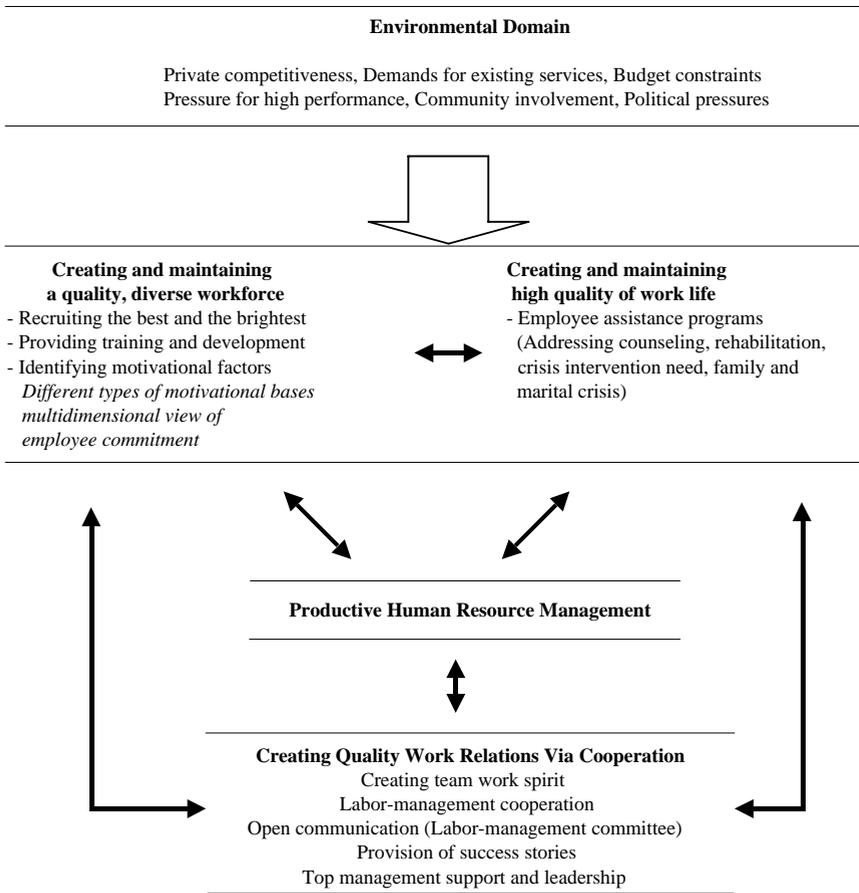


FIGURE 6.1. Strategies for Productive Human Resource Management in a Dynamic Context

**STRATEGIES FOR PRODUCTIVE HUMAN RESOURCE MANAGEMENT**

As productive human resource management is a function of a variety of factors, it is necessary to understand it in an open system where internal and external factors are effectively interconnected.

From this perspective, we suggest that a range of strategies be required to effectively manage human resources in productive organizations. These strategies are based on the following three categories:

- creating and maintaining a quality, diverse workforce;
- creating and maintaining a high quality of work life; and
- creating quality work relations via cooperation.

Figure 6.1 shows how a variety of strategies could affect a productive human resource management in a dynamic context.

### **CREATING AND MAINTAINING A QUALITY, DIVERSE WORKFORCE**

Many organizations fail to create and maintain the quality workforce they need to improve agency productivity (Holzer and Callahan, 1998). It is a difficult and time-consuming task. Improving productivity requires developing the capacity and desire of the workforce to function at the highest levels. Their compendium of innovative public sector approaches for managing human resources confirms that this task can be accomplished, an optimistic perspective on the future of human resource management in public organizations.

Creating and maintaining the workforce involves human resource management processes of finding and hiring appropriate people, systematically developing and training them, and then motivating, rewarding, and evaluating the workforce.

Workforce planning, as a strategy for acquiring, utilizing, training and retraining persons, is not simply forecasting the number of persons required now and in the future. It is concerned with the quality of personnel, their development, their optimum utilization, and their retention. Workforce planning has an evaluative role and addresses the future effects of employment as a function of present-day decisions.

#### **Recruiting the Best and the Brightest**

Sustained assaults on the public service discourage many of the best and the brightest students from pursuing careers in the private sector (Holzer and Rabin, 1987). Government cannot afford to be complacent about the recruitment and retention of high quality employees. Public service is at risk because it is losing some of its best people to alternative employment (Romzek, 1990, 374). Empirical research conducted by Jurkiewicz et al. (1998) of fifteen motivational factors relevant to public sector employees in America indicates that "high prestige and social status" ranked fifteenth (Jurkiewicz et al., 1998, 235).

In this context, identifying and hiring appropriate people are becoming critical issues and require innovative approaches. Agencies should recruit the "best and the brightest" widely from new graduates, persons who have been downsized, older workers, volunteers, etc. Some public agencies have pioneered hiring innovations that Holzer and Callahan (1998) cite as more efficient, responsive, and user friendly than the traditional civil service hiring procedures. For example, these innovations include the Walk-In Civil Service Testing and Job Opportunity Bulletin System implemented by Wisconsin state government. Furthermore, Holzer (1991) suggests a number of strategies for attracting the best and the brightest into the public sector: For example, in terms of advocacy activities, it is important to keep public service on the public agenda and argue

that an effective public service is a prerequisite to productive private sectors. With regard to education for the public service, public service should be perceived as both a necessary investment and an obligation. Thus, it is important to require public service for graduation from all students. A sensible level of compensation, increased managerial discretion, and the control of resources are also important factors for attracting the best and the brightest to the public sector.

### **Providing Systematic Training and Development**

In a productive public agency, training and development are ongoing processes. For the 21st century agencies require a climate where organizational learning is continuous (Mills, 1994). Training starts with orientation on entry and continues throughout an individual's work life to satisfy the needs for new skills, knowledge, and attitudes (KSAs). Development, a long-term program of activities that may include training and education, prepares employees for upward mobility or career progression. Training is vital to improving performance and reduces the likelihood of employee obsolescence in a changing environment. Staff training and development efforts are critical to achieving manpower plans as well as improving competencies of individuals.

The importance of training employees is so often found in the fact that public employees must work in an environment in which politics plays a role. Because of the traditional dichotomy between politics and administration, the legislative environment is commonly foreign to public employees. As a result, public employees do not effectively work in it. Therefore, public employees will be more productive if they understand the legislative environment (Lewis and Raffel, 1996).

Isaacs (1996) asserts that the effectiveness of training and development efforts, and the receptiveness of the trainees to training and development programs, is likely to affect employee productivity. The effectiveness of program design, delivery, and evaluation, and the extent to which employees are allowed to use new skills, also affect agency productivity.

Productive organizations tailor-make their training and development efforts to satisfy both the agency's and the individual's needs. Ideally, these efforts are not based on imagined needs or, as we might say, "a wish list" (Isaacs, 1996). The delivery of training has to be carefully monitored to ensure that stated training objectives are achieved.

Experience has shown that when agencies utilize employees' new skills and knowledge, employees are more likely to be productive. Likewise, productivity is likely to suffer when there is resistance to applying these skills and employees are made to feel impotent and frustrated in their efforts to use the skills (Isaacs, 1996). The benefits to be derived from encouraging employees to use newly acquired skills are manifested by the systematic and innovative approach to training and development taken by the Illinois Department of Employment Security. This approach has proved to be timely, cost effective, and of high quality; a pool of employees are trained to identify training needs and carry out tailor-made training in-house (Holzer and Callahan, 1998).

## Motivating Employees

### *General Factors Affecting Employees' Motivation*

Motivating for productivity is not simply a function of better pay and benefits. What Carl Stone's Report on Work Attitude Survey (1983) imputed then, and the Report of the Task Force on Work Attitudes (1983) subsequently emphasized, is still true today: More and more workers are driven by the desire to find some place in society in which their qualities are recognized, where they are regarded as human beings with desires and aspirations, where they see the purpose of their work, and where they are given an opportunity to be consulted on those matters that have an influence on their working lives. Improved worker-management relations, clearer communication, more training to improve skills, and improving the physical work environment may all serve to motivate the workforce in productive organizations. According to Holzer and Callahan (1998), government agencies that have been the recipients of exemplary awards typically use a range of state-of-the-art approaches to motivate people. These agencies recognize that money, though an important motivator, is not the only motivator. Such high-achieving agencies take an integrated approach to human resource management by linking human resource management policies, plans, and processes. Isaacs (2003) points out that motivating and rewarding public employees requires constant attention to employees' needs and expectations from the time that the employees enter the agency until the time that they leave. Humanistic management values, strategies, and ethos that couple employees' needs, expectations and attitudes with employees' aptitudes, abilities and knowledge in a particular job context, may provide scope for improving employees' productivity.

Productive agencies use a well-conceived and managed performance appraisal process as a developmental tool and a motivational option. They recognize that interdependent factors contribute to creating a productive work environment (Guy, 1992a): an organizational culture that relies on team building, maximizing the strengths of employees while compensating for their weaknesses, open communication channels, flexibility in the midst of predictability, and balancing the needs of the organization with the needs of employees.

Agency mandates translate at the operational level into real tasks for teams or individuals. These tasks provide a starting point for the performance appraisal process. Employer and employee may now discuss and agree on allocation of tasks to the employee's team or position. At the point the standard of performance of those tasks is agreed upon, an opportunity is provided for an audit of the skill or training needs of the employee and the appropriate developmental plans are laid (McDonald, 1995).

In productive organizations performance appraisal is also used to develop employees and improve performance. The effectiveness of performance appraisal as a developmental tool rests on facilitating openness between manager and worker. Appraisal is a means of identifying the strengths and weaknesses of employees' performance on an ongoing basis, providing regular feedback to employees about their performance, counseling employees, and finding ways to improve

performance. If carried out effectively, performance appraisal is likely to result in employees' becoming aware of whether or not they are satisfying the expectations of the job. When carried out effectively, performance appraisal may also build employees' confidence, boost morale, and improve performance (Isaacs, 1996).

Conflict is inherent in the appraisal process, but there are ways of reducing it. Employees need to know what is expected of them. Managers may do this, by providing job descriptions to reinforce expectations discussed, discussing with employees attainable standards of performance expected of them, having standards that indicate quality, quantity and timeliness of the work to be done, and using standards as yardsticks for measuring performance. According to McDonald (1995), identifying standards is an important precursor to the performance appraisal process as it provides the employee with a framework within which to do self-assessment and also to set the agenda for the formal appraisal session. Goal and standard setting in the performance appraisal process significantly removes the subjectivity and the historical nature of the traditional form of appraising performance as employees are able to assess their own performance as a result of knowing the standards by which they are being appraised.

The value of performance appraisal as a developmental tool is enhanced when appropriate techniques are used and efforts are made to minimize the inherent conflict in the appraisal process. Productive organizations require trained appraisers to assess performance accurately and to take a problem-solving approach to formal appraisal. Managers who appraise performance play a key role in improving employees' performance and developing an organization's human resources (Isaacs, 1996).

### ***Identifying Different Types of Motivational Bases and Employee Commitments***

Needless to say, human motivation is a fundamental factor that should be addressed in designing an effective human resource management. The conventional wisdom that public employees are lower on their motivational bases, including organizational commitment, as compared to their counterparts in the private sector, is still controversial among scholars and practitioners. However, Holzer and Olshfski (1990), in their empirical research of EXSL winners, find that the public service ethic seems to be alive and well in the preeminence of "to do the right thing" (requoted from Holzer and Callahan, 1998).

Other scholars argue that there are three types of motivational bases of public services, namely:

- a rational base motive, including participation in the process of policy formulation, commitment to a public program because of personnel identification, and advocacy for a special or private interest;
- a norm-based motive, including a desire to serve the public interest, loyalty to duty and to the government as a whole, and social equity; and

- an affective motive, including commitment to a program from a genuine conviction about its social importance, and patriotism of benevolence.

Based on these three motivational bases, they propose that in public organizations public service motivation be positively related to individual performance. In order for public organizations to be productive, managers should carefully attend to these different types of motivational bases in their organizations (Perry and Wise, 1990).

With regard to employee commitment, its importance is found in its relationship to performance and productivity. Much of the literature on employee commitment finds that commitment to organization is positively associated with job satisfaction (Bateman and Strasser, 1984; Mowday, Porter, and Steers, 1982), motivation (Mowday, Steers, and Porter, 1979), and attendance (Mathieu and Zajac, 1990; Steers and Rhodes, 1978) and negatively related to such outcomes as job performance, absenteeism, and turnover (Angle and Perry, 1981, Balfour and Weschler, 1996; Clegg, 1983).

However, the previous concept of organizational commitment has been criticized by scholars because it may not tell the whole story about important outcome variables such as desire to remain with the organization and willingness to make an extra effort on behalf of the organization (Balfour and Weschler, 1991, 1996). Following O'Reilly and Chatman's (1986) model of three dimensions, Balfour and Wechsler (1996) developed a distinctive definition and measure of organizational commitment: identification commitment (membership), affiliation commitment (belonging), and exchange commitment (extrinsic rewards). What they discovered was that only affiliation commitment was associated with extra-role behavior, while identification commitment was the least important determinant of desire to remain.

Furthermore, it should be noted that employees could be committed to other subjects beyond their organizations. In fact, the conventional view of commitment has exclusively focused on commitment to organization. In contrast to this conventional view, a number of researchers have begun to view employee commitment as having multiple foci and bases (Becker, 1992; Becker, Randall, and Riegel, 1995; Meyer, Allen, and Smith, 1993; Reichers, 1985, 1986). The theory underlying the multiple commitments literature holds that an employee's commitment to the workplace cannot be adequately explained by commitment to the organization alone, because the coalition nature of organizations leads employee commitment to be multidimensional (Reichers, 1985).

Research suggests that employees could also be differentially committed to occupations, top management, supervisors, coworkers, and customers (Becker, 1992; Meyer, Allen, and Smith, 1993; Reichers, 1986). Among other subjects of commitment, commitment to supervisor is an important motivational base for increasing individual performance. As extrinsic rewards controlled by one's supervisor are now seen as a major means for directing and reinforcing managerial and executive behavior (Perry and Wise, 1990), it is possible to expect that those

committed to a supervisor are likely to be motivated to improving productivity. Some employees may say that they are working hard not because of their organization, but because of their supervisor. They might want to remain with the organization because they feel emotionally attached to their supervisor rather than to their organization. It is also possible to expect that where a teamwork-based organizational culture prevails, people are likely to be committed to their work group, thereby increasing their willingness for group-based performance. Distinguishing among the foci of employee commitments does help to explain variances in key dependent variables such as extra-role behavior and desire to remain, and turnover. What this argument implies is that public managers now must pay much attention to this multidimensional view of employee commitment and try to identify which types of employee commitment are common among their employees. It should be emphasized that effective human resource management requires public managers to identify different types of employee commitment and to encourage them effectively.

### **CREATING AND MAINTAINING HIGH QUALITY OF WORK LIFE**

Productive human resource management in the 21st century must mean an increased attention to the physical surroundings in which people work, as well as to the concerns and crises that may arise in employees' work lives or personal lives. Making the workplace safe and healthy, and making workstations ergonomically sound, are challenges for productive organizations. Accidents, diseases, and hazards such as stress generally result in low productivity and inefficiency, high turnover, absenteeism, and medical claims. When there is a deliberate effort by the workplace to reduce the incidence of these, both the agency and the employee benefit. There is greater productivity, a healthier workforce, and a better quality of work life.

Crises in employees' personal lives typically affect their performance at work. When organizations help employees overcome these problems, they in all likelihood improve employee morale and loyalty and avoid incurring costs to the organization. The employee assistance program launched by the City of Memphis is a case in point. The program was "set up in response to estimated losses of \$3,500,000 per year in reduced efficiency, absenteeism, and accidents as a result of untreated personal problems and disorders. The city established a broad-based effort designed to address various counseling, rehabilitation, and crisis-intervention needs, reducing losses by twenty-five percent" (Holzer and Callahan, 1998). Another employee assistance program, in Buena Park, California, helps employees deal with a range of problems: family and marital crises, stress, alcohol and drug dependency, job problems, child and spousal abuse, legal problems, care of and issues relating to elderly and infirm relatives, death, dying, and money and credit management. This program has led to \$2 million in savings. In terms of problem prevention, wellness programs that provide employees with

information and in-house facilities that encourage them to lead active and healthy lifestyles are integral elements of human resource management programs for the 21st century (Holzer and Callahan, 1998).

## **CREATING QUALITY WORK RELATIONS VIA COOPERATION**

### **Creating Teamwork Spirit**

Agency leadership, managers, and human resource managers will be required to build and sustain teams in the interest of quality of work life and agency productivity in the 21st century. Productive human resource management addresses cooperative work relations as well as the importance of a high quality, diverse workforce, and the quality of work life. Work relations in productive agencies require effective communication between employees and employers, and a working partnership between the two so that employees are aware of their rights, their obligations and employers' expectations, balancing employee and organizational needs. In this context, it is becoming apparent that productive organizations get work done through teams that work cooperatively rather than through individuals competing with each other. Teams typically provide a supportive ethos for their members. Teams typically accomplish more than a single individual would. In one jurisdiction in California employee teams have cut costs of public works services while increasing productivity. They accomplished this through involvement in generating work standards, performance targets, and work scheduling. As a result of this Shared Savings Program (SSP), Pittsburg, California, linked performance incentives with efficient use of equipment, supplies, and labor resources, significantly reducing the cost of public services (Holzer and Callahan, 1998).

### **Toward Labor-Management Cooperation: Building a Collaborative Culture**

Many scholars in the public sector agree that a harmonious labor-management relationship is the key to improving productivity (Coleman, 1990; Grace and Holzer, 1992; Herrick, 1990; Hodes, 1991). The importance of labor-management cooperation is also reflected in the fact that Vice President Gore's National Performance Review changed its name to the National Partnership for Reinventing Government (National Partnership for Reinventing Government, 1998).

Traditional approaches to management, as Holzer and Callahan (1998) point out, "often assume a tension between employer and employee. Tight rules, systems, and supervision are necessary to limit counterproductive indiscretion, dishonesty, and laziness. Employees view the organization as the enemy, and vice versa; work is merely an interruption in their leisure time, and a great deal of energy is wasted attempting to sidestep these constraints. Organizations can be minimally productive under such assumptions, but almost never produce at high levels of productivity and quality."

As the regulative function of government becomes more developed, this tends to limit the scope for employers and employees to negotiate and compromise in a free spirit of collective bargaining. Obviously the tension exists between labor and management because of difficult workplace relationships, impasses, or other conflicts. Labor management cooperation tends to reduce the tensions between employer and employee. Adversarial relations between labor and management are a “no win” situation. Munroe (1992) advocates the development of partnerships in place of adversarial relations and cooperation in place of antagonistic work systems. He points out that building partnerships is likely to be a difficult task that requires patience and determination, time, and tact. Although Munroe advocates Employee Involvement Programs for the Caribbean, his ideas have merit and applicability elsewhere. He points out that these programs are likely to arrest workforce demotivation, mobilize the human resource base for urgent problem solving, and develop productivity to the point of coping with the demands of the 21st century.

The key to a successful partnership, as Holzer and Callahan (1998) point out, is a “collaborative labor relations program based on mutual trust and respect. Marion County, Oregon, and its largest union developed such a partnership—negotiating wages and benefits within a cap on the employer’s future expenditures. The Model Program for Capping Wage and Benefit Expenditures defines the employer’s maximum future personnel service costs while giving the union flexibility to bargain changes in salaries, insurance and other employee benefits.”

Research by Holzer and Lee (1999) maintains that labor-management tension is likely to occur where each side sees the other as an outgroup, and harmonious labor-management partnership could be achieved through the metaphor change from “conflict” to “partnership.” This metaphor change is made through open communication, provision of success stories, and top management support. A variety of open communications will also help both sides understand their mutual problems. Providing success stories on labor-management partnerships will lead to positive beliefs between labor and management sides. Finally, top management leadership and support will credibly transmit the vision of partnership in organizations.

Although labor-management cooperation is a backdrop for productive public management, obviously tension exists between labor and management because of difficult workplace relationships, impasses, or other conflicts. It should be noted, however, that partnerships between both groups are possible. The labor-management partnership could be achieved where these three factors are working at the same time. For example, a case from the Department of Public Works in the City of Portland, Maine, shows that the labor-management partnership was very successful and could be achieved by these three factors. Despite severe budget constraints and a difficult winter, labor-management cooperation in construction of a baseball stadium enabled the department to complete its job at a cost of only \$2.5 million and in record time. First of all, in order to utilize open

communication devices the City Manager formed a twenty-six-person labor-management committee that included an equipment operator, a working foreman, an assistant city manager, a secretary, an arborist, an engineer, and the head of the department as well as the president of American Federation of State, County, and Municipal Employees (AFSCME) Local 481. Second, through this success story, many employees now say that there is no longer an “us” and “them.” They also feel that they have been able to move away from an adversarial relationship to more of a team concept. Finally, this success was also a function of a strong backing of the mayor (U.S. Department of Labor, 1996).

As indicated above, labor-management tension can be overcome and transformed to partnership by open communication, provision of a success story, and top management support. Public managers should realize the importance of labor-management partnership and focus on these three factors for productive human resource management in the future. That is, productive human resource management does not exist without a harmonious labor-management relationship.

In addition, good working relationships are not limited to relations between employer/employee. Relations between agencies and citizens they serve are also important. Effective work relations with internal and external customers are important to avoid problems that may emerge between either party. Quality work relations are required to ameliorate problem situations that may mushroom into conflict and become the subject of litigation. It is important, therefore, for public managers to emphasize the importance of this relationship to employees

### **CONCLUSION: PRODUCTIVE HUMAN RESOURCE MANAGEMENT AS A COMPREHENSIVE ART**

This chapter examined the overall strategic context of, and a range of strategies for, productive human resource management for the 21st century. Overall, productive human resource management should be understood in an open system where internal and external factors are effectively connected. As people are the key to improving productivity in the public sector, it is important to be aware of how to manage public employees effectively in their organizations, and to identify what factors are likely to motivate these people toward productivity enhancement. Managing people effectively is always a critical issue in public personnel administration.

From these perspectives, this chapter suggests a variety of strategies based on the following three categories: (1) creating and maintaining a quality, diverse workforce, (2) creating and maintaining a high quality of work life, and (3) creating quality work relations via cooperation.

In relation to creating and maintaining a quality, diverse workforce, in fact attracting the best and the brightest is the starting point for productive human resource management. The next step will then be providing these people with

training and development so that they might effectively work in a turbulent environment. At the same time, public managers should be aware of a variety of factors affecting employees' motivations. In addition to general factors such as rewarding personnel (using material as well as psychological rewards), public managers must also identify different types of motivational bases among public employees and recognize a multidimensional construct of employee commitment. Understanding different types of employee commitment is especially important because people may also be differentially committed to their supervisors, work group, unions, top management, and customers beyond their organization. This multidimensional view of employee commitment helps managers identify what type of employee commitment serves as a major motivational mechanism in their organizations. Employee commitments also vary with regard to organizational culture.

The second category that should be addressed is "creating and maintaining a high quality of work life." Considering the importance of the physical surroundings in which people work, making the workplace safe and healthy, and making workstations ergonomically sound, are challenges for productive organizations. Accidents, diseases, and hazards such as stress generally result in low productivity and inefficiency, high turnover, absenteeism, and medical claims. In order to deal with these problems, it is necessary to have a variety of employee assistance programs. When the organization reduces the incidence of these problems, both the agency and the employee benefit.

Finally, the importance of the culture of cooperative workplaces for the 21st century should also be addressed. Considering that no productivity improvement is a product of a single employee's efforts, creating a teamwork spirit helps employees achieve higher levels of performance and productivity. Furthermore, as the labor-management partnership is a backdrop for everything that is going on in governments at all levels (Holzer and Lee, 1999), productive human resource management should also be based on a collaborative culture at the workplace. In this regard, we also suggest three ways of converting existing labor-management tensions to partnerships. The keys to labor-management partnership are open communication, provision of success stories, and top management support and leadership. Although partnerships are difficult, they can be achieved when these three factors are working at the same time.

Considering the dynamic context of human resource management, it should also be noted that productive human resource management is possible when all strategies mentioned in this chapter are working at the same time. As an effective public sector exists when internal and external factors are effectively interrelated, productive human resource management for the 21st century should be designed to effectively respond to the demands of a turbulent environment as well as to the demands of employees.

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## **“Strategic Planning” as Fakery: Government Does It While Pretending It Does Not**

FREDERICK THAYER

Schools of public and/or business administration have in recent decades included courses, perhaps several of them, training future executives in “how to DO strategy.” This activity supposedly involves “integration” and “holistic thinking” dedicated to the health, growth, success, and sustainability of individual public sector agencies or individual corporations and nonprofit organizations. Yet an entire nation-state needs a truly comprehensive plan to mobilize, equip, and train a huge military force to fight and (hopefully) “win” a long war against one or more enemy nation-states, or perhaps guerrilla and insurgency forces, and to then manage such aftermaths as the occupation of those combat areas. In October 2005, for example, the U.S. special inspector general for Iraq reconstruction concluded that “the U.S. government had no comprehensive policy or regulatory guidelines in place” for post-hostilities Iraq, and that “systematic planning was insufficient in both scope and implementation” (Kirchgaesser, 2005). “Strategic” planning, therefore, can easily fall short of what is needed, even by the nation-state. The larger point is that individual corporations and public agencies are incapable of strategic planning, and we all should stop pretending otherwise.

Many of the concepts and the language of nonmilitary strategy are borrowed from military experience. I begin this critique of theory and practice in strategic planning by noting that both corporate and public agency concepts involve the bitter and intense competition and conflict that have in the past included the use of military force. Economic “trade” has often been conducted by military forces capable of imposing and enforcing “agreements.”

I then explain how strategic thinking suddenly became important to the U.S. private sector in the early 1980s, during the deepest economic recession since the Great Depression of the 1930s. The United States became fascinated with the exploding Japanese economy and that country's seeming dedication to long-term thinking and central planning. I look next at the use and problems of strategic planning in U.S. corporations and the U.S. public sector.

I then try to explain how governments at all levels within the United States and in other countries have taken over strategic planning while pretending not to do so. Government policy decisions initiate all important trends in corporate and public agency planning, not the publicized but irrelevant "visions" of corporate leaders, and not the "needs assessments" of public agencies presumably dedicated to solving public policy problems. While government decisions are not always coordinated with each other, as in decisions by independent U.S. courts and the Federal Reserve Board, all such decisions have enormous authority. Strategic planning is as much a governmental function everywhere else as it ever was in say, the former Soviet Union, and it is folly to pretend otherwise as the United States does. I will look at some specific examples of that folly. Finally, I will look at the implications for public personnel planning or, as it is often labeled these days, Human Resources Management.

Three additional points should be made at the outset. The first is that when strategic planning became important in the United States in the early to mid-1980s, the ambience of corporations and public agencies was vastly different than it became by the end of the 20th century. The nature of the change was from relative stability, despite the deep recession of the early 1980s, to an ever-increasing instability of organizational existence, employee job security, and expectations of comfortable retirement for both private and public sector employees. To put it mildly, instability creates widespread fear among all those affected by strategic planning. The second point is that the massive changes became threatening enough to corporate leaders to incite widespread corruption, as in intentional misreporting of financial results that has misled investors and governments, over-charged government agencies when performing contracted public services, and increased the need for politicians to reward campaign contributors with contracts that are lucrative enough to permit future contributions. The third point, a natural follow-on, is that textbooks about strategic planning cannot possibly keep up with ever-increasing turbulence. Students and professors have little choice but to pay close attention to day-to-day reports of unpredicted changes in supposedly long-term strategic plans. Even a 3-year-old textbook had become woefully obsolete by 2004.

### **MILITARY PLANNING: WAR, FOREIGN POLICY, AND LYING**

To develop a military strategy is to create a "vision" of "winning" a very tough contest that also creates "losers." The success of a country at war does not mean that all the noncombatant citizens of that country will survive and prosper. Casualties

of all kinds are likely and unpredictable in number. Many of those who engage in combat will be mentally and/or physically disabled for life. National leaders are unlikely to reveal all the elements of their strategy because they cannot risk having enemies learn about that strategy. Lying to their own citizens, including those likely to be killed, becomes a basic part of the strategy itself. Leaders may indeed command subordinates to kill innocent noncombatants, including children, to make the war as brief as possible. Massive and repeated firebombing of major cities, and the use of nuclear weapons, were parts of U.S. strategy in the latter stages of World War II, events that might have been labeled war crimes if the United States had lost the war. There is little doubt that some “detainees” captured in Afghanistan or during and after the invasion of Iraq in 2001–2005 have been tortured and/or killed (Mayer, 2005).

Strategic principles hold that it is more important to win than to worry about what must be done in order to win. It can be helpful to be cold and impersonal about enemy casualties, but it can also help to hate or despise an enemy, no matter how untruthful the instruments of such motivation may be. It is impossible to overstate the implications of war-fighting strategies. By mid-2005, the United States was supporting approval of the first draft of a new constitution for Iraq, and approval could indeed become significant. The United States, however, popularly celebrates the July 4, 1776, Declaration of Independence as the founding U.S. document even though the U.S. Constitution was not ratified until the late 1780s. The Declaration remains a statement of abstract principles while the original Constitution included provisions to preserve slavery that Americans now prefer to avoid reading.

The Declaration proclaimed the “inalienable rights” of humans to “life, liberty, and the pursuit of happiness.” Leaving aside all issues except the connection of “rights” with “strategy,” it is obvious that a “Right to Life” has never played a part in nation-state strategy. When a national government can draft its citizens to fight and die for the preservation of the nation-state, there can be no “Right to Life.” Recent debates about such issues as abortion and stem cell research, therefore, are examples of reductionist and inaccurate thinking. Why “save” the unborn from “murder” if government later compels those children to fight and die for the sake of national survival?

If lying is inevitable in the conduct of foreign and security policy, observers can only speculate about its extent. Nobody can expect “transparency,” that is, the ability to look inside a government and clearly ascertain what policies are being pursued and why. There is no reason to assume that any speech by a national leader is entirely truthful, especially when matters of war and peace are involved.

The need to lie is also an all-encompassing principle of management in hierarchical organizations. When a leader decides to act, subordinates are expected to support that decision. If they believe the decision is erroneous, they are expected to pretend they endorse it. Those at the bottom must believe that the orders have the full support of everyone above them. When intermediate levels of the chain of command express their support for a decision, therefore, who can know if they are

being entirely truthful? Strategic planning and its implementation in any type of organization, therefore, must assume that at least some expressions of support for the decisions of organizational leadership are at best insincere and, at worst, lies.

The chief advantage of the military version of strategic planning is that it encompasses all the human and materiel resources that a national government has decided to bring to bear in a particular war. The other forms of strategic planning to be mentioned here (by individual corporations and public agencies) are much narrower in scope, and are usually so relatively minor as to be unworthy of the label "strategic." The scope of U.S. military involvement in World War II was indeed huge, amounting to something between 11 and 15 million members of the armed services. Even so, the size of such an operation relative to the perceived power of a nation-state can be so misleading in appearance as to hide the disadvantages that can more than overcome the advantages of scope.

In recent years, U.S. strategic planners believed that invading Iraq, toppling an authoritarian regime, and establishing a "new democracy" would be a relatively easy task. The planners minimized the possibility that a post-invasion insurgency would involve the United States and some "coalition partners" in urban guerrilla warfare that always results in extensive civilian casualties. When the United States toppled the regime in South Vietnam in 1963, the post-regime military conflict ultimately involved some 500,000 members of the U.S. military before the United States retreated in chaotic conditions in 1975. The Korean War that began in 1950 had not been officially ended by 2005, remaining in an armistice negotiated in 1953 after the United States was compelled to pull back from its attempt to "unify" North and South Korea. Most Americans do not realize that their continuing celebration of the U.S. invasion of Western Europe in 1944 ignores the fact that the Soviet-German land war was 400 percent larger than the Western front, thereby giving the Soviets post-war control of Eastern Europe. Americans who now celebrate the Civil War as one that "saved" or "created" the Union, largely Northerners, do not understand why many Southerners still label that conflict as the War of Northern Aggression.

No matter how broad the scope of strategic planning, it cannot expect to control outcomes once the planning is implemented. Many enemy reactions will be unanticipated, compelling revisions to strategic planning on virtually a daily basis. Decisions made in big or small wars will be debated for years as to their logic and effectiveness. Americans still debate whether the United States should have tried to enter Berlin ahead of the Soviets in 1945, and whether the United States should have dropped nuclear bombs on Japan later that year. Even at the level of the total nation-state, the broadest strategic planning imaginable can control only a fraction of the important factors that will affect long-term outcomes. The "unknowables" are far too many.

### **THE EMERGENCE OF STRATEGIC PLANNING IN THE 1980s**

The sudden prominence of strategic planning in the 1980s should have been a reminder that economic strategies owe much to concepts of military strategy. As

the United States suffered a steep recession, with annual unemployment rates rising to 9.9 percent (just short of the 10.0 percent that is the unofficial indicator of serious depression-like downturn), the United States appeared to be losing its dominant position in the world economy to its 1940s enemy. The Japanese economy was fast expanding, buying into other economies around the world, and seemingly demonstrating new managerial and manufacturing techniques that might revolutionize economies everywhere. In retrospect, the fears were overdone, if very real at the time.

The United States needed a U.S. “victory.” Americans had to adopt and adapt to Japanese practices, then outdo them at their own game. Some observers credited the Japanese with superior national planning by the Ministry of International Trade and Industry (MITI). While U.S. corporations were accused of giving too much attention to “short term” planning, 3 months at a time, MITI appeared to have master plans based upon helping industries to increase Japan’s long-term global dominance, especially in consumer electronics and automobiles. The United States also accused Japan on numerous occasions of selling television sets and steel in the United States at prices that were below production costs, the typical “dumping” accusation that accompanies “trade wars.” The United States said it was averse to creating a “planned economy,” but did help automakers, especially Chrysler, temporarily recover from the Japanese automobile invasion. In actuality, the Arab-OPEC embargoes of the 1970s had caused Americans to look for smaller autos, a necessity in overcrowded Japan, so that Japanese central planning to export autos in the United States had little to do with auto sales.

Americans credited the Japanese with miraculous increases in quality control, especially in automobiles, an improvement that became known as Total Quality Management (TQM). Ironically, Japan did not invent TQM, donated to Japan as part of U.S. post-World War II foreign policy during the cold war with the Soviets. The United States made Japan a part of a containment strategy aimed at a presumed alliance of the Soviet Union and Communist China. The United States exported the management and quality control expertise of Western Electric, a subsidiary of AT&T, but later chose to de-emphasize American contributions because AT&T was broken up during the “deregulation fever” of the United States that began in the 1970s. Japan, a country without an excellent system of higher education and research, was given too much credit for what turned out to be its temporary ascendance. Indeed, U.S. business interests chose to blame American public schools for a “failure” to adequately prepare workers, a well-mounted campaign that initiated the movement for public school “reform” in this country.

An important aspect of Japanese industrial expansion remains overlooked even now. Not long after World War II, the Japanese (with U.S. approval) replaced Communist control of labor unions by guaranteeing the jobs of about 30 percent of the workforce, principally those in major industries. The job security of Toyota employees, a typical example, made them wholly receptive to TQM innovation. When in the later 1980s and early 1990s, TQM was brought back into U.S. industry, TQM expert W. Edwards Deming listed as one of its major requirements the need to “remove fear” among employees afraid of losing jobs. U.S. manufacturers

who used TQM then promised workers they would not lose their jobs, an impossible guarantee. In this first decade of the 21st century, most “innovations” seek to reduce wages and eliminate jobs, thereby reducing employee morale.

### **STRATEGIC PLANNING AND CORPORATIONS: GROPING IN THE DARK**

Strategic corporate planning suffers from a schizophrenia that, once understood, makes such planning at the level of the individual firm an impossible dream. This schizophrenia bounces corporate planners back and forth in ways that make wholly accidental any relationship between planning and outcomes. Corporations actually react to the “hidden hand” policies of uncoordinated planning by national and subnational governments, a sort of non-Soviet version of Soviet thinking that has the effect of compelling firms to constantly change direction. Planning and basic economic concepts contradict each other.

Americans do not study in depth the consequences of the principles of economics. In a paradigmatic free market, for example, the competitive ideal is that no single producer can be powerful enough to influence prices and industry-wide output. A firm’s “strategic plan,” therefore, cannot be a blueprint for that firm’s desired “results” because the firm cannot in principle control those “results.” A free market (local, national, or global) is a form of economic anarchy (unrestricted competition) that cannot be expected to move toward equilibrium, yet this is another doctrine of free market operations. These economic principles are little discussed in business school courses on strategic planning or management.

Long-term intellectual disputes are almost forgotten. Historians once successfully argued that the cause of major economic collapses was “overproduction,” an overall definition that included “excessive competition,” “redundancy of output,” and “overinvestment/overcapacity” in the production of consumer goods that created an inevitable surplus of consumer goods and services relative to effective demand for those goods and services. Economists, conversely, have now successfully argued that chronic overproduction is impossible because according to Say’s 1802 Law of Markets, supply always creates its own demand. As recently as the early years of the Great Depression in the 1930s, the historians’ view prevailed in U.S. policymaking circles, but it gave way even in the late 1930s to the seeming precision of economic analysis. The dominant paradigm of free markets holds that the unrestricted or unregulated production of consumer goods and services is generally self-correcting and without massive disruption of social stability.

Antitrust laws prohibit individual corporate managers from engaging in multi-firm planning because that would constitute “collusion” or “conspiracy in restraint of trade.” This doctrine also established the fiduciary responsibility of corporate managers to protect and advance the financial interests of their shareholders, a requirement that compels managers to keep all important information about future plans wholly secret from competitors. Individual firms develop strategic plans without knowing what their competitors plan to do, otherwise describable

as “planning in the dark.” Globalism, conversely, ultimately threatens to require global designs that will have to abandon all contemporary approaches to strategic planning. Without some form of agreed global planning, nation-states are likely to revert to historic patterns of military competition for control of important resources.

In a globally competitive market, all producing countries follow the rules of competition that are the same for all ideologies. The global economy is not a “capitalist” economy. Multinational corporations can operate in many countries regardless of the stated ideologies of those countries. “Socialists” must attract buyers by ensuring that their workers earn very low wages, quietly abandoning the socialist dogma that workers are in control.

The schizophrenia of strategic planning is also demonstrated by the pretense that the success or failure of a corporation is a byproduct of the “vision” of its top leadership. Jack Welch, the now retired CEO of General Electric, was still lionized in 2005 as the most effective corporate chieftain in memory, but others honored earlier (the CEO of Enron, for example) were later identified as having cheated or having been duped by subordinates. This American pretense requires that corporations and especially their CEOs be identified as having real control over their destiny. Jack Welch typified in 2005 how corporate planning had suddenly changed for unexpected reasons. During a book tour with a stop in London, Welch faced 638 business executives who had paid \$350 each for a 1-hour question period (Sanghera, 2005). He casually mentioned the famous management concept of the “old” Welch, and then added a concept of the “new” Welch.

His original “20–70–10” concept divided employees into a “top” 20 percent group, paid lavish bonuses for their performance, a “middle” 70 percent urged to do more, and a “bottom” 10 percent to be quickly terminated instead of keeping them around until a “downturn” forced them out when they were no longer employable. The “new” Jack Welch added that in responding to Chinese competition, “just trimming costs by 4 percent is not enough!” Declaring this a “road to suicide,” Welch added, “you need to think about taking out 30 to 40 percent!” His audience responded with loud applause (Sanghera, 2005). To cut costs by 30 to 40 percent would require the “new” Welch to drastically cut wages and benefits while dumping pensions for perhaps 80 percent of his workforce, perhaps more than that.

The “old” Jack Welch was known as “Neutron Jack” when he took over at GE near the end of the steep recession of the early 1980s. His first task was to reduce the workforce and institute a yearly program of terminating managers he thought substandard. While this strategic plan emphasized job security for the top 20 percent of employees, the “new” Jack Welch plan would be much more drastic if he were in a position to implement it. What he did not tell his audience was that his hypothetical plan actually was a response to U.S. government guidelines designed to help businesses survive in a bitterly competitive world, at whatever costs to the jobs and income of workers.

It is not possible to outline in detail a number of examples of the strategic plans designed by individual corporations because such plans do not meet a “transparency” test. The details of such plans are not publicly released, nor are the data that lead to specific decisions. Any single-firm plan is developed in the blind, so to speak, except when government guidelines form the basis of the plan. The word “transparency” is in wide circulation these days, but corporations are very opaque organizations except for financial reports subject to detailed auditing by regulatory agencies.

### STRATEGIC PLANNING AND PUBLIC ADMINISTRATION

The concept of strategic planning for nonmilitary public agencies has always included the desirability of long-term stability in planning, legislative authorization, appropriations for human and material resources, and implementation. There have been dreams of multiyear federal budgeting, perhaps as long as 5 years, but U.S. policymakers have shied away from the Soviet example of 5-year plans (*Gosplans*). Worse yet, U.S. principles on how to manage public affairs and, by definition, the teaching of these principles in the academic field of Public Administration are mired in the textbook principles of economics and even Biblical principles, neither of which is ever reexamined. I shall briefly outline a few of these principles, then show how they have affected such recent and important policy problems as welfare “reform,” the national response to such disasters as the 2005 hurricane-related flooding of the Gulf Coast in Louisiana and Mississippi, and the Medicaid health care program for those living in poverty.

A fundamental principle of economics is that because prosperity and progress depend upon the health of the private economy, government spending should be kept as low as possible so as to not to “deprive” the private economy of the resources it needs. Essentially, economics teaches that government spending on public goods produces only “waste” because such goods are not sold in the marketplace. The production of private goods and services, conversely, creates “wealth.” The building and equipping of a brewery is officially considered an “investment,” but the public bridge necessary to travel to and from the brewery is not so counted. Even when public spending is considered necessary and unavoidable, this doctrine encourages underfunding that is then publicly labeled as “adequate” even when it is obviously insufficient.

A second principle holds that if government borrows money to incur deficits (spending exceeds revenues) and an increased national debt, the borrowing and spending “crowds out” the private sector from borrowing the capital it needs for the creation of “wealth” and, by increasing the competition for the funds available from “savings,” pushes up interest rates and causes inflation. This remains a standard argument, but it has been obsolete for decades, since the United States abandoned commodity-based currency (gold standard) in favor of a fiat monetary system. Put simply, there cannot be a shortage of available capital in a fiat economy

because the money supply is not limited by the amount of gold at Fort Knox, Kentucky. It is indeed extraordinary that arguments of this sort still dominate U.S. policy discourse.

A third and related principle is drawn from the *Bible*. In 2 Thessalonians 3:10 (*Paul’s Second Letter to the Thessalonians*), the principle is stated as “He who does not work shall not eat.” Taken literally, the principle condemns any and all “hand-outs,” “entitlements” or other financial rewards except in return for work actually performed. The principle assumes that the only bar to work is an individual’s willingness to do so. Paul’s command includes no list of mitigating circumstances such as disability, age (old or young), health, or childraising. The principle was widely quoted by advocates of welfare “reform” in the 1990s, a “reform” that also demonstrated the bipartisan power of such principles. Ironically, the same principle appeared in the Soviet Constitutions of 1918 and 1936, advertised as a “socialist” principle that would compel “capitalists” to perform work themselves rather than having their money “work” for them. The principle may have been introduced into Russia about a 1,000 years ago when the Prince of Kiev imported Byzantine priests to operate labor camps. It was and is amazing that a single sentence of this sort can be successfully used to ignore all the complexities of poverty and unemployment (Thayer, 1995a). I turn to three examples of strategic planning and public policy deeply affected by such principles.

*Case: Welfare “Reform.”* Many Americans believe that jobs are always available for those who exert the effort needed to find them. While most Americans agree that it is legitimate for those who can afford it to pay “nannies,” cooks, or maids for child care and household work, many do not think it legitimate for society as a whole, acting through government, to pay single parents for performing all those tasks when also holding full-time jobs. While the initial “reform” debates of the 1990s included references to “Boys’ Town” and other orphanages of the miserable 1930s, this did not become a popular argument. Two very real problems were almost ignored in the furious attempt to “save” a relatively few dollars by throwing people off welfare rolls. The first was that everyone admitted that a comprehensive “reform” would have to include job training and child care programs financed and supervised by government. The “reform” ultimately did not include such comprehensive programs because they would have violated the principle of “spend as little as possible.”

The second problem, totally ignored in “reform” debates, was that the federal government already had in place a long-term policy to make sure that the overall unemployment rate was always high enough to discourage those who had jobs from demanding higher wages because they were afraid of being replaced. This unemployment rate was known as NAIRU (Non-Accelerating Inflation Rate of Unemployment), and has long played a part in Federal Reserve interest rate decisions to “stimulate” or “cool off” the economy. The policy was endorsed in the yearly economic reports of all presidents from the mid-1960s onward. The standard view was that a 6.0 percent rate would prevent wage increases from causing

inflation. At a time when welfare “reform” was a hot issue, President Clinton’s chief economist wrote in the *New York Times* that she and her fellow presidential economic advisers believed that a 5.9–6.3 percent unemployment rate was necessary to prevent wage-push inflation (Tyson, 1994), a declaration that amounted to a Clinton policy statement. The rates for minorities and young people were much higher, even up to 30 percent in some cases, a condition that had been in effect since the mid-1970s. In effect, NAIRU was and still is a policy of compulsory unemployment because the “desired” unemployment rate has been a target of public policy. It should have been obvious that many poor and young single parents would not be able to find jobs, training, and child care. Throwing them off the welfare rolls, however, removed them from the database, a normal 19th-century method of pretending that a problem does not exist.

The concept of welfare for single parents originated about 1910, and the original thought was that those on welfare would not be expected or required to work outside the home. That, too, was a form of strategic planning, as the country gradually began to understand that church-operated orphanages and nongovernment programs to ship urban orphans to farm states where they could be supported in return for working could not do the job, and that it made sense to pay poverty-ridden single parents for taking care of their children. At the turn of the 20th century, the United States had suffered through two major economic collapses in the past 25 years, with poverty and homelessness everywhere.

As the United States approached the 21st century, however, there had been no truly major economic collapse since the 1930s. It was easy to return to the traditional and Biblical view that the poor were to blame for their predicament and that both adults and their children should be punished by forcing the parents to look for nonexistent full-time jobs. It was easy to ignore the NAIRU policy of compulsory unemployment and not even mention it in the same breath as welfare “reform.” Sadly, this “reform” was wholly bipartisan.

*Case: Katrina and the New Orleans Levees, 2005.* The key factor for New Orleans was the breaching of levees by a hurricane that strategic planning had not officially anticipated. Proposals to refurbish the levees had been considered in the Army Corps of Engineers annual analyses for some years, but the primary reason for repeated rejections should be included in any course that looks both at strategic planning and such analytical tools as cost-benefit analysis.

Katrina arrived at New Orleans as a “Category 4” hurricane, one below the maximum of Category 5. Past legislation had authorized protecting the city against Category 3 storms. The issue was and is how the Army Engineers perform their cost-benefit analyses when looking at particular natural disasters that may recur only once in every 50, 100, or 200 years, very critical for a city that is subject to flooding because it is below sea level. Overall spending on public infrastructure amounted to about 3 percent of GDP from the mid-1950s until the end of the 1960s, and it began declining to less than 2 percent in the 1980s and 1990s (recall that such spending is considered economically “wasteful”).

The assistant secretary for the army who supervised civil works spending, John Paul Woodley, acknowledged that when the “benefits” are compared against the “costs” of proposed improvements, short-term “benefits” take precedence over “benefits” that may only be realized at some unpredictable time in the distant future. Another Army spokesman stated, “it’s not economically feasible to protect against a 500-year storm.” An expert in coastal research asserted that “in order to know what a 100-year storm is, you probably need 1,000 years of data” (Uchitelle, 2005; Strauss, 2005). Cost-benefit analysis, therefore, becomes more a gamble or a lottery than a scientific method. Conceivably, refurbishing of levees might never be approved with contemporary cost-benefit concepts.

Whether the potential problem is one of national disaster, terrorist attack, or some other responsibility of the Department of Homeland Security (DHS), the basic requirement is for wholly integrated federal, state, and local plans that would include the specific details of what every agency at every level of government would be expected to do in the event of each foreseeable event that might arise, and prospective private contractors would have to be involved in the planning process and paid for that participation, a need that might not be compatible with procurement practices. This large library of strategic plans would have to be updated very frequently, at least annually or whenever new and important information became available. A strategic plan for DHS alone, or a plan for FEMA alone, would be irrelevant.

Contrast this requirement with the White House Office of Management and Budget (OMB) evaluation of some 1,300 individual federal programs for their planning and performance. Each evaluation is separate from any of the other 1,299 programs that might affect the evaluated program. Even when an agency has “outsourced” mission performance to private contractors, the performance of contractors is not reviewed as part of the evaluation. Strategic planning, that is to say, is usually treated in a fragmented and reductionist fashion, one program at a time or one agency at a time. While management “overlap” is widely condemned as an indication of waste, especially by loud politicians who scream about “bloated bureaucracies,” overlap is virtually automatic in the performance of most public functions, even at low levels of government. Safe drinking water always must combine at least the functions of public works and health, and their performance must be integrated.

*Case: Medicaid.* An outgrowth of the “War on Poverty” initiated in the 1960s was the federal program to provide health care for the poor. After spending 16 months at the Morris Heights Health Center in New York City’s Borough of the Bronx, a journalist began a lengthy 2005 report by outlining the case of a fifth-grade girl with an irregular heartbeat. The primary physician told her parents that the girl could not get an appointment with a cardiac specialist for almost 6 months, one of several such examples. Reimbursements managed by the state were so low that many specialists were refusing Medicaid patients. Many poor citizens have little education and are not very familiar with the English language.

They cannot cope very well with six-page applications for enrollment that they must submit every year, along with extensive documentation that proves their eligibility. A former health law chief of the Legal Aid Society said, "the state looks at each applicant as a potential criminal." The president of United Hospital Fund, a research group, added "we look upon Medicaid as a welfare program, so it's given grudgingly." At any time, more than one-fifth of those eligible in the state were not enrolled because their annual re-enrollment had not been completed. Because Medicaid is handled by states through HMO systems, primary physicians often must battle insurers to get permission to refer patients to specialists. (Perez-Pena, 2005). It has long been known that the administrative costs of HMO systems are enormously high relative to the classical contrary example of Medicare, principally because of the extensive arguments and negotiations between physicians and insurers over what treatment is needed, case-by-case. Medicaid patients and primary care physicians generally are not well equipped to fight the HMO systems in which they are trapped.

The Bush administration approved in October 2005 the first of what it hopes will be many drastic changes in how states administer Medicaid. Based upon individual medical histories, the state of Florida will "cap" the amount of money available for each individual, with such decisions to be made largely by HMO managers (Pear, 2005). While children under 21 and pregnant women will be exempted, others will suddenly find themselves with "medical savings accounts." Medical histories, recent or long-term, are not necessarily useful enough to predict what will happen to each individual in the next few years, so this becomes another example of gamble with lotteries advertised as careful analysis of the needs of the poor. What will happen with individuals if and when their yearly "caps" have been exceeded? A senior researcher at Georgetown University's Health Policy Institute labeled the new system "radical," in that decisions will be made by private health plans "out of public view." The objective of the HMOs, of course, is to increase their profits.

The ostensible purpose of Medicaid is to provide whatever medical treatments are needed by the poor. The purpose of the Florida system, intended to be used as a "model" elsewhere, is to reduce health care spending even if this adds health risks to Medicaid "customers" by denying them services that would raise total costs above the "caps" that vary from person to person. A corollary and unemphasized objective is to help Medicaid providers cover their big administrative costs while also making significant profits from reducing the delivery of health care that might have been necessary. Some poor people will die because their medical support will be "capped." Studying Medicaid alone, of course, is misleading. The number of Americans living below poverty level was increasing as of 2005, and so was the number of Americans who have no health insurance at all.

U.S. health care has been attacked in recent decades as encouraging excessive use of available care by physicians who order too many tests of their patients, and individual consumers who avail themselves of health care they really do not need.

Such arguments amount to claiming that if I have an annual physical examination, and if the examination shows that I am in excellent health, this demonstrates that the examination wasn't really needed. Yet neither the physician nor I knew before the examination that nothing was wrong with me (“preventative” care is not cheap). The classic case of such fallacious thinking involved then President George H. W. Bush more than a decade ago. A recently completed annual examination had found him in excellent health. Shortly thereafter, he suddenly felt bad enough to be checked for particular symptoms, at which time he was found to have a significant thyroid problem. A test for this problem had been removed from his annual examination because the probability of a negative result was as low as having Katrina breach levees in New Orleans. The fact that any test ordered by a physician finds no problems does not mean the test should not have been ordered. The fact that the U.S. president was not given a test he should have been given indicates that his examination was less thorough than it should have been.

It is worth noting that the only public purpose that has been adequately funded in my lifetime was World War II. The resolute prohibition of full funding for other public purposes comes from an economic ideology that is all-pervasive in the United States, but is never reexamined despite powerful evidence that it is totally wrong. This is as good an entry point as any for introducing how strategic planning in the private, public and nonprofit sectors is controlled by a collection of decisions made by U.S. government agencies that do not formally coordinate decisions that are made independently of each other.

### **IDEOLOGY AND GOVERNMENT AS THE REAL STRATEGIC PLANNERS**

Following President Clinton's prediction that a steady diet of federal budget surpluses would totally wipe out the national debt in 12 years, Democratic candidate Al Gore endorsed the forecast that this would be the first such celebration since President Andrew Jackson had paid off the debt in 1835–1836. Republican candidate George W. Bush set his target at 15 years, and Americans were advised to look forward to sustained prosperity. Ideology was so embedded in American thinking that nobody even noticed the record of history. Table 7.1 lists the only five great economic depressions of U.S. history. Each depression occurred immediately following a multiyear sustained reduction in the national debt through budget surpluses. After 14 consecutive paydown years, Andrew Jackson left office with virtually no debt left behind. Sadly, a 6-year major economic slump immediately followed. Massive debt paydowns immediately preceded the other four economic collapses. Reducing the national debt has never led to sustained economic prosperity, but just the opposite. Depressions used to occur with some frequency, but it has been 60+ years since the Great Depression ended with World War II, and deficit spending has been chronic throughout that period. Deficits and the national debt never seem to have damaged the economy. These relationships may all be coincidences of history, but why is it automatically assumed that federal spending and deficits harm the economy? Why must the federal

TABLE 7.1.

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**BUDGET SURPLUSES AND MAJOR DEPRESSIONS**


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1. 1823-36: In 14 years, the debt was reduced by 99.7 percent, to \$38,000 (virtual zero). The major depression began in 1837, lasting until 1843. Americans still celebrate this payoff of the national debt, ignoring the collapse that followed.
2. 1852-57: In six years, the debt was reduced by 59 percent, to \$28.7 million. The major depression began in 1857, ending only with the Civil War.
3. 1867-73: In seven years, the debt was reduced by 27 percent, to \$2.2 billion. The major depression began in 1873, lasting until 1878. A bleak Centennial celebration and disastrous presidential election struggle occurred in 1876.
4. 1880-93: In 14 years, the debt was reduced by 57 percent, to \$1 billion. The major depression began in 1893, lasting until 1898 and casting a pall over the "Gay Nineties."
5. 1920-30: In 11 years, the debt was reduced by 36 percent, to \$16.2 billion. The Great Depression began in 1929, ending only with World War II in 1941. According to standard economic principles, the annual deficits and national debt caused by that war damaged the economy, but there is no evidence to support that conclusion. The national debt reached about 125 percent of GDP during the war (by far the highest in our history), ended the depression, won the war, and nobody said these outcomes were too expensive.

There have been no major collapses since the Great Depression, but deficit spending has been almost continuous since then. All "recessions" have immediately followed sustained deficit reductions relative to GDP. The most recent downward cycle, just after the 21st century began, followed that pattern.

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*Source:* (Data from Historical Statistics of the United States, available in all libraries). Adapted from Thayer, 1995a.

government always underfund important public services because economic ideology holds that public spending is dangerous? Those who develop strategic plans in public agencies know full well that such plans are likely to be underfunded, the single exception having been World War II.

The evidence does not "prove" that a cause-effect relationship exists between federal budget surpluses and paydowns of the national debt on the one hand, and major economic collapses on the other hand. History shows only that truly significant reductions in the national debt have never sustained economic prosperity. The record does suggest, however, the necessity to bring to the surface and analyze the likely falsehoods embedded in what American policymakers say about the public purposes they seek to fulfill. Concepts and slogans such as "needs assessment" and "zero-based budgeting" have been used to imply that the first step should be an honest analysis of what must be done to achieve a desirable public purpose. The word "need" suggests that an obvious "need" should be totally fulfilled, but economic ideology says otherwise.

The point is that almost without exception, elected political leaders at all levels of American government come to office with the express intention of spending as

little as possible on the delivery of public services. The belief is wholly bipartisan, and either of the two major parties in the United States can be counted upon to criticize the other if it appears that spending is higher than it need be. Deficit spending is almost always subject to attack, with the single and unusual exception of World War II. Even Franklin Roosevelt promised to balance the federal budget during his 1936 campaign, at a time when the unemployment rate was 17 percent. Immediately following a landslide victory, he promised to do immediate budget balancing, and drastically cut spending and deficits, at which time an economy already in deep depression collapsed once again.

Let me summarize other major guidelines that the informal American system of governmental planning imposes upon private, public, and nonprofit sectors:

1. The NAIRU policy, mentioned in connection with welfare reform, keeps unemployment high enough to depress wage increases. The primary method of implementing the NAIRU policy is for each presidential administration to implicitly endorse the Federal Reserve Board’s decisions to change interest rates from time to time so as to control inflation, mainly by “slowing” job creation so that wages will remain stagnant or decline. Decisions in the White House and Congress to not push for increases in the minimum wage and have reduced the purchasing power of that wage to much less than it was in 1968. The Federal Reserve Board is an independent agency, but interest rate changes and inaction on the minimum wage give every appearance of being coordinated policies that have significant bipartisan support. The overall effect is to create massive unemployment among minorities and young people. High and compulsory unemployment has served to almost destroy collective bargaining and union strength. The union movement has begun to splinter as other union leaders complain that the AFL-CIO president is not performing well, but in point of fact, unions are essentially powerless. The most astonishing aspects of the NAIRU policy are that it compels decision makers to fear full employment and to deny forced unemployment
2. U.S. companies find it difficult to compete with companies based in low-wage countries. This has caused desperate searches for cost cutting, as in the remarks Jack Welch made to British business executives. The Supreme Court, in a unanimous 1984 decision, said that companies in financial trouble could abrogate labor contracts, and neither employees nor unions have found a way around that decision. Bankruptcy courts follow this guidance by approving wage and benefit cuts along with the dumping of pensions that were once an important part of planning for all firms. Indeed, bankruptcy became by 2004 the widely understood and frequently used “tool” for making massive cuts in labor costs (Nocera, 2005). Frank Lorenzo, then CEO of Continental Airlines, was seen as a cruel manager when he tore up union contracts a few years after airline deregulation in 1978 but after unanimous Supreme Court approval in 1984 of what he had done, bankruptcy gradually became the accepted method for “busting” union contracts involving wages, benefits, and pensions. Many retirees, too young for Medicare and Social Security, have lost company benefits once promised them for life.

The pension crisis is perhaps the best example of how supposedly uncoordinated decisions can come together to create a unified policy. Frank Lorenzo was the

airline president who was later widely condemned for the decisions he made, but his tactics have become unacknowledged public policies. The Supreme Court unanimously endorsed the decisions he made without negotiating with unions (Greenhouse, 1984), and Congress followed by endorsing the same processes so long as bankruptcy court judges approved them. As of 2005, Professor Elizabeth Warren of Harvard, an expert on bankruptcy law, concluded that “There’s no business in America that isn’t going to figure out a way to get rid of [these promised benefits]” (Delaney, 1992; Barlett and Steele, 2005). The special irony of the pension crisis is that there is in reality a cohesive and integrated policy that has been changed only trivially from Lorenzo’s first decisions. He abandoned labor contracts, and the Supreme Court, Congress, and White House ultimately agreed. None of them would acknowledge if asked, however, that it was responsible for a cohesive and integrated policy. As of 2006, there is no way to predict how many elderly people will be driven into poverty by the pension crisis, and what government ultimately may feel compelled to do about it. Decisions to make it possible for corporations to terminate labor contracts and dump pensions are about as “strategic” as can be imagined, but government opened doors that business executives could not have opened by themselves.

3. State and local governments must intensely compete with each other to persuade businesses to move into their states and cities. The vehicle for doing this is tax abatements and other financial breaks that give companies a “free ride” for some specified period of time such as 5 years. When it comes time to begin paying local taxes, the companies move elsewhere. This has caused communities all over the country to drastically raise property taxes, and elderly people on small incomes are likely to lose their homes in large numbers. Local politicians are widely seen as incompetent, but they are trapped in a system of competitive bidding that compels them to provide big subsidies for new businesses.
4. Because public spending is considered wasteful, bipartisan public policy increasingly supports the notion that as many public services as possible should be “outsourced” or “contracted out” by all levels of government. One effect is to substitute a contractor’s motivation for profit for the public’s interest in service delivery. The corollary notion that private businesses are innately more efficient than government is a matter of ideological faith, there being no real evidence to support the belief.

The list of strategic planning decisions and actions by U.S. governments at all levels comprises a form of strategic planning that cannot be so identified because that would be a confession that “central planning” is in vogue. Decisions made by national policymaking bodies (Federal Reserve, Federal Courts, Bankruptcy Courts, Congress, and White House), along with those made by state and local governments, have created a system that compels planners to obey its guidelines. In effect, America’s hidden but real “central planning” has simply endorsed global market pressures on lifetime pensions that were themselves earlier strategic plans that must now be abandoned by edicts from new central planners. The fact that market conditions and new decisions by U.S. policymaking bodies have forced corporations to effectively cancel those strategic plans demonstrates yet again that there is no basis for strategic planning at the level of the individual firm or public

agency. Strategic planning requires steady jobs, steady incomes, and 30-year mortgages. It was widely understood by the end of the 20th century that these conditions could no longer be met. The pension crisis demonstrates that strategic plans can be quickly cancelled by central planners who, in the American system, need not accept responsibility for doing so.

Meanwhile, of course, various state attorneys general and such national agencies as the Securities and Exchange Board do their best (within funding limitations) to unearth the false corporate financial statements that are designed to mislead investors by keeping as many false statements away from those who have legitimate interests in “transparency” and “accuracy.” Corporate executives cannot be blamed for doing what they can to ensure survival of their firms. It would help, however, if government officials did not constantly pretend that “transparency” is a normal condition of doing business in highly competitive situations. It is not.

### **SPECIAL CONSEQUENCES FOR PUBLIC SECTOR PLANNING AND MANAGEMENT**

In the November 2005 issue of *PA Times*, a monthly newspaper of the American Society for Public Administration (ASPA), President Don Menzel had this to say (Menzel, 2005):

Once upon a time, not so long ago, a giant chorus sang with gusto-hosannas to efficiency, effectiveness and economy. Government should be run like a business, so another refrain went. Today the singing continues but new refrains have been added—hurrah to entrepreneurialism, get me results, just do it, pay me for performance, contract out, competition needed, satisfy our customers, outsource the work and more. This is the language and siren music of managerialism. Hard to resist. You betcha. . . .

Privatization as a form of public-private managerialism has become even more pernicious in the ongoing effort nationwide to deconstruct, some would say destroy, the non-partisan civil service system that has served the nation well for more than a hundred years. Civil service systems characterized by non-partisanship, merit advancement, impartiality, life-time security are steadily being replaced by “employment at will” arrangements. . . .

The irony, of course, is that civil service as we knew it came about as a result of at-will employment, i.e., patronage government. In the U.S. government, the Transportation Security Agency uses at-will employment and the Departments of Homeland Security and Defense are moving headlong in that direction. . . .

I believe we have a very serious problem on our hands—the continuing evisceration of the civil service in the United States—that bodes ill for the nation. Governance will be infected by political favoritism and the likelihood of ethical lapses or worse (corruption) are inevitable.

This is the first such statement that I had seen by that time, and I think it significant that the president of ASPA used such words as “deconstruct,” “destroy,” and “evisceration” in describing current trends. This brief institutional statement

understandably did not spell out in detail how the civil service had been created in 1883 to prevent elected politicians from succumbing to the normal and direct political pressures to personally reward their followers with lucrative contracts to deliver public services (Thayer, 1997). The move toward “at will employment” is designed to make all employees instantly subject to termination without appeals, giving political executives complete authority to fire those who ask questions. The return of a 19th-century “spoils system” is already underway, but a second problem is perhaps even more dangerous.

The “revolution” in civil rights of the 1960s was important in helping to ensure that minority citizens, particularly African Americans, would face fewer obstacles to voting in elections. It was perhaps more important that they would have help never before available to find jobs and promotion opportunities. Programs for affirmative action, equal employment opportunity, and diversity in the make-up of private and public organizations promised that minority citizens would be more welcome in the totality of American social, economic, and cultural life. The federal government has always led the way in such efforts, even though it has taken much longer than a century to make significant progress, as in the formal integration of the armed forces that was decreed after World War II. As public service delivery becomes more and more “privatized,” governments at all levels will ignore their responsibility for the enforcement of the employment rights that were included in the civil rights laws of the 1960s. As noted earlier, the NAIRU policy to maintain high unemployment for purposes of controlling inflation has led to high jobless rates for young people in the 16–24 age groups, with young minorities having much higher rates than young whites. These disparities cannot be attributed solely to job qualifications that are difficult to measure, but to the intense competition for jobs when those seeking jobs far outnumber the jobs that are available.

The United States is in grave danger of retreating from some of the progress it has made since the Civil War of the 1860s, especially the progress that did not even begin until the 1960s. The destruction of the civil service is not only an invitation to runaway corruption, as Menzel pointed out, but also a revived denial of civil rights for minorities. Ironically, the responses of the Department of Homeland Security and its subsidiary Federal Emergency Management Agency to the hurricanes that ravaged New Orleans and the Gulf Coast were widely acknowledged as “incompetent,” in part because most politically appointed senior managers had no background or training for their jobs. As of January 2005, a *Washington Post* headline announced that “Civil Service System on Way Out at DHS” (Lee, 2005). As of February 2006, the situation in New Orleans could indeed be labeled as one of widespread “evisceration.”

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## **Innovations in Strategic Human Resource Management: Building Capacity in the Age of Globalization**

ALI FARAZMAND

### **PROBLEMS AND SOLUTIONS**

The world has changed dramatically during the last 20 years, and the dawn of a new form of civilization has emerged as the new millennium begins. In this age of rapid, unexpected, and unpredictable changes with far-reaching consequences, the role of governments, citizens, organized groups, nation-states, and societies is changing rapidly as well. Public and private organizations, and management systems, are being transformed by either choice or pressure and the necessity of adaptation for survival.

Along with governmental transformation, citizens are also transforming from the traditional passive or receptive role to one that is highly demanding, challenging, and participating. New technologies and organizational networks are enabling citizens to play a more active and powerful role in the governance and administration processes that affect their present as well as their future lives. Obviously, inequality persists and in fact widens rapidly between the rich and the poor, and between the rich nations of the industrialized world and those of the developing and less developed countries. All nation-states are challenged by the forces of rapid globalization and their governments' sovereignty is being eroded by the new norms and organizations of the world order. There is also a widening gap between the few powerful nations that are home to globalizers, and those of the rest of the world that are being globalized and affected by the consequences of globalization and the new world order. Therefore, the challenges—positive as well

as negative—facing the governance, administration, and management of developing nations are far more serious and more demanding than those in industrialized nations (for a detailed discussion of globalization, see Farazmand, 1994, 1999, 2001a,b, 2002a, and forthcoming).

These challenges present opportunities as well as severe constraints to the governments in these nations that are making efforts to develop their economies, to utilize and manage their resources, to promote the social welfare of their citizens, to advance in science and technology, and to improve their capacity in both governability and service delivery to their citizens. To counter and meet these challenges, all governments are forced to rethink the philosophy of government, to reconsider the modes of governance, and to redesign new systems and organizations of public administration and management. To accomplish these multiple objectives, a new vision is required that strategically places *human resources development and management* as a key strategic instrument in meeting and managing the challenges of globalization.

This new future-oriented and anticipatory strategic vision is especially needed to assist countries toward rapid development and enhanced capacity for sound governance and democratic administration. Strategic planning and management is central to accomplishing developmental goals, but strategic human resources development and management is key to the design and implementation of developmental plans as well as to the operation of a sound governance and administration of Iran. To this end, capacity building and enhancement must be established in all areas of governance and administration, and this can be accomplished only through innovation. To meet the challenges of globalization and to ride the rapid “waves of change” (Morgan, 1995), the future managers—both generalists and human resource specialists—have no choice but to be effective human resource managers with high qualities. They must be intelligent, knowledgeable, skilled in human resources management and organizational behavior, able and willing to learn and lead learning organizations, and capable of creating human capital and work with people on an equal basis, not as authoritative leaders over them (Farazmand, 2002e).

This paper addresses innovation in strategic human resources development as a capacity building strategy to not only cope and meet the challenges of core national development programs in the age of rapid globalization, but also to move beyond by developing an anticipatory and future-oriented capacity that can foresee potential challenges and devise strategic “choices” to control destiny in the highly uncertain global environment. First, the importance of capacity building and strategic innovation is briefly discussed, followed by a more detailed discussion, in Section Two, of innovation and its multiple meanings. Then, areas of strategic innovations are presented as strategies to human resource capacity building in government and public administration. Finally, several suggestive approaches are outlined, without elaboration, for implementation and transformation of the ideas into action, followed by a brief conclusion and call for further research and writing on this important subject.

### CAPACITY BUILDING IN STRATEGIC HRM

The key words or concepts of innovation, capacity, and strategy or strategic human resources management used in this paper require some explanations. First, innovation is considered as a strategic instrument for building and enhancing capacity in government and public administration.

Second, the strategic human resource management is central to all development plan and programs and their implementation, as no plan or program can be designed and implemented effectively without strategic thinking. Strategic human resources development is essential to the governance and management systems of all organizations of public, private, and nonprofit sectors, regardless of the nature of the political and economic systems. Thus, both strategic human resources development and strategic capacity building in human resource management are used interchangeably in this paper.

Third, capacity building here refers to the development of institutional, organizational, managerial, technological (both soft and hard), cultural, and individual abilities, capabilities, skills, and knowledge of a government and public administration system to not only manage today but also tomorrow. Such a capability enables government and public administration to not only cope with and manage ongoing current challenges of governance and administration but also to act well beyond by performing through anticipation, effective visions, proactive knowledge and skills, and self-corrective organizational behavior. Capacity building is mainly an internal, local, or domestic matter, and it is directly related to sustainable development and enhancement; it means building and developing national or local capabilities to conceive, develop, promote, and manage policies, programs, and projects with excellence and toward desired goals and missions.

Capacity building also means developing abilities to build and control the future, and this means “choice” of strategies to control events and build future by developing an anticipatory capability in public management and governance. The United Nations Development Program (UNDP) defines capacity-building as “the process by which individuals, groups, organizations, institutions and societies increase their abilities to: (1) perform core functions, solve problems, and define and achieve objectives; (2) understand and deal with their development needs in a broader context and in a sustainable manner” (quoted in UNDP, 2002, 68). While very helpful, this definition is limited in scope as it only points to the development capacity building, while the concept capacity building is a much broader one, as noted in my earlier definition and explained throughout this paper; it covers well beyond the ability to perform “the core function,” and entails future-oriented and anticipatory capabilities as well as abilities to govern and manage.

Capacity building and enhancement in strategic human resources management, therefore, refers to building and enhancing a cadre of highly qualified, highly able, and highly motivated human resources at all levels of government, public administration, and management that serves the country in her pursuit of not only coping and managing the challenges of the day, but also of

making strategic choices and decisions that can control her destiny tomorrow in the rapidly changing global environment under globalization of corporate capitalism. In this respect, building strategic human resource capacity also includes human resource capacity in private business as well as nonprofit, non-governmental organizations, and self-governing organizations of the cooperative sector.

Human resource capacity building and development in Iran is critically needed both horizontally and vertically. The first focuses on domestic capacity building strategies, while the latter stresses capacity development in international relations and in effective functioning as a nation in the global community; both are directly related to national sustainable development capacity building.

The domestic area of capacity building innovations address all sectors of the economy, society, and politics as well as administration: in the heavy infrastructure development, diverse industries, agriculture, tourism, social services, transportation and communication, urban and rural governance and administration systems, and in the management of all organizations in public, private, and non-profit sectors. Innovation in domestic human resource capacity building requires new as well as established skills in technical as well as nontechnical areas. This is essential to running and managing a dynamic economy, to promote opportunities for political and social involvement and participation of not only employed people but also ordinary citizens who can take part in the governance and administration processes through various forms of partnership-based and network-based organizations.

Innovations in domestic strategic human resource capacity building also promotes the enabling role of the government by providing it with the highest levels and types of skills and cutting edge knowledge that are not only essential but also critical to the effective functioning of the government. The skills and knowledge required to prepare through education and training are crucial to obtain on an up-to-date basis. The search and effort must be endless, for advancement in science and technology, and in human and social sciences, is fast and the changes in domestic and global environments are so rapid that no time can be wasted. Thus, domestic-oriented human resource capacity building is a first step toward accomplishing the objectives of an effective vision for tomorrow's Iran as a historic nation with a glorious past and a promising future. Domestic capacity building is a stepping stone, a priority to establish a sound governance and management system to gain international and global confidence and respect among fellow nation states in the international or global community. This domestic capacity building must be done both horizontally (through technical and operative personnel and managerial or organizational leaders as well as generalists and professionals at the same levels of organizations), and vertically at different levels of organizations in government, nonprofit, and private sectors.

Capacity building and enhancement in international or global areas of skills and knowledge are formidable tasks and most demanding, especially in the age of dramatic change and transformation, and accelerated globalization (Farazmand, forthcoming-a). The global environment has turned during the last two decades

into a highly turbulent and uncertain state, causing unpredictability, anxiety, and chaotic development (Rosenau, 1990), and leading to a long-term future world that is inconceivable to our current mode and capability of thinking and acting (Farazmand, 2003). Most governments and political officials in both industrially advanced countries of the West and developing or less developed nations lack the necessary and effective capacity to cope with and manage the rapid changes that globalization is posing on them (Dror, 1994).

The capacity to govern and manage uncertainties requires new, anticipatory skills, flexibility in action and innovation, and creativity on all fronts. The kinds and levels of skills and knowledge essential to building international capacity must be acquired and mastered through new education and training programs well integrated with the rest of the overall national plans.

Capacity building in external international arena requires a set of strategic human resource skills and knowledge that are different from domestic human resources capacity building. For example, preparing and developing strategic global managers, and global civil as well as political and military executives require significant attention to public investment in education and training in the areas of technical, behavioral, managerial, organizational, linguistic, and diplomatic knowledge and skills. However, both domestic and international capacity areas must be well coordinated and they must complement each other, as there is a high degree of interdependence between what the nation does domestically, on the one hand, and how it relates and functions in the international community, on the other.

Building and enhancing capacity in strategic human resource management, or building and enhancing strategic capacity in the process of human resources development, requires a new vision that places human resource management at the apex of Iranian strategic plan in an effort to not only meet the challenges of globalization, but also to be effective; such a strategic human resources management vision must meet several criteria. Specifically stated, the effectiveness of a strategic vision (1) is compelling and satisfying; (2) it poses clearly stated goals and challenges; (3) it serves as a guidepost on the terrain of uncertainties; (4) its achievement requires the creation of substantial capacity or capability for implementation; (5) it honors the past and lives in the present; (6) it requires the development of serious commitment; and (7) it demands innovation on all fronts, especially in science and technology, managerial and organizational behavior, design and implementation, and administrative capacity. These criteria of effectiveness will provide an assurance of success in the processes, structures, and cultures of strategic human resource capacity of Iran, and align it with other keys of strategic plans and management of the country. But, such a vision must also be sustained and updated on a continuous basis.

## **INNOVATIONS IN HUMAN RESOURCE DEVELOPMENT AND MANAGEMENT**

Innovation is the key to progress, development, and sound governance and public administration. Innovation is also the key to invention and reinvention in all

spheres of life, society, science, technology, and administration. Through innovations, inventions, and reinvention, survival and dynamic continuity can be assured with high certainty, though the latter is subject to various environmental contingencies.

Through innovations, environmental contingencies can be tamed, predicted to a degree, and anticipative strategies can be utilized toward achieving the goals of effective visions. In the case of strategic human resource management, anticipative capacity building is the key to prepare and develop domestic and international cadres of strategic personnel for all sectors—public, nonprofit, and profit. Innovation is also the key to learning organizations with learning leadership capacity that must lead and manage those organizations for high performance and productivity (Argyris and Schon, 1996; Schein, 1985) As noted earlier, in our treatment of the subject, the idea of strategic innovation in human resources management is used interchangeably with the phrase innovation in strategic human resources management capacity building and development.

### **Innovation: Definition and Function**

Innovation refers to novelty in ideas, approaches, methods, processes, structures, behaviors, attitudes, and cultures, as well as in technologies and skills. It also refers to the knowledge base that is used to produce new products and deliver services, to govern and administer societies, and to manage organizations of all types. This broad definition is obviously not conclusive but it covers the main realm of the innovation concept. Generally speaking, innovation may be viewed, among other things, to serve several functions as follows:

- 1 *Innovation as a concept.* Conceptualization is a useful way of expressing creativity through modeling and establishing frames of reference that serve as guideposts to observation and experiential as well as metaphorical phenomena. Innovation as a concept serves as a guide to explanations, but it also serves as a transition to reality, to practice, and to future actions. Conceptualizing innovations in human resources development and management is both helpful and necessary, as it is a building block to strategy formulation and development for capacity building and enhancement in governance and administration. This is an absolute necessity for Iranian development process.
- 2 *Innovation as a response to needs or problems:* The old notion that “need and necessity lead to creativity and invention” holds true in the case of innovations. Domestic and international environmental pressures, constraints, and uncertainties dictate a need for innovations, creativity, and self-reliance, which itself serves as a key impetus for further innovations to promote capacity enhancement in all areas of science, governance, management, and administration. Innovation is an answer to constantly challenging problems and changing needs and expectations, obligations, and responsibilities governments face all the time, especially in the age of rapid globalization. To be responsive, it is imperative to innovate.
- 3 *Innovation as progress and advancement.* To innovate means to invent, to create the means of progress and advancement. Examples include invention of new weapons

systems, new computer software, and new rocket systems to carry spacecrafts into orbit. This is an innovation of staying on top and being dynamic.

- 4 *Innovation as a mind-set*: Treating innovation as a mind-set is like navigating in an ocean with full alert senses, radar systems, and the capacity to create and find new ways of breaking through storms and barriers as well as clear and calm realms of the sailing process. Having a campus is not enough for the captain of a ship; what is more important is a restless and creative mind-set that is always seeking new ways of naval operation. Innovation as a mind-set allows strategic human resource management to guide the human dimensions of organizations to monitor and advance beyond routines and predictable outcomes. It provides the strategic human resource managers and, indeed, all organizational leaders to stay on top and manage organizations with confidence through an anticipatory capacity system (ACS) that cuts across the four areas of innovation: human, technological, organizational, and managerial. With a mind-set of innovative management, innovation will become a key strategic instrument of progress, development, high performance, and organizational and system legitimacy.

### Areas and Issues or Subjects of Innovation

There is no limit to the areas of innovation in human resources development and management. These areas may be grouped into three categories: (1) human resources or personnel area, including general management and leadership; (2) technological and financial resources necessary to sustain and promote strategic human resources; and (3) organizational area, which include structure, process, and value system or culture.

The first, or human resource management category for innovation, is a constant search for the needed personnel, for the right person for the right position, and for the right position or job for the right person. This is a challenging job that can and should be accomplished through careful planning, recruitment, education, and training all the time. This includes the challenge of recruiting, educating, and training the highly competent managerial and leadership personnel for strategic and operational levels. These are the people whose knowledge and skills are indispensable for leading and managing large and complex organizations in all sectors.

Second, technological innovation is central to strategic human resources development and capacity building, but it can only be made possible through the availability of necessary financial resources that finance and support it. Without necessary financial support, innovations can and do occur but may not reach the developmental stage. The third category of innovations in strategic human resources development and management is directly related to the first two, and all three complement each other. Organizational setting provides structure through which processes of innovation take shape, and the norms and values that develop within the organizational structure and process help shape a system of organizational culture that can promote or hinder strategic innovations.

Once institutionalized, the new culture of innovation can help shape and reshape the process and structure of the organization. Institutionalization is key

to the legitimacy and support systems that innovative ideas can enjoy as a strategic instrument toward capacity building and enhancement in human resources development and management (Farazmand, 2004b, forthcoming). It is this institutionalized organizational culture of learning and learning to learn for adaptation, change, and transformation that the strategic human resource management in particular, and all-level managerial leadership, in general, can raise its quality standards of performance by means of strategic capacity building and enhancement. Examples of this sort include postrevolutionary Iranian government's efforts to build and develop capacity for self-reliance in many areas, including in warfare and scientific technologies that even the Western powers have long considered a monopoly of their own (Farazmand, 2001d).

Another example includes the postrevolutionary shape and institutionalization of macrolevel cultural values of independence, respect for other people's views and ideas, and eagerness to share knowledge and expertise with other developing nations in the international community. Still another example is the creative foreign policy of conciliation, peace, and dialogue of civilizations of President Khatami that has helped institutionalize a new value system within Iran and has gained for Iran a good degree of respect and recognition in the international/global community. Effectiveness of the visionary government system will be evaluated against the seven criteria identified earlier.

Aside from these three broad areas of strategic concern to build and develop capacity, there are a number of areas or subjects that demand innovation and present both challenges and opportunities for strategic human resource management in Iran.

### REALM OF STRATEGIC INNOVATION IN HRM

Identifying and explaining a comprehensive list of strategic realms of innovation in human resource development and management is beyond the scope of this short chapter. The following highlights of some of the key strategic areas or realms of innovation to build and enhance capacity in human resources as human capital in public administration. The list is suggestive, and by no means an exhaustive one.

1. *Information Technology*: Information technology is the central intelligence of strategic human resource management. It is a strategic tool for collecting, processing, and managing strategic data and information in order to make strategic decisions for forecasting, planning, recruiting, promotion, evaluation, and developing key human resources at all levels of organizations. This includes technical, professional, managerial, scientific, leadership, and administrative functions in public and private sectors (Davenport, 1992).

Innovations in IT programs must be consistent with current and future overall plans and programs of national development, management, and governability capacity building. Such strategic IT programs can be developed through a multitude

of methods and approaches that include, for example, internal and external schemes, in-house and outsourced programs, training and education modules, and public-private partnerships. They can also be developed through international assistance agencies affiliated with the United Nations. Finally, it can be developed through regional and international or global partnerships with other governments, corporations, and universities. Needless to say, IT programs must be provided adequately through both hardware and software systems that are most up-to-date and recognized as the state of the art worldwide.

2. *E-Governance and E-HUMRM*: The age of red tape, long line waiting, and time-consuming procedural processes are passing rapidly and becoming bureaucratic features of the past, though it takes time to totally eradicate them. What is coming of age is the new generation of organizational capability and capacity tools that enable governments in general, and human resource management systems in particular. These tools enable governments to formulate, develop, and communicate public service delivery messages that are routine and strategic, essential and informative, and required as well as suggestive. Through E-governance and electronic systems, governments, and human resource managers can identify, locate, place, and train key strategic personnel all over the country, and provide maximum capacity to various agencies and organizations in need of such personnel (Cladow, 1999).

E-governance and E-human resource management can also provide two more functional capacities: First, they enable public organizations to provide public service information—from position and personnel needs announcements to assessment and report of the human resources status—to citizens as a way to inform people of what and how their government in general, and public organizations in particular, are performing. This function serves the citizens, who in turn may develop trust in their government. The second capacity function is even more important, and that is the electronization or automation of government-citizen interaction, eliminating or reducing time-consuming, red tape-oriented, and delay-prone activities of government organizational performance that has traditionally been the case for thousands of years (Davenport, 1992).

Through E-governance and E-HRM innovations, citizens can interact with their government organizations and receive services in an efficient and effective manner, and public organizations can also cut on time, cost, and red tape, which burden governments all the time. However, strategic innovations in such E-governance and E-HRM programs require serious education and training in information technology as applied to such functions. It also requires training and educating the old as well as young citizen populations who can use such innovative technologies and techniques. Without training how to work with new technological systems and programs, the most sophisticated technological systems will be of no use because no one knows how to work with them. Despite the difficulties, E-governance and E-HRM systems are strategic answers to the future governance and human resources development challenges. In fact, E-government has been “virtual” government, and dealing with virtual bodies and virtual souls.

3. *Strategic Positions and Leadership Personnel*: A key strategic area of capacity building in human resource development and management is the innovation in identifying strategic positions and functions in public organizations of government, a task that is challenging. At the same time preparing and promoting exceptionally skilled and knowledgeable personnel for leadership and managerial as well as professional

functions of government organizations is essential for all managerial functions. The challenge is a great one, and so is the effort to meet it. Strategic human resources at all levels of organizations are core components of innovative human capital development. There are at least four major areas of attention, which may fall into two broad categories: one is preparation of “generalists” and another being “specialists.”

Generalists must be educated and trained with utmost effort to master as well-rounded, highly developed executives who can lead as well as manage strategic posts of public organizations with the broad, long-term visions of anticipatory characteristics. Such strategic people are hard to come by, but Iran like most other countries, is full of such potential talents. Once trained and developed, these people can serve as able captains of the ships that can navigate under any circumstances and lead the ship to safety and reach the desired destination. However, retaining such a cadre of highly talented and extremely valuable strategic people in organizations requires significant motivational and institutional programs that serve as incentives within and outside the organizations in government and business enterprises. These strategic executives are the organizational assets that must be utilized most effectively across agency and interorganizational levels.

Many of these executives are specialists either by training or experience that provides public organizations with institutional competence beyond market values. These strategic people should be placed in key professional, managerial, administrative, behavioral, and technical functions of organizations where the proper “fit” is both desirable and necessary. Remember: these people are strategic leaders of the organizations in government.

4. *Strategic Motivation:* The old theories, ideas, and techniques of motivating people at work are still valuable, but to develop strategic human resource management capacity requires stepping beyond the traditional methods and approaches. Here, identification, recognition, and application of some of the most up-to-date, dynamic systems of motivation that can move people beyond their daily excitements and provide them with an extraordinarily high level of mission-driven purpose is a central task that must be adopted by an anticipatory and vision-driven organizational system.

Some of the examples of these high-road and visionary motivational forces include (1) creation and instilment of a “real purpose” of “public service” among strategic personnel; (2) promotion of trust with a promise of future career beyond the narrow notion of “careerism,” a sense of belonging to the organization, to the cause they serve, and to their nation as well as to the faith they cherish; (3) maintaining a sound compensation system that is both equitable and efficient in order to not only prevent organizational brain drain but also attract the most competent talents to the public service; (4) create an interorganizational mobility and rotation system that would enable both organizations and strategic personnel to move freely without obstacles; and (5) promote the “knowledge and skill-base” of these strategic people periodically to keep them up to date and equipped with the cutting-edge knowledge they need to manage, and function, in the organizations in the information age. This can be done by in-service training programs, seminars, conferences, and workshops; nothing is worse than ignorance, and ignorance is the mother of many organizational anomalies in government, business, and nonprofit systems (Farazmand, 2004b).

5. *Strategic knowledge development and management*: Knowledge is the key to learning and understanding, without which no progress can be made. Strategic organizational adaptation and success require development and management of strategic knowledge, skills, and inventories, and this is an essential element of any management system, especially for human resource management (Milner, 2000). Cutting-edge knowledge is critical to the rapid progress of all organizations, and it can only be obtained through education, training, and development via university and technical as well as behavioral types and norms of inquiry. Knowledge inquiry is one task, and management of such knowledge is another, a more challenging one.

Today's national and global changes demand acquisition of the latest knowledge and skills in information technology (IT), management information systems (MIS), dynamic data processing techniques (DDPT), human resource inventory and potential migratory resource analysis systems (HIPMRAS), and a host of other models and techniques that are necessary knowledge-based capacities that must be developed in the strategic human resource management. Also, acquiring the latest management systems borrowed from the private sector is another way of applying new benchmarks to promote organizational capacity. Finally, a key area of knowledge development and management is the new "organizational learning" and the "ability to learn," a requirement that must start from the top leadership of public organizations and develop throughout the organizations. Learning to learn enables organizational leaders and managers to transform human resources at all levels, but most importantly at the strategic levels (Argyris and Schon, 1996; Schein, 1985).

6. *Cultural innovation and transformation*: Most organizational problems and failures emanate from a creeping cultural dysfunction that generates from many organizational and environmental anomalies. Cultural anomalies, or what I would prefer to call "cultural diseases" are the most difficult barriers and obstacles to change, learning, and transformation. Without such change and transformation, organizational failure is almost guaranteed (Farazmand, 2004a,b; Senge, 1990). To transform, strategic human resources of organizations in government and business must learn to learn, change, and adapt, and this can only be done through cultural change and transformation.

Such organizational culture change and transformation can also be accomplished in a variety of ways, utilizing a variety of techniques and approaches that range from behavioral or technical and managerial training and education. Ethics education is a key component of this process, so is the behavioral and human relations skills training, but above all is the training and change of cultural values that emanate from both the external and internal organizational environments. Strategic human resource leadership plays a key role in changing and transforming such an organizational culture that is characterized by results-oriented purposes, visionary missions, highly innovative energies, and quality commitment (Schein, 1995).

7. *Total Quality Management (TQM)*: TQM is not a new technique or system of managing organizations. It has been around for over 3,000 years and its successful application can be traced to the administration of the ancient Iranian Elamite and Persian Empires, especially under Darius the Great, and Babylon under Hamurabi. However, what is new is the novelty of sophistication in techniques, ideas, and applications of the concept TQM with a multitude of different variants applied in private and public sectors around the world. The underlying assumption behind the TQM

is quality in production, service delivery, and simply performance in personal and organizational settings (Milakovich, 1995).

The old Iranian saying “do things right the first time in order to avoid duplication” is key to understanding TQM, and the concept comes in a variety of terms and titles, such as Quality Service, Quality Assurance, Quality Circle, and the like. Central to TQM is commitment to quality performance from the first step, followed and monitored all the way throughout the “process” to the end, and continue the process all over again.

Using TQM as a strategic innovation helps promote the goals and missions of strategic human resource management capacity building. Although pioneered in application by Japan, TQM has been used in various countries of the world and at different levels of government, with various degrees of success (Robertson and Ball, 2002). Public sector application of TQM is a fairly new development and still in progress, but its success in private sector organizations has been proven worldwide. Using TQM along with the “global quality standards” exposed by the International Standards Organization (ISO-2000, 2002, and more) is helpful in strategic human resource development of Iranian public and private sectors. In a nutshell, TQM is a strategic capacity building tool (Saner, 2002).

8. *Merit and Pay-for-Performance*: This strategy is not entirely new, but its novelty still works very well when applied properly and consistently. Merit system should award meritorious performance in government and private industries, and it is merit that can serve as a powerful motivator to keep and promote talented people in organizations. One of the big problems with the management of contemporary organizations is, and has always been, that they spend so much time, energy, and money to recruit and hire talented people, and even train them to the details, only to “lose them easily with mismanagement and carelessness.” This is a problem that most organizations around the world practice: Attract the best and lose them to others or turn them into apathetic and unproductive people. This is a fundamental mistake, even a managerial stupidity. It is true that not everyone can be retained, but retaining, motivating, and promoting talented people in organizations is a challenge that is often ignored or overlooked because managers very often “take for granted” the most valuable people (Farazmand, 2004; Hays and Plagens, 2002).

Merit system builds trust and enhances capacity in organizations through credibility, quality performance, and “pay-for-performance” should be a key strategy to attract and retain quality personnel in government. It is a challenge that must be met by developing a comprehensive and consistent plan of pay-for-performance along with a system of merit protection in government, especially in the age of rapid globalization where border crossing and labor migration from one country to another is becoming easier and more attractive. Countries that can offer such a system more effectively are likely to attract some of the best talents globally, but strategic positions must be maintained by indigenous strategic executives at home (Farazmand, 2001a,b).

9. *Global executives*: Living in the age of rapid globalization requires preparation and adaptation to this new global challenge. Today, public as well as private organizations are rapidly interacting and doing business across national boundaries, and this new development demands a cadre of highly trained technical, professional, managerial, and cultural, organizational, and leadership knowledge and skills that can be moved across the globe from one location to another. These global managers

and executives are the change agents of the future; they are also the agents of cross-national organizational innovation and adaptability.

Iran is in a strategic position in the region, and with her potential capacity in scientific, technological, economic, and managerial areas, Iranian global managers and executives will be in a greater need tomorrow, and before it is too late to catch up, steps must be taken to prepare such a strategic human capital today. These global managers and executives can be trained both vertically and horizontally, and they will serve in both directions of home and abroad at the same time (Farazmand, forthcoming-b).

10. *Transparency, accountability, trust, and ethics*: Key to building and enhancing strategic capacity is trust in organization and government. The key words to building trust are credibility, fairness, transparency, and accountability, not just for the past actions but also for what should and should not be done now and tomorrow. Punishing one for past wrongdoing is too late to build trust; prevention is the answer. Transparency eliminates opportunities for corruption and closes the doors to secrecy and abuse, and proactive accountability mechanisms help serve as a strategic instrument in pursuit of excellence and trust, and hence legitimacy. Similarly, ethical training and ethical behavior in a public organizational setting promotes professionalism, organizational, and system integrity, and helps build trust in public organizations, managers, and administrators, whether civil servants or those contracted out to carry out the public's business (Davenport, 1992; Farazmand, 2001a, 2002c).
11. *Global labor migration and mobility*: The fate of labor and labor organizations in the globalization age is uncertain, but what is certain is the rapid movement of global capital and labor, as both organizations and labor forces find ways and motivations to cross borders—physically, intellectually, and virtually—around the globe. Labor means both white as well as blue color employees and workers. Today, most of the transworld corporations' work is performed globally across the globe, breaking national borders. American, Japanese, German, and British corporations' actual work is performed in developing and less developed nations, and workers and employees in the latter countries never leave their home nations. Many people work at home and perform as virtual employees, and migrate through the cyber system. The global labor migration is a serious development that requires serious innovation strategies to keep and utilize talented people at home and local organizations. Through adaptation, Iranian government and private organizations can benefit from this new, global migratory workforce in the future.
12. *Management-Labor partnership building*: Management-labor contradictions will never disappear in capitalism; in fact, as globalization of capitalism increases rapidly, so do the degree and intensity of these contradictions. However, these contradictions can be and should be managed more effectively by utilizing innovative strategies, and one such approach is formation of various forms of partnership between management and labor/employees. These partnerships should be based on mutual understanding, trust, and cooperation, with mutual gains. They can be formed through various systems and approaches such as, for example, "productivity bargaining partnership," "productivity-based partnership," "interest-based partnership," "indigenous partnerships," "collective and individual partnership," and others (see Farazmand, 2004a)
13. *Reform and reorganization*: Reform and reorganization are two concepts directly related to each other. Reform aims to improve administrative, organizational, and

institutional capacity and it covers both structure and process as well as culture, while reorganization aims at structural rearrangements and reconfigurations, and it is mainly structural in nature. One example of strategic reorganization is privatization of government functions, another is consolidation of several government agencies and/or bureaucratic organizations into one or vice versa, and or internal reorganization of a particular agency by either flattening the hierarchy or vice versa. Strategic reform and reorganization programs within the bureaucracy and public service in general, and in human resource management, in particular, must be carefully designed and applied in order to increase the capacity to manage. This can involve a variety of human resource management areas, from recruitment to compensation and merit system to civil service system restructuring, and the like (Farazmand, 2002b,d).

14. *Benchmarking*: Benchmarking has been around for a long time, but its recognition as an effective innovative strategy is fairly new. Benchmarking can be used as a strategy by using best practices across (1) public organizations within one government; (2) organizations of different governments worldwide; (3) sectoral organizations such as industries, service sector, and around the world, and types or level kinds of products or services. Benchmarking requires standards of performance, and performance measurement becomes important as a key instrument to achieve the goals of benchmarking process (Keehley et al., 1997). Using best practices and case studies to promote excellence in performance is one of the key approaches to build and develop capacity in government and private management.
15. *Strategic civil service and public enterprise capacity*: Should all governmental functions be performed by government organizations? This is a key question of policy and politics as well as management. Policy because it hits the heart of how the society and economy be organized into public, private, and cooperative sectors. The Constitution of the Islamic Republic of Iran has already answered this question, but the legislature must deal with the details, because it involves politics of various kinds: interest groups politics, policy politics, organizational or bureaucratic politics, institutional politics, economic politics, and more.

It is also a management question because doing what government organizations do and must do matter most to the society. Here, a reorganization and restructuring of the government organizations is necessary to determine: what the right size of the civil service should be, what organizations and institutions can and should be consolidated or reorganized to eliminate duplication, and what government enterprise should or should not remain under direct public management. No matter what the decision, strategic innovations should be addressed at running public organizations and enterprises with utmost adaptability, efficiency, and effectiveness that include fairness as well. Should there be a core of strategic civil servants with different forms of privatization at the side? Should outsourcing and contracting out be key strategies to freeing the government from nonstrategic functions? If yes, what should the new contract management be like? (Farazmand, 2001a; forthcoming-a).

16. *Strategic public enterprise management*: Governmental functions will never disappear, the state is here to stay, and market cannot replace core government functions. Historically, many public enterprises (PEs) have served strategically the core functions of government and contribute to national economic development worldwide (Farazmand, 2001a). But, inefficiency, lack of accountability and transparency in many

enterprises have caused a major problem of legitimacy, therefore making them ripe for privatization. What is needed is a new philosophy and way of thinking about public enterprise management, and as a public asset, public enterprise management must be strategically revisited. PEs require specialized personnel, training, and expertise. There should be special educational and training programs and projects to prepare public enterprise managers with academic degrees, certificates, and recognition. A competent public enterprise management will be a desperate need of tomorrow when the market failures will begin to surface one after another as a result of sweeping privatization; therefore, preparation must begin today (Farazmand, 2002a,b; UN, 2000; Wettenhall, 2003).

17. *Contract management capacity*: The rush to privatization during the last two decades has caused a major institutional crisis worldwide in the ways that privatization, contracted out programs, and outsourced projects are managed (Farazmand, 2001b). Most governments, including the ones in advanced industrialized nations, lack the capacity to manage and monitor contracted out and outsourced projects performed by private sector organizations. They simply do not have trained and qualified personnel to manage contracts. As a result, many, including the U.S. Federal and many local/state governments have been hiring private contractors to manage and monitor contracts— what a silly thing! It is like “asking a fox to watch over the henhouse full of chickens” Governments should prepare, through general and specialized training, a large number of “contractor managers” to effectively manage and monitor outsourced and contracted-out services and projects. The ultimate responsibility of all public service functions rest on the shoulders of government, and it would be irresponsible to shirk that responsibility, a fact that will come back and haunt the government.
18. *Human capital*: Considering human resources as human capital should be considered as a way of strategic capacity building. Strategic innovations in human capital development includes restructuring human resource management at all levels and across organizational divisions and units. One such restructuring is the removal or elimination of the old staff-line demarcation or distinction. A dynamic management system requires the knowledge and skills in managing human resources in all units and departments, in engineering, production, sale, and so on. At the same time, the specialized human resources located in such specific departments must focus on core functions unique to that organizational requirements. Their function is to enable all other departments and units to manage their own human resources; and this should be done through specialized capacity-building programs and methods.

There are several strategic challenges to human capital management, and these challenges range from organizational to cultural and communicational, but the most important challenges may be viewed in three categories of structure, process, and values. Structural challenges deal with organizational command, decision making, control, and authority issues, as well as levels and degree of complexity of the organization. Process challenges include techniques, methods, and programs used to process tasks and inputs into outputs, and the ways they are used by human resources. Here, innovation in technology and methods is key to meeting the challenges of human capital development (Farazmand, 2004b).

Cultural or value challenges are most important to overcome as they run deep into the value system of the organizations; they are the basic assumptions of the

organization in which human resources operate. These challenges can be overcome through training, development, and learning to learn, a process that must start from the top leadership (Schein, 1995).

19. *Team building and development:* Team building has been a feature of some countries such as Iranian culture and administrative systems since ancient times. Much of the public works projects and programs, from building roads and highways to irrigation systems and housing development, have traditionally been performed through team structures, collective cultural values, and cooperative spirit. Team spirit must be reinvigorated inside and outside the administrative systems, but using it as a strategic innovation will boost the character and performance of the public sector organizations (Farazmand, 2001a; 1989).
 

Sharing power, responsibility, expertise, and skills as well as knowledge promotes the ability as well as capability to manage the diverse workforce of Iran and contributes to a high level of capacity building and sustainable development. Team spirit as well as formal structural team arrangements must be promoted among all human resources, but most importantly at the supervisory, managerial, and leadership levels; this is where genuine team spirits can translate ideas into action.
20. *Council system of management:* Closely associated with the team management system is the concept of council system in human resource management. Countries like Iran have a long history of council management system. Promoting this novel system of management serves as a strategy to improve morale and a sense of organizational belonging, builds trust and contributes to participatory management, raises the level of democratic administration and governance, and promotes motivation to work and productivity. No organization can operate or function without competent human resources, and participatory council forms of human resource management contributes to the effectiveness of organizational visions and strategic capacity building in public management.
21. *Enabling role capacity:* Government has a central enabling role in society; it must enable all sectors, institutions, and organizations of the society to develop and grow. The enabling role of the government is most essential for building and enhancing capacity in human resources of the public, nonprofit, cooperative, nongovernmental, and private sectors. It also must create the opportunities for such growth and sustainable development. Using the strategy of government as an enabling force to develop and manage human resources at all levels in order to meet the challenges of globalization (Farazmand, 2001c; forthcoming; 2002a).

Privatization and other alternative approaches to service delivery do not replace the role of government, and it is the government or state that must always shoulder responsibility of what happens in society, economy, administration, and politics. In the age of globalization of corporate capitalism, unfortunately, many governments have rushed to wash their hands of the responsibilities they traditionally have performed and by privatization have transferred the burden of social and economic tasks on citizens who lack the ability or capability to function in society. This problem is not unique to developing countries. In fact, it started out in the advanced nations of the West and was forced upon the governments in developing nations so subject to the influence of the former ones. Global sweeping privatization and structural adjustment programs imposed on developing nations by the International Monetary Fund and World Bank are but two examples of this externally imposed pressures that have served as powerful strategic instruments of implementing

globalization of corporate capitalism worldwide (see Farazmand, 2002b for more details on this issue).

With the rapid privatization, the enabling role of government must be enhanced to promote self-governing organizations in all sectors. The old Persian question that “we salt whatever that tends to get rotten, but what happens when the salt itself gets rotten?” applies here to the washed-off hands of the state or government worldwide. Unless governments retake their role in society and citizens reclaim their rights and roles in economy, society, and governance systems, public administration, and human resource management cannot and will not succeed, and their capacity will diminish rather than enhance, especially in the age of rapid globalization and global integration (UN, 2000).

22. *Thinking globally and performing locally*: Thinking globally and acting locally is a strategy that must be utilized to change the old traditional organizational culture of localism and parochialism. Localism is good as long as a worldview is in the picture. Global thinking requires global knowledge and information, and strategic human resources must be trained and educated accordingly. Globalization is demanding new skills and knowledge that local managers must be able to respond to, and local demands also need to be addressed in this globalizing world of interdependence.

This whole thing requires new challenges that rapidly growing uncertainties and complexities pose to public management. Uncertainties and complexities dictate that managers “think unthinkable,” “think unlikely, and do unreasonable” (Handy, 1998). To do so, strategic innovations are needed in all areas of human resource management to build capacity and prepare an anticipatory government that has the capacity to govern, and public management that has capacity to manage chaos and complexity, and manage globalization at home while being globalized itself (Farazmand, 2003; Stacey, 1992).

## **APPROACHES TO IMPLEMENT INNOVATIVE CAPACITY BUILDING IN STRATEGIC PUBLIC PERSONNEL MANAGEMENT**

This chapter has posited that in order to develop the human resource management strategically, innovative strategies must be designed and applied as strategic capacity for an anticipatory and dynamic system of management and governance that not only functions well today, but also helps control the future destiny of the country.

To accomplish this visionary end, governments need to build and enhance their human resource capacity strategically as well as operationally. Over twenty such innovative strategies are suggested in this chapter to achieve the goals of strategic human resource management capacity. Several approaches can be used, either separately or in combinations, to approach and carry out the innovative strategies suggested above. Strategic innovations are essential to building capacity for an anticipatory public management system that can ride the waves of change now and in the future.

These approaches include (1) reform and reorganization of the public sector institutions and organizations, especially the bureaucracy at large; (2) a comprehensive civil service reform along with creating more flexibility in managing

human resources; (3) incremental reforms and changes in organization and management of the civil service and bureaucracy; (4) institutional reforms to meet the goals of reaching a balance between equity and fairness on the one hand, and efficiency on the other in society by addressing the public, private, nonprofit, and cooperative sectors properly; (5) privatization and outsourcing as an option; (6) increased public investments in infrastructure development, including in human capital capacity development; (7) partnership building in various forms, with domestic private, nonprofit, and cooperative sectors; (8) partnership building in various forms, with foreign and international organizations of public and private sectors; (9) direct training and development through universities and educational and training institutions; and more. Unfortunately, space limitation precludes discussion in detail of these approaches and related issues here. Such a discussion has to be done in another manuscript.

### CONCLUSION

This chapter has addressed innovations in strategic human resource management as key instruments for capacity building and enhancement in the age of accelerated globalization of corporate capitalism and rapidly changing global environment that challenge governance and public management worldwide. Such capacity building enables the governments and public managers to not only perform the functions of today, but also move beyond by using strategic choices that control destiny through capabilities of an anticipatory and future-oriented system of governance and public management. Necessity of strategic innovations in human resource development and management is a necessity that no organizations can afford to overlook.

Defining innovation, a number of key strategic innovations have been suggested here for implementation toward achieving high excellence and visionary goals of national development of today and tomorrow, and various approaches for implementation are suggested. The paper concludes that essential to national development, to sound governance and public administration is the dire need to innovate in strategic human resource management that serves as capacity building to meet the challenges of globalization of corporate capitalism. No organization can function without competent and cooperative people, and strategic human resource management is central to the development and enhancement of sound governance and public management. Further research and writings are needed in this critical area of globalization, especially in less developed countries. Today's managers need the cutting edge information of tomorrow.

### NOTE

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\_\_\_\_\_ PART II \_\_\_\_\_

**BUREAUCRACY, CIVIL SERVICE,  
AND POLITICS**



## Politics and Strategic Public Personnel Management: The Least Bad System?

ROBERT MARANTO

*Democracy is the worst form of government except all those other forms that have been tried from time to time.*

—Winston Churchill

Strategic public personnel policy in America evolved along with American public administration concepts, which to a considerable degree aimed to separate “politics” from the administration of public business. Indeed the merit system and the academic field of public administration developed in part as a reaction to the perceived excesses of party based “spoils” personnel systems of the late 19th and early 20th centuries. In a widely quoted 1887 essay, Woodrow Wilson gave the best short summary of the proper relationship between politics and administration:

The field of administration is a field of business . . . [A]dministration lies outside the proper sphere of politics. Administrative questions are not political questions. Although politics sets the tasks for administration, it should not be suffered to manipulate its offices. (Wilson, 1887, 10)

For Wilson and other Progressive reformers, administration should become a science whose methods are equally useful for “monarchies and democracies” since each “have in reality much the same business to look to” (15). Similarly, Theodore Roosevelt wrote in 1890:

Once admit that it is proper to turn out an efficient Republican clerk in order to replace him with an efficient Democratic clerk, or vice versa, and the inevitable next step is to consider solely Republicanism or Democracy, and not efficiency, in making the appointment. (Schiesl, 1977, 39)

Frank Goodnow, Dorman Eaton, and other reformers agreed (Maranto and Schultz, 1991, 63–69). Indeed, in their rejection of messy, decentralized, and often self-interest-based political interactions in favor of seemingly rational expert decision making, Ostrom (1974) finds Wilson and other classical public administration theorists more akin to Hobbes than to the *Federalist Papers*. Lindblom (1959) and Wildavsky (1969) make similar, though less blunt arguments.

In this essay I argue that the classical reformers were wrong. After making the case that both partisan and “small p” nonpartisan politics are inherent to public personnel management, I will summarize the Hult and Walcott (1990) framework for evaluating the likely “politicization” of a public bureaucracy. I will then present a brief history of federal personnel reform, noting how the twin political forces of ideology and self-interest shaped the system. Finally, I will speculate about the near-term future of public personnel systems. In a time of rapid change, to speculate further would be foolhardy.

### IN PRAISE OF POLITICS

In a democracy, regime and party politics define the playing field for public management. Inherently political decisions of the legislature, executive, and courts determine what are inherently governmental functions, a matter of much import today when many government services are being completely privatized, or performed by private contractors under varying degrees of public oversight (Gore, 1993; Kettl, 1993; Savas, 1987).

Second, elections assure that each public bureaucracy will get new management each 4 or 8 years, with new executives reflecting the political agenda of the incoming president. Third, the political process sets the written and unwritten rules of government personnel systems, which tend to be far more complex, multipurpose, and (at least officially) open than those of private sector counterparts. The complexity of government personnel systems reflects the efforts of Congress to limit the control presidents wield over the permanent bureaucracy, and to control favoritism. Complexity also reflects the successful efforts of government unions to protect members (Anechiarico and Jacobs, 1996; Johnson and Libecap, 1994).<sup>1</sup>

Fourth, the desire of politicians to please constituencies forces regular management reform upon government bureaus. Though the private sector also faces constant change (e.g., Micklethwait and Wooldridge, 1996), a clear “bottom line” (profit) makes the success of businesses relatively clear. In contrast, government organizations often have multiple goals with no clear criteria of success, making their operations more subject to reasoned (and other) political judgments (Allison, 1984; Hult and Walcott, 1990).

Finally, and most important, as part of a representative government in an open society, politics in the bureaucracy mirrors that in society. Such social movements as the labor movement or the civil rights movement affect public bureaucracies just as they do business, the media, and the clergy. Political decisions by the three branches of government prioritize government programs. As Downs (1967)

writes, newer organizations such as NASA in the 1960s (or EPA in the 1970s) represent the most pressing political priorities. As through much of our history, the major political parties today have different priorities. Currently, Republicans are more supportive of the military with Democrats more supportive of the social welfare and regulatory missions. Bureaucrats reciprocate, with federal employees in the Defense Department voting Republican, while those in social welfare and regulatory agencies tend Democratic. Similar relationships probably occur in states and localities, with police supporting Republicans and educators Democrats. In short, parties link to the institutions of the state, and supposedly neutral bureaucracies often have strong emotional and material stakes in elections (Holsti, 1997; Johnson and Libecap, 1994, 166–169; Maranto, 1993a,b). Such links may be even stronger for state and local public sector employees, since their greater numbers make them a more potent voting block and since the relative weakness of state and local merit rules makes political outcomes more important to public personnel management. State and (especially) local government employees are more likely to vote than are their federal counterparts (Johnson and Libecap, 1994, 128–138). While some lament the ties between agency and party ideals, believing in the missions of their agencies motivates government employees. Values based motives are particularly important given pay compression and job security (Downs, 1967; Maranto, 2005), and are endorsed by modern leadership theory (Blank, 1995; Peters and Waterman, 1982).

Despite its necessity in a democratic system, both classical public administration and the public itself tend to eschew “politics.” As surveys and focus groups confirm, most Americans love the Constitution *in theory* because the separation of powers prevents the concentration of power. At the same time, most Americans detest the separation of powers *in practice* because of partisan bickering and extended process. The public is unaware that its expectations of constitutional government are unrealistic and that contentious, divided government actually does get things done (Hibbing and Theiss-Morse, 1995; Mayhew 1991). In short, despite the seeming success of Madisonian democracy, Americans long for the sort of nonpartisan action by experts embraced by classical public administration theory (and the likes of Ross Perot). Further, some of the public’s business is in fact noncontroversial and highly technical, and can be dominated by experts. Indeed, in the decades of progressive civil service reform, the most pressing work of local government, providing safe water and fighting infectious diseases, was of this nature (Scheisl, 1977).<sup>2</sup> For better or worse, the work of government, particularly the federal government, is no longer so noncontroversial.

The most sophisticated presentation of the role of politics in organizations is the Governance Model developed by Hult and Walcott (1990) and applied to the White House by Walcott and Hult (1995). Hult and Walcott see politics not as maladaptive, but as fundamental to all organizations. Organizations cope with uncertainty and controversy through *political* governance structures that make decisions and allocate scarce resources (such as jobs). Different governance structures are suited to different decision settings. An organization’s goals *and* technologies can be characterized by consensus, by uncertainty (under which actors

are not sure), and/or by controversy (under which different actors *disagree* on desired goals or appropriate techniques). Technical and particularly goal controversy make the job of a public manager more difficult.<sup>3</sup>

Different organizational structures are suited to different policy types. When goals and techniques are certain, as in supplying safe water or fighting infectious diseases, conventional bureaucracies are suitable. On the other hand, when goals and technologies are *uncertain*, Hult and Walcott suggest allowing decisions to emerge from the decentralized “unguided interplay of key actors” (106): competition between government organizations free to experiment. As controversy (either goal or technical) rises and becomes polarizing, confrontational or quasijudicial organizational structures (often with appeals to presidents or agency chiefs) are more appropriate to clarify choices and promote policy closure. Such structures have been used in such diverse environments as the Eisenhower National Security Council and the Reagan Environmental Protection Agency. The latter included interest representatives in modifying pesticide policy (74–75). When goals or technologies are relatively uncertain, Hult and Walcott advocate diverse teams to develop and explore alternatives. The teams should be dominated by career technical experts if technologies are uncertain. My informants suggest that such teaming is becoming more common in government, with diverse teams often employed as part of reengineering work processes. In contrast, as *goals* become uncertain or (especially) controversial, teams should include increasing numbers of political appointees or group representatives. It is interesting to note that political appointees in the federal government concentrate in agencies with controversial missions (Maranto, 1993b). American presidents and former British Prime Minister Margaret Thatcher increased the numbers of political appointees in organizations they wanted to change, but used more conventional civil service systems when the status quo was acceptable (Maranto and Schultz, 1991; Stelzer, 1992, 29–30). *In short, as an organization becomes more controversial, its personnel management inevitably becomes more political.*

Before the New Deal, the scope of government was relatively limited and public administration, once a statute was passed, was relatively noncontroversial. It was thus suitable to leave administrative questions to technical experts. In contrast, since the New Deal and especially Great Society expansions of governmental responsibility, the existence, scope, and operation of much of government have become matters of ideological controversy (Lowi, 1979). Accordingly, the recent history of American public personnel management shows a gradual politicization of public administration theory, and of public personnel systems.

## A SHORT HISTORY OF FEDERAL PERSONNEL REFORM

### Government by Gentlemen

As Kaufman (1956) points out, through American history the key political concepts driving public personnel management were representation, executive

leadership, and neutral competence. In the Revolutionary period and the era of the first six presidents, or “Government by Gentlemen,” as Mosher (1982) calls it, representation was the guiding concept of American public administration. This reflected a reaction against the perceived tyranny of British rule. Indeed, Wilson (1976, 101) argues that the American Revolution was fought largely to protest the Crown’s attacks on an independent judiciary and the use of royal patronage at colonial expense: thus “almost all of their complaints involved the abuse of *administrative powers*.” Fearing a strong executive, the Continental Congress even attempted to manage the war against the British, with predictable results. As Michael Nelson (1982, 750–751) writes:

John Adams found himself working eighteen-hour days just to keep up with the business of the ninety committees on which he served. In one typical case, Congress formed a three member committee “to prepare a plan for intercepting two [enemy supply] vessels” that were enroute to America. . . . This form of decision-making doubtless comforted British sea captains, but it exasperated almost everyone else.

Government by Gentlemen was characterized by strong legislatures and weak executives, whether on the national or state levels (Mosher, 1982). Save to some degree under Washington and Jefferson, the national government as a whole was fragmentary and weak, with high turnover in the legislative branch and low congressional voting cohesion. At the political level, the executive branch was similarly fragmented. Cabinet secretaries often feuded with each other, in part since the ill-defined limits of departments led to jurisdictional disputes and in part because secretaries saw each other as rivals for the presidency. Presidents of the era had little control over a secretary’s personnel, and one-third of secretaries lasted across administrations. Often presidents were stuck with secretaries they would rather dismiss, but had to keep to mollify congressional factions. Cabinet secretaries sought favor from congressional committees that appropriated their funds, and from congressional caucuses that determined presidential nominations until 1824 (Young, 1966).

For both executive branch and congressional politicians, public service could be an ugly experience. In tones that could be repeated today, Young (p. 52) quotes four politicians of the era who lamented that their profession meant:

- ... perpetual and malignant watchfulness with which I am observed in my open day and my secret night, with the deliberate purpose of exposing me to public obloquy or public ridicule;
- ... every man, in a high public station, must become fire-proof and bullet-proof, in his own defense;
- ... a certain loss of money [and] a very *uncertain* gain in reputation;
- ... abandonment of our professions or occupations, and the consequent derangement of our private affairs.

As Young notes, the weakness of both the executive and legislative branches reflected a republican distrust of strong national power, and discouraged some talented Americans from pursuing public service. This distrust of centralized power continues today (Devine, 1976), and continues to make public service difficult (Carter, 1994).

Yet this is not the whole story. While turnover at the political levels was high, there was considerable stability among executive branch officials below the cabinet level. These officials often served for life and were succeeded in office by their sons. Departments were hierarchically structured and could be considered the only institutions in Washington. As today, career bureaucrats complained about their salaries and attitudes of their political bosses. They also had a distinct culture and community, with its own benevolent society, and such regular social activities as an annual parade that mocked the pretensions of political superiors (Young, 1966, 213–217). Further, this early administration was bureaucratic in its emphasis on standard procedures, record keeping, rationality, and use of statistics (Van Riper, 1958, 18–19; Nelson, 1982).

### **The Spoils System: Ideology and Self-Interest**

By the 1820s, the nation was larger and had become even more populist in its view of the national government. An uncritical faith in elections brought an expansion of suffrage and an explosion in the number of elected offices on the state and local levels. Unified political parties developed to sort out ballot complexity and provide coherence to government. To win office, parties needed an army of workers. The patronage of government jobs helped motivate these partisans, and maintained some discipline once a party won office (Kaufman, 1956; Knott and Miller, 1987, 17). This ushered in a second era of American public administration, termed by Mosher (61–70), Government by the Common Man—the Spoils System. Starting on the state level, the movement to spoils was expressed on the federal level through the 1820 Tenure of Office Act, which created the machinery for a clean sweep of the bureaucracy by making the tenures of many positions coincident with presidential terms (Hoogenboom, 1961, 5).

Using government offices to reward successful partisans has always appealed to the self-interest of election-winners. The use of patronage for reward has always been most common in regions dominated by individualistic political culture, where politics is viewed as a tussle for material gain rather than an expression of ideals (Freedman, 1994; Maranto and Schultz, 1991, 46–50). Indeed, political boss George Washington Plunkitt declared that the people would not bother to vote, much less work in politics unless there is something in it for them: jobs and payoffs (Riordon, 1963, 15). Conversely, such moralistic politicians as President John Quincy Adams refused the widespread use of appointments to reward supporters and even retained men openly aligned with the opposition (Van Riper, 1958, 26).

Yet there are also idealistic reasons to support patronage. These were best expressed in the first inaugural message of Andrew Jackson, who is usually thought of as the father of spoils:

There are, perhaps, few men who can for any great length of time enjoy office and power without being more or less under the influence of feelings unfavorable to the faithful discharge of their public duties. . . . Office is considered a species of property, and government rather as a means of promoting individual interests than as an instrument created solely for the service of the people. Corruption in some and in others a perversion of correct feelings and principles divert government from its legitimate ends and make it an engine for the support of the few at the expense of the many. (quoted in White, 1954, 318)

Jackson's observations accord with modern organization theory (Downs, 1967) and are echoed by certain modern writers (Maranto, 1998; Peters, 1979). Jackson's next observations are more doubtful, though certainly more accurate in his day than in ours:

The duties of all public officers are, or at least admit of being made, so plain and simple that men of intelligence may readily qualify themselves for their performance; and I cannot but believe that more is lost by the long continuance of men in office than is generally gained by their experience. (White, 1954, 318)

Ironically, on the national level spoils increased bureaucratization. Many government jobs were in fact not so simple that anyone could do them. Yet if the government did not perform such basic services as mail delivery, voters would hold the ruling political party accountable. To cope, government managers under Jackson and later spoils presidents reorganized government, defining and simplifying jobs. They developed accounting and monitoring units to control corruption, and stressed unity of command to increase accountability; thus spoils bred bureaucracy (Crenson, 1975, 42–52; Nelson, 1982, 760–761).

Indeed, at least on the national level, turnover under the spoils system was not so great as many suppose. Jackson replaced well under 20 percent of federal officials. With the exceptions of Polk, Buchanan, and Lincoln (who purged southerners), later spoils presidents had similar records (Maranto, 1993b, 10–12). As White (1954, 349) notes, a career service was saved “by the hard necessities of administration, by the sheer need to get things done.”<sup>4</sup> The necessities of administration also led parties to seek qualified political appointees. Though arguing that spoils decreased efficiency and increased corruption, White (1954, 343) nonetheless admits that “both Whigs and Democrats looked for character and competence among their partisans, and often found these qualities.” The need to get things done also led spoils managers to develop such personnel reforms as civil service examinations to assure minimum competence, official pay

grades, the employment of women as clerks and administrators, statistics to measure productivity, antinepotism rules, and even rules against sexual harassment in the workplace (Aron, 1987; Maranto, 1998; Maranto and Schultz, 1991; White, 1954, 1958). As with any American administrative innovation (e.g., Ingraham, 1995; Light, 1997), these practices were introduced ad hoc by individual political entrepreneurs, without a guiding plan for reform.

At the level of the political system, increased party discipline under spoils helped bring coherence to a larger nation and more fractious political system. As Young (1966, 253) writes:

... Jacksonian democracy seems to have been the only alternative to the disintegration of the only institution which could hold the nation together: the Washington community. At the very least, Jacksonian democracy bought time enough—another three decades—for the polity to have a fair chance of surviving in the face of open insurrection.

Though spoils today lacks legitimacy, executive leadership still requires the ability to appoint fellow-partisans to policymaking positions (Maranto, 1993b, 2005; Weko, unpublished, 1995).

### **The Slow (and Partial) Death of Spoils**

Though the spoils system was popular for most of the 19th century, the causes of its eventual demise were numerous, and were linked both to material interests and to changing ideas. As Irish American politicians increasingly ran American cities and rewarded their constituents with jobs, Protestants came to oppose spoils (Callow, 1965; Riordon, 1963). More importantly, business interests resented the corruption of some services, and found American public service less efficient and effective than European counterparts. This was particularly true of mail delivery, tax collection, and Union military performance in the Civil War (Hoogenboom, 1961; Skowronek, 1982). These comparisons led American academics to advocate a merit-based public service, often importing European ideas (Van Riper, 1990).

More important were the beliefs and interests of politicians. As Johnson and Libecap show, as the size of government increased, the ability of presidents and congressmen to select and monitor patronage employees decreased, making a merit system more attractive to politicians (1994, 12–41). Short-term forces were also important. As supporters of the party of Jackson, Democrats had traditionally favored spoils. Republicans, representing business and academia, were more skeptical. For many upper-class moralists spoils politicians replaced slave owners as a devil to be fought. Yet the experience of losing each presidential election from 1860 to 1884 weakened Democratic support for spoils. The 1881 assassination of President Garfield by an insane position seeker blackened the name of spoils. After losing the 1882 midterm elections, Republicans saw that they would lose

the 1884 presidential race and joined Democrats in passing the Pendleton Act. The Act set up a small merit system, which was then expanded by presidents through executive order until the Hoover Administration, by which time over 80 percent of federal employees were under a merit system and very few of those outside it could be considered endangered (Maranto and Schultz, 1991, 44–59, 80). The Pendleton Act did not address removal, since reformers reasoned that there would be no temptation to remove officials politically so long as selection was not political (Ingraham, 1995, 27).

Spoils appointments continued on the state and local level, and when presidents staffed new agencies, such as the many New Deal organizations created by Franklin Roosevelt. As noted above, to some degree spoils is necessary to assure executive leadership. Still, the Pendleton Act marked an intellectual defeat for spoils from which it never recovered (Freedman, 1994; Maranto and Schultz, 1991). The moralist opposition to spoils caused Mosher (1982, 64) to call the period after the Pendleton Act Government by the Good.

### **Government by the Efficient**

Regulating hiring might limit corruption, but was insufficient to manage the larger bureaucracies of the era. Accordingly, reformers paid increasing attention to improving the capacity of public bureaucracies, in part by forging links with universities and businesses. Indeed, as noted above, Wilson, Roosevelt, and other reformers believed that public administration should be considered a field of business apart from politics. This business focus prompted Mosher to call the 1906–1932 period Government by the Efficient. In personnel policy, the period emphasized rationality, planning, specialization, quantitative measurement, and standardization of work reflecting the belief that there existed “one best way” to perform any task. This Scientific Management based personnel philosophy, as well as the decreased ability of politicians to monitor the growing federal establishment, led Congress to pass the Classification Act of 1923, which classified and graded federal positions according to five occupational services and established the principle of equal work for equal pay. A near science of efficiency ratings and job testing was developed in order to depersonalize personnel decisions to the extent possible, and remove politics from personnel (Johnson and Libecap, 1994, 85–87; Mosher, 1982, 70–79; Taylor, 1916). Given that most of the work of government was noncontroversial, this could be defended. Even today, many career bureaucrats support a strict separation between politics and administration, believing the latter to be the realm of career experts (Maranto, 1993b, 117–126).

This was the heyday of classical public personnel management. In the era of “normalcy” public bureaucracies on all levels were relatively respected and stable. Yet certain policies undermined principles of merit-based personnel management. The veterans’ preferences in hiring introduced after the Civil War remained in force, as they do today (Ingraham, 1995, 40–41). The 1912 Lloyd-LaFollette

Act granted federal employees the right to organize and petition Congress, even though union agreements could undermine merit-based compensation and promotion. As Ingraham (43) writes, “[m]erit itself had been essentially redefined by political reality, by veterans’ preference, and by unions.” Notably, under the postspoils regime there were fewer political influentials in the federal bureaucracy. Perhaps for this reason, Congress let federal pay lag, though (save at executive levels) federal compensation remained ahead of most private sector alternatives thanks to lobbying by civil service unions (Johnson and Libecap, 1994, 108–119).

A much more nefarious political attack on merit came under Woodrow Wilson. Under the examination-based merit system, small but significant numbers of African Americans had attained middle and upper level government positions by excelling in civil service examinations. By the Wilson administration, increased racism nationwide and the Democratic dependence on southern white voters jeopardized their positions. The Wilson administration made candidate photographs mandatory for job and promotion seekers, and used the “rule of three” (allowing selection of any of the top three candidates rather than the high scorer) to block the path of promising African Americans. Wilson political appointees segregated the civil service, in part to assure that African Americans would never supervise whites. The Republican presidents of the 1920s failed to undo these policies (King, 1995, 43–58).

### **Government Gets Big and Controversial**

Relative consensus could not last. In the 1930s and 1940s all levels of public service, but particularly the federal service expanded to confront the calamities of depression, world war, and later the cold war. As never before, the federal government played a key role in managing the economy, providing jobs and entitlements, building housing, assuring the civil rights of workers to form and join unions, and maintaining a permanent military (Galambos, 1987). The growth of government made the goals of government agencies more controversial. Before the New Deal, each political party supported the missions of most federal agencies, though Republicans were traditionally more supportive of federal bureaucracies than were Democrats. After the New Deal, Republicans opposed the missions of many domestic agencies, particularly those representing labor unions or with entitlement-based missions (Agriculture, HEW, and Labor). Political controversy complicated personnel management. Traditionally, presidential transitions led to some demands on bureaucracies for patronage. Efforts on the part of political appointees to substantially reorient the work of agencies were unusual, however, and normally linked to cleaning up corruption or increasing efficiency. The New Deal changed this. By the 1950s, old style (reward) patronage was less common than that intended to enhance presidential control of administration; thus the Republican presidential transition of 1953 had unusual levels of conflict between career executives and political appointees (Lowi, 1979; Maranto, 1993b, 1998;

Somers, 1954; Van Riper, 1958). As he confided to John Foster Dulles, Eisenhower suspected that:

Almost without exception [career executives] reached these high administrative offices through a process of selection based upon their devotion to the socialistic doctrine and bureaucratic controls practiced over the past two decades. (Braucher, 1986, 42–43)

To put his stamp on the sprawling post–New Deal federal executive, Eisenhower inaugurated the “Schedule C” personnel category to increase the numbers of political appointees. Schedule C’s exist to this day, and are still resented by federal careerists (Maranto, 1993b; Maranto and Schultz, 1991, 111–13).

The more political nature of public personnel management was reflected in changing concepts of public administration. Increasingly, the separation of politics and administration championed by classical reformers was questioned. Such academic/practitioners as Paul Appleby (1949), Norton Long (1962), and Marver Bernstein (1958) saw political savvy as key to administration. As one federal executive (quoted in Bernstein, 43–44) said:

You would not be able to recruit top executives for a strictly nonpolitical job. That kind of job is without flavor. It is not the sort of job that a man with spunk would live with, and he couldn’t even if he wanted to. The facts of life in Washington just wouldn’t let him. The career executives must have policy commitments, and these commitments must be of the stature to attract and hold men of dedication and capacity.

While formally neutral, skilled public executives would have to work with rather than avoid politics and politicians (Maranto, 2005). They would have to judge the success of their agency in part by political viability, rather than mere efficiency. This was reflected in the passage of the Administrative Procedures Act of 1946, which outlined the rule-making and adjudicative powers of federal agencies (Maranto and Schultz, 1991, 110). In part to allow greater responsiveness to political leadership, the Second Hoover Commission proposed a 3,000-member Senior Civil Service that would be careerist and politically “neutral,” but also transferable to assure accountability to political leadership. This proposal languished for many years, but eventually inspired the 7,000-person Senior Executive Service developed by the Civil Service Reform Act of 1979. The shift from an efficiency emphasis to a broader management emphasis led Mosher (1982, 79) to call the new era a Government by Administrators.

The greater size of the public sector and more political nature of public administration led Congress to weaken presidential control of the bureaucracy. In 1939, in response to President Roosevelt’s efforts to use patronage to control Democratic congressional nominations, Congress passed the Hatch Act banning political activity by federal employees. Hatch remained substantially unchanged until 1993,

when President Clinton and a Democratic congress essentially repealed the law. (The “unHatching” of federal employees has seemingly done the civil service no damage.) The evergreater size of the civil service in this era made federal employees still more difficult for political leaders to monitor. In response, Congress passed the Ramspeck Act of 1940, which brought New Deal agencies under the merit system and made it easier for congressional staff to join the executive. In 1949, Congress modified the classification system and extended it to field offices (Johnson and Libecap, 1994, 100; Van Riper, 1958, 332–343). As always, broad political and social movements affected the civil service. The 1960s represented the peak of labor union influence. In 1962, President Kennedy’s Executive Order 10988 gave federal employees the right to bargain collectively and the Federal Salary Reform Act introduced the principle of comparability with private wage scales. The 1970 Federal Pay Comparability Act gave federal unions direct input to the methodology determining pay comparability. In the long run, union influence and case law also made it extremely difficult to terminate civil servants for cause (Johnson and Libecap, 1994, 104–118; Maranto, 1999, 2002). Similarly, the civil rights movement affected the civil service. The 1964 Civil Rights Act prohibited discrimination in federal agencies, and President Johnson’s Executive Order 11246 established affirmative action as the method to attain equal opportunity. By the 1980s, federal courts ruled the most commonly used civil service examination discriminatory towards minorities; by consent decree the PACE exam was discarded (Maranto and Schultz, 1991, 136–137).

Republican party skepticism about federal intrusion grew after the Great Society further expanded the missions of the federal government to include the protection of civil rights for minorities and women (the Equal Employment Opportunity Commission, the Civil Rights Division of the Department of Justice, and other organizations), environmental protection (the Environmental Protection Agency), protection for workers (Occupational Safety and Health Administration), subsidies for the Arts (National Endowment for the Arts), and for the regulation of such state and local services as education (U.S. Department of Education). Some conservatives saw these and other public bureaucracies as institutionalized liberalism. At the same time, their skepticism about the cold war in general and the Vietnam War in particular led liberal politicians to question the funding and operation of the Pentagon with increasing vehemence. Naturally, bureaucrats reciprocated. Federal employees (and especially military officers) in the Defense Department now tend to vote Republican, while those in social welfare and regulatory agencies now tend Democratic. More than in the past, party politics link to the institutions of the state, and many supposedly neutral bureaucracies have strong emotional and material stakes in elections (Holsti 1997; Johnson and Libecap 1994, 166–169; Maranto 1993a, 1993b).

The expanded scope and increased controversy of federal missions made the role of political appointees in assuring White House domination of the executive branch more vital than ever before. Presidents Nixon and Reagan, in particular, used elaborate political criteria to assure that their appointees were ideologically

correct. In social welfare and regulatory agencies, this made the career-noncareer relations under the Nixon and Reagan administrations particularly controversial (Maranto 1993b; Maranto and Schultz, 1991, 115–160). The increased import of political appointments led presidents from Nixon on to centralize political personnel mechanisms in the White House, rather than relying on the party national committees as had been traditional (Weko, 1995). In regulatory agencies, conservative presidents have also institutionalized in-house analytic units to assure that economic costs are considered in regulatory rule-making (McGarity, 1991).

### **Open Government**

In the wake of Watergate and later scandals, Congress passed and successive presidents imposed increasingly onerous ethics rules for both political appointees and career federal executives. These were intended to increase public trust in government, but their actual impacts may have been to decrease trust by criminalizing trivial actions. New rules made both contracting decisions and hiring more cumbersome than in the past. The same occurred in state and local government (Anechiarico and Jacobs, 1996; Garvey, 1993; Kelman, 1990; Maranto, 2002). Further, a new culture of investigation changed how the media covered public affairs (Garment, 1992; Sabato, 1993). Combined with the increasingly ideological nature of political appointments, the open government regime has made the Senate confirmation more difficult than ever, as presidents struggle to find appointees who will not present even the appearance of scandal, and applicants go through ever more elaborate disclosure forms and background investigations. Each president from Kennedy to Clinton had a more difficult time than the president before in filling executive branch positions. It took President Clinton 8 months to get most of his Senate-confirmed appointees in government (Mackenzie, 1996), a record roughly matched by the George W. Bush administration (Maranto, 2005). The new culture has had its greatest impact on the political ranks, but has also affected how career civil servants perform more routine functions of government, including hiring and promotion.

### **The Recent Past and Near Future: A New Government by the Efficient**

As always, changing public ideas have influenced the civil service of the post-Watergate period. The ascendance of conservative and neoliberal ideas since the mid-1970s led Presidents Carter, Reagan, Clinton, and George W. Bush to seek to make the civil service operate more like business. Persistent deficits driven by entitlement spending led both Democratic and Republican politicians to seek ways to increase the efficiency of the civil service. After the fall of the Soviet Union discredited central planning, the pace of reform picked up both in the United States and abroad (Gore 1993; Maranto, 1993b, 36–37; Savas, 1987; Schwartz, 1992; Yergin and Stanislaw, 1998). For New Democrats like President Clinton and Old Republicans like President G.W. Bush, increasing government efficiency

could win votes, provide funds for new initiatives, and increase public trust in the government's ability to provide service (Gore 1993; Marshall 1997; Osborne and Gaebler 1992).

But increased efficiency and marketization is not the only goal of the new era. As government does more things involving both goal and technical controversy (such as ending welfare, redesigning education, and fighting acid rain), the increased use of consultative mechanisms as recommended by Hult and Walcott may find their way into public bureaucracies. Intellectually, Peters (1996) suggests that the old bureaucratic paradigm will be replaced by emerging models based on markets, greater participation by stakeholders (including bureaucrats), and increased flexibility and deregulation of the civil service process. None of these stresses such old-fashioned administrative values as stability, hierarchy, procedure, and the rule of law. Similarly, Barzelay (1992), Moore (1995), and most importantly, Vice President Gore (1993) describe the need to create stakeholders both inside and outside of government to allow public entrepreneurship to add value to government outputs, and to allow government to act quickly in an information age of turbulent technological and political environments.

An early example of market-based civil service reform was President Carter's Civil Service Reform Act of 1978, which introduced merit pay and collapsed the old career supergrades into a new Senior Executive Service (SES). SES members have rank-in-person rather than in position, and can be transferred by their political bosses with relative ease. Not surprisingly, this received criticism from some public administration scholars, who argued that merit pay and transferability would promote individualism and undermine a civil service ethic. Supporters claimed that bonuses would reward high performers, and that the SES could maintain competence while enhancing political leadership (Maranto, 1993b, 41–42, 46–48).

A second series of reforms decentralized and instilled more choice in federal personnel management. From the 1970s to the 1990s, hiring was increasingly decentralized so that by 1987 more than a third of new hires were conducted via more than thirty hiring authorities outside the regular merit system. This reflected the simple truth that centralized hiring was too slow to meet the changing needs of federal agencies (Ingraham, 1995, 55–63; Maranto, 2002). On the individual level, segments of the new federal retirement plans inaugurated in 1983 allowed federal employees to be vested in the retirement system immediately, and gave them considerable control over their individualized retirement investment accounts. This loosened the “golden handcuffs” of the old retirement system in which pensions were highly dependent on tenure and punished those who left government service to pursue other careers. In the long term, this will lead to less permanent government employment, decreasing institutional memory but also making government bureaucracies more representative of the society they serve.

The most far-reaching, and probably most successful set of civil service reforms came under the broad umbrella of Vice President Gore's Reinventing Government report, much of whose work has indeed continued under President George

W. Bush. As part of the “REGO” initiative, federal agencies had to justify why their activities should remain in-house rather than be contracted out. Core functions would be kept inside government, but actual service delivery could be contracted if that would result in savings. Those functions that would be provided by government would focus more on results and less on procedures. The new management ideal would be to set broad directions and specify measurable results (as through the Government Performance and Results Act) for whole agencies, and where possible, for individuals. Rather than regulation, employees and agencies would be motivated through values and incentives to do the right thing (Gore, 1993). In addition, the U.S. Office of Personnel Management increasingly allowed agencies to develop their own merit procedures, with oversight. The Clinton Defense Department worked on plans that in the long run would mean that most new hires will not have tenure. Rather they would sign 3- or 5-year contracts, with continued employment based on success in the job (Causey, 1998). More recently, the George W. Bush Defense Department and the new Department of Homeland Security have adopted such plans, and reformed pay to increase managerial discretion to reward high performers.

Enjoying popularity and significant intellectual support, even within the bureaucracy, reforms that emphasize efficiency and results in government personnel policy are likely to continue for some time. Indeed, similar reforms of government are taking place in many democracies (Kettl, 1997; Schwartz, 1992) and on the state and local level (Klingner and Lynn, 1996). Such reforms will mean that government personnel policies will focus less on procedure and more on hiring (and separating) employees as needed by workload demands. Government managers can expect more flexibility in hiring, compensating, and separating their employees. Politically, this will prove popular, at least unless scandals and lawsuits put an end to the new era of efficiency and lead to reregulation. How quickly—or indeed if—this will happen is anyone’s guess.

While we cannot know the duration of the new version of government by the efficient, it is certain that for so long as American democracy continues, public personnel management will remain representation and political, with bureaucratic systems tempering but also reflecting the changing ideas and interests of the broader American polity. So near as we can tell, this politically driven system has indeed given the United States good public service, perhaps the best on earth. To paraphrase Churchill, political public administration is indeed the worst form known—except for its various alternatives, which have been tried from time to time.

## NOTES

1. I say “officially” since in practice, the very complexity of public personnel rules often leads to complex end-runs around the official system. These shortcuts can be baffling to outsiders and may in fact make public personnel practices less open than those in the private sector. For some examples of federal personnel systems in practice, see Ban, 1995.

2. Similarly, one of my informants lamented that in the 1950s and the 1960s the Indian Health Service was fighting infectious diseases, a mission which required great dedication and technical skill but was not controversial. Today IHS must work to modify Native American lifestyles, a far more difficult and controversial mission.

3. Naturally, public managers attempt to shape perceptions of goals and technologies to define their desired actions as successful, for example, J. Edgar Hoover and Robert Moses.

4. This was not always true on the state and local level, where less competitive political systems gave political leaders more power to reshape administration (Maranto 1998, 636).

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## Ending Civil Service Paralysis: Emerging Practices and Trends in State Human Resource Management

SALLY SELDEN

In the 1990s, governments at all levels were interested in reforming, reinventing, and reengineering their human resource (HR) practices. Unlike in the 1970s, civil service was no longer viewed as the solution to the problems in the 1990s; rather, it was perceived as being the problem (Ingraham and Eisenberg, 1995). In an effort to modernize their systems, many governments implemented changes to their civil service systems and human resource management practices in the 1990s. In the 2000s, government officials are still interested in reform, but the focus has shifted. The rhetoric has shifted toward creating high performing government workforces by treating employees as assets, by recognizing and rewarding employee performance, and by providing employees opportunities to excel (Leavitt and Johnson, 1998). At the heart of these efforts is the need to establish high standards of professional conduct and performance for government employees. Public organizations can employ different human resource management (HRM) tools such as performance evaluations, performance-based pay, and discipline to reinforce conduct and performance expectations. The extent to which states engage in practices that promote high performance varies depending upon the existing human resource management systems and state environment. Most states, however, realize that labor force demographics are changing and that about one out of five state workers will be eligible to retire in the next 5 years (see Figure 10.1). If states want to compete for high quality hires, they must create employment opportunities that are attractive to prospective employees, who may be considering both private enterprise and public sector prospects. To

remain competitive, states are changing hiring regulations; utilizing technology to support hiring, training, and development; and developing training partnerships across government agencies.

This chapter presents information on trends and innovations in state human resource management using data collected from state governments in August 2004 as part of the Government Performance Project (GPP). The GPP administered the survey to a central point of contact in each state, typically in the state's budgeting office. The central state contact person then provided the director of the state's central human resource management agency access to the HRM section of the GPP survey. The director and his or her staff completed the online survey and detailed the state's discipline and termination policies. Forty-one states provided information for a response rate of 82 percent. The summary GPP research highlights five trends in state human resource management that emerged from the GPP study. Understanding these trends is beneficial to students and practitioners of public administration.

### **TREND 1: THE DEBATE ABOUT CIVIL SERVICE CONTINUES**

The ascendancy of reform at the federal level has often influenced state leaders; many states have reorganized their public personnel systems based on federal reforms. After the passage of the Pendleton Act in 1883, many states followed the federal government's lead by designing systems to ensure stability and to insulate state employees from political influence. The debate continues over the future of civil service and whether any government body should provide employees certain administrative and legal due process rights before discharging them for cause (Wallihan, 2003). In the past, the rationale for providing such protections was to protect public sector employees from partisan pressure and removal (Mosher, 1968). Over the last century, however, our understanding of effective human resource practices has evolved, and today some civil service reformers are lobbying to do away with such protections (Kellough and Nigro, 2005b). Some states, such as Georgia and Florida, have shifted at least part of the legal basis of their employment systems from a civil service structure to an employment-at-will model.

In addition to activity at the state level, the debate continues at the federal level, with President George W. Bush promoting legislation that allows federal agencies to adopt employment systems like the Department of Homeland Security's (DHS) new personnel system (Lee, 2005). The new MaxHR system will allow DHS to focus on individual performance and accountability and offers a comprehensive approach to HRM, with new tools for recruitment and retention, training and development, and recognition of achievement through promotion and compensation (DHS, 2005). These tools, paired with at-will hiring practices, represent a new trend in government employment.

Employment-at-will typically connotes an employer's right to terminate an employee without a specified reason and an employee's right to leave when she or he elects (Baucus and Dworkin, 1998; Fulmer and Casey, 1990). Private sector

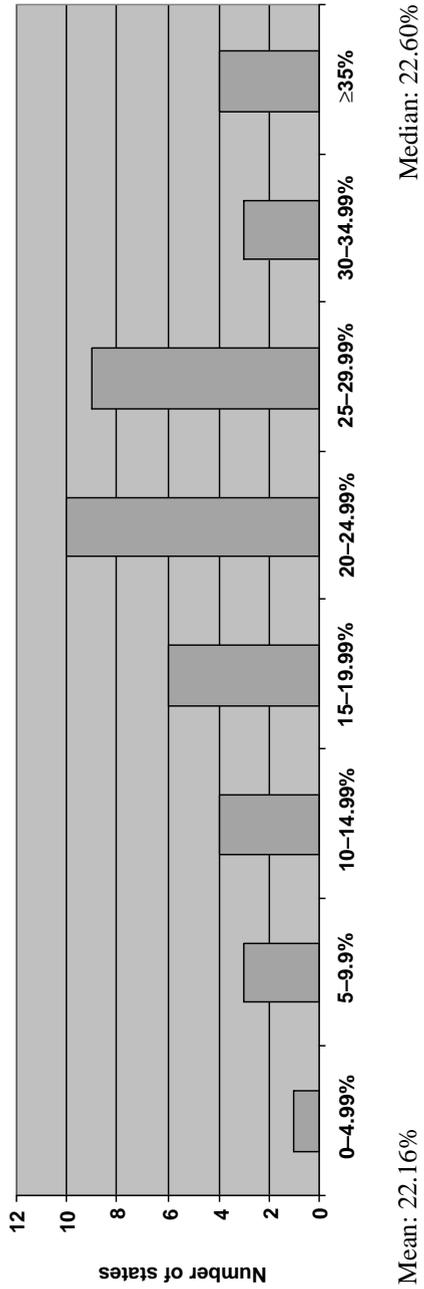


FIGURE 10.1. Percent of Classified Employees Eligible to Retire in the Next Five Years

organizations in the United States have long adhered to this type of employment system. The right of employers to terminate employees has become an area of increasing litigation, with many wrongful discharge suits filed each year (Fulmer and Casey, 1990). Both federal legislation and state laws provide exceptions to the doctrine of at-will employment, including, but not limited to: participation in union activities, whistle-blowing, public policy, employer motivation, race, ethnicity, religion, national origin, sex, disabilities (Fulmer and Casey, 1990).

Some states are less receptive to the idea of wholly at-will employment. Montana, for example, is the only state that has passed legislation prohibiting employers from discharging employees without good cause (Falcone, 1999; Wallihan, 2003). In some states and organizations, just cause for discipline and discharge of employees is often an essential protection accorded to employees by a collective bargaining agreement (Abrams and Nolan, 1985; Stieber and Rodgers, 1994). Thus, all organizations, regardless of sector, have some constraints over their ability to terminate employees.

Many states are changing their employment paradigms but are not following the example set by Georgia and Florida in moving toward at-will employment. Rather than focusing on the elimination of civil service protections, these states are working on changing other Human Resource Management policies and practices to foster a high performance culture.

### **The Washington State Model**

The Washington State Legislature enacted the Personnel System Reform Act (PSRA) of 2002, which reformed the state's 40-year-old civil service system. The new system is focused on enhanced outcomes and fewer rules. Specifically, the PSRA includes three principal components:

- Collective bargaining: For the first time, state employees will be able to bargain for wages, hours, and other terms of employment.
- Competitive contracting: Most state services will be managed on a contract basis and state employees may now compete in the bidding process.
- A new civil service system: A streamlined job classification system and completely new rules now manage all aspects of HR.

The full implementation of PRSA will bring about changes in the following areas:

Classification:

- Consolidates 2,400 job classes into approximately 300 broad occupational categories.
- Places more focus on key skills and responsibilities needed for specific positions.
- Enhances mobility and career opportunities for employees.

- Provides flexibility to adapt to changing technology and economic, workforce, citizen, and organizational needs.

#### Compensation:

- Provides decentralized flexibility to make salary adjustments, such as: assignment pay for special skills and competencies, working conditions, and recruitment and retention issues; salary adjustments to address equity issues; and individualized adjustments to progression increases based on nature of work or training needs.
- Provides options for monetary performance recognition, including acceleration or deferral of progression increases based on performance, or lump sum recognition awards of up to 15 percent of pay.

#### Recruitment and Selection Changes:

- Emphasizes recruitment and screening based on position-specific competency needs, rather than job classification.
- Gives employers more flexibility in how they recruit and screen candidates.
- Gives employers the option to use the Department of Personnel's (DOP) online application and screening process or develop their own process.
- Allows applications to be accepted at any time.
- Gives employers a choice between using desirable qualifications rather than minimum requirements (except where a qualification is legally required).
- Contains few, if any, required written exams.
- Provides each candidate pool as an unranked list.
- Allows employers to choose whether and how to use promotional preference.
- Decentralizes the candidate referral process to the employer, allowing the employer to choose how many names to refer.

#### Performance Management:

- Cultivates a performance-based culture in state government.
- Establishes a new Performance and Development Plan (PDP) to replace old evaluation forms, putting more emphasis on clear performance expectations, both competencies and results.
- Mandates management training within 6 months of an employee becoming a manager or supervisor.
- Requires a formal Performance Management Confirmation before an employee's performance may be used as a factor in compensation or layoff
- Allows the DOP to provide centralized guidance, training, and tools to assist in implementing performance management systems.

#### Reduction in Force (RIF):

- Allows agencies to factor performance and competencies into layoff decisions, along with seniority.
- Requires employees to meet position-specific requirements for layoff (bumping) options.

- Provides for all RIF names, plus promotional names, to be referred for reemployment after layoff (in the past, a rule of 1 was imposed, where only the most senior laid-off employee was referred for reemployment).
- Allows employers to require a review period for any RIF appointee.

With the implementation of PRSA, many centralized HRM functions in Washington were decentralized to state agencies, with the central HRM office serving as a resource for those state agencies and their changing business needs. In addition, the Legislature authorized modernization of the state's antiquated personnel/payroll computer system, replacing it with a modern integrated Human Resource Management System (HRMS). The HRMS is essential to supporting the successful implementation of all aspects of the state's personnel reform.

### **Other Examples of Civil Service Reform**

In 2003, Iowa revised its civil service system for the first time since 1969. The state created charter agencies that are given greater administrative flexibility to operate in more innovative, results-oriented ways over a 5-year period. Agencies receiving charter status can convert direct report managerial positions to at-will positions. For example, the Iowa Lottery converted seven of its key positions to at-will status.

While many states have not significantly overhauled their Civil Service systems, they have reconceptualized the relationship between the central Human Resource Management office and state agencies. Arizona, for example, has focused on building partnerships with its state agencies. The state recognized the need for decision-making authority to reside in the agencies, but wanted to provide consistent HRM practices across the state. The state put together a team from the central and agency HRM offices to review, refine, and draft appropriate policies. The central office also established the Planning and Quality Assurance Unit, who is tasked with ensuring consistent human resources practices are maintained throughout Arizona state government.

## **TREND 2: STATES DO NOT MANAGE EMPLOYEE PERFORMANCE AS WELL AS THEY COULD**

### **Performance Appraisals**

Performance appraisals are an important part of a government's performance management system, the set of activities adopted by an organization to enhance the performance of their employees (DeNisi, 2000). The GPP found that 87 percent of classified employees in state government are evaluated formally at least once a year. This number falls significantly for employees in the nonclassified workforce. Only 47.9 percent of nonclassified state employees receive a formal annual performance appraisal.



**FIGURE 10.2.** Aligning Goals in a Performance Management System

Government agencies typically develop performance management processes to motivate and control employees (Mathis and Jackson, 2005). The process can motivate employees by establishing expectations and providing feedback on an employee's progress toward meeting those expectations. Ideally, the agency can then target training to address the weaknesses or areas of potential growth identified. In addition, agencies can adopt compensation systems to reward the achievement of goals. According to den Hartog, Boselie, and Paaiwe (2004), the ultimate objective of a performance management process is to align individual performance with organizational performance; the process should signal employees about the organization's goals, priorities, and expectations (see Figure 10.2).

The GPP found that about 30 percent of states used a performance appraisal system that strongly aligns state, agency, job, and individual goals. For example, the Montana Department of Transportation's (MDT) performance appraisal system is used to contribute to the agency's implementation of its strategic plan. MDT's performance appraisal is divided into two sections. Part I contains a set of seven competences that all MDR employees are expected to demonstrate regardless of position: interpersonal skills, decision making, creative problem solving, adaptability/flexibility, leadership/mentoring, accountability, and ethics/integrity. Part II focuses on specific job elements, criteria, and targets designed to link individuals to the Strategic Business Plan.

Connecticut's Performance Assessment and Recognition System (PAR) is designed to establish clear, achievable, measurable, results-oriented performance objectives, consistent with each agency's priorities and mission. Maine's performance management system is intended to relate employee performance objectives

to organization goals and objectives so employees understand how their jobs contribute to the success of the organization. In addition to a set of jointly developed objectives, Maine state employees are assessed on a set of seven core competencies: initiative, adaptability, planning and organizing work, decision making, customer service, teamwork, and interpersonal relations.

Approximately 66 percent of states surveyed included a formal development plan as part of their performance evaluation process. For example, in Washington state, the Performance and Development Plan includes a training and development needs/opportunities segment. This segment should include training and development needs required in order for an employee to achieve or sustain fully successful performance. In addition to development goals for an employee's current position, the state expects that the development plans should include training and development goals for an employee's career advancement.

Since many of the states encourage regular informal feedback as part of their policy, the numbers reported in this study may underestimate the extent of feedback provided to state employees. Almost 43 percent of states provide formal feedback to employees once a year; slightly more provide formal feedback at the midway point and end of the year (44.7 percent). Only a few states (8.7 percent) provide formal, quarterly feedback to state government employees, with 4.3 percent of states providing formal feedback three times a year.

New Mexico's Employee Development and Appraisal (EDA) system is designed to foster constructive and ongoing dialogue between a supervisor and employee. EDA requires that the employee and supervisor formally meet five times during the year. In addition to an initial and final meeting, supervisor and employee meet for three interim reviews. The initial session between a supervisor and employee is used to establish goals and performance expectations via job assignments. Job assignments originate in the state agency's strategic plan and each employee is expected to share some of the responsibility and accountability for the agency meeting its goals. For each job assignment identified, the supervisor and employee name specific skills or behaviors the employee must utilize in order to succeed in that assignment. The three interim performance discussions are critical to maintain communication, identify challenges, review job and agency objectives, and to provide formal feedback about current performance.

### **Incentive Pay Structures**

The GPP found that most states do not use incentive or performance-based pay. Incentive pay practices provide a mechanism to financially reward employees for their organizational contributions without having to rely solely upon traditional practices of promotion and position reallocation. The GPP collected data about the percentage of state employees eligible to receive four types of incentive pay: pay-for-performance salary increase, individual bonus, group bonus, and gain sharing (see Table 10.1). Eligibility does not guarantee a reward will be given; it

**TABLE 10.1. Percentage of States Using Incentive Pay**

	P-F-P Salary	Individual Bonus	Group Bonus	Gain-sharing
All employees eligible	11.6%	8.1%	8.1%	5.6%
Most eligible (50–99 percent)	11.6	16.2	2.7	25.0
Some eligible (5–49 percent)	11.6	16.2	8.1	11.1
No employees eligible	65.0	59.0	81.1	55.6

only indicates whether state employees have any chance of receiving one. Only 11.6 percent of states offer pay-for-performance salary increases to all state employees. Individual and group bonuses are offered to all employees in only 8.1 percent of the states responding to the survey. Some states use gain sharing as an incentive. Louisiana uses the Exceptional Performance and Efficiency Incentive Program to reward state employees with up to 20 percent of their annual salary for activities that result in cost savings or increased efficiencies. While the trend in the private sector is to rely heavily on monetary incentives to differentiate outstanding performers from average performers, this is not true of state governments (White, 2006).

Virginia's performance-based pay system has received considerable recognition in the past few years. The state recently implemented a sweeping revision of its 40-year-old employee compensation system. The new performance-based compensation plan was modeled after the most successful "best practices" used by major corporations and governmental entities on the national, state, and local levels. The compensation plan brought new pay practices, greater opportunities for career growth within state government, greater management flexibility and accountability, and new ways to recognize and reward employees for exceptional performance and acquired skills. Virginia's changes included:

- Moving from a traditional graded pay plan consisting of twenty-three salary grades to nine broad pay bands.
- Implementing competitive differentials for select jobs based on local market conditions, allowing agencies to pay higher salaries where justified.
- Streamlining the state's job structure from over 1650 job classes to 256 roles.
- Eliminating entitlements, such as across-the-board increases, and adopting variable pay.
- Promoting the concept of total compensation by using salary and benefit values to analyze labor market information and to base pay increases on performance.

### **TREND 3: STATES ARE BETTER ABLE TO REMOVE EMPLOYEES WHEN NEEDED**

An important element of managing performance effectively is a government's ability to address behavioral and performance problems and to discharge those employees who are not willing or are unable to correct identified problems (Cottringer, 2003). Retaining underperforming employees may impact organizational performance because important positions are held by staff who lack the skill level to perform effectively. This study found variation in dismissal rates of state employees. Almost 29 percent of states reported involuntary turnover of less than one percent in fiscal year 2003. Approximately 38 percent of states fired 1 to 2 percent of state employees. The study showed that 19 percent of states dismissed between 2.1 and five percent of their employees. Finally, 14 percent of states fired more than 5 percent of their workers.

The GPP found that about a quarter of the states implemented changes to their discipline system in the past several years. The changes varied across states. For example, Arkansas passed a provision that allows agencies to carry out their own disciplinary procedures. Oregon adopted statewide discipline and termination policies for nonrepresented groups. Two other states shifted their disciplinary philosophies, adopting positive discipline or discipline without punishment approaches. Changes in Washington state were more extensive. The state adopted a just cause standard to replace a standard based on nine specific causes for action, approved a positive discipline approach, and accelerated its process for dismissing employees.

### **TREND 4: STATES CONTINUE TO IMPROVE THEIR HIRING PROCEDURES**

As shown in Figure 10.3, the GPP found that, on average, it takes states about 48 days (median) to hire a new employee. Many states continue to struggle with retaining new hires. On average, states lose about 20 percent of employees during their probationary period. The GPP found that a number of states have modified parts of their hiring processes to improve their timeliness and quality of new hires. First, a number of states rely heavily upon electronic recruiting and hiring. For example, Minnesota reengineered its selection process from a traditional exam-based process to a skills-based resume scanning process. The state's time to fill requisitions has dropped over 50 percent. The state has moved to a virtually paperless system, allowing managers the ability to submit requisitions, review resumes, and track results online. In Wisconsin, an online application and testing system (WiscJobs) was implemented to manage the recruitment and selection process. The public interface portion of the site includes: job announcements with a variety of search tools; a "job cart" feature to allow applicants to track jobs and the application process; online applications and online examinations for certain jobs; an online resume tool; and other features.

Second, several states eliminated structural barriers in the hiring process. Washington eliminated its Rule of 7 and Iowa removed its Rule of 8. Hawaii

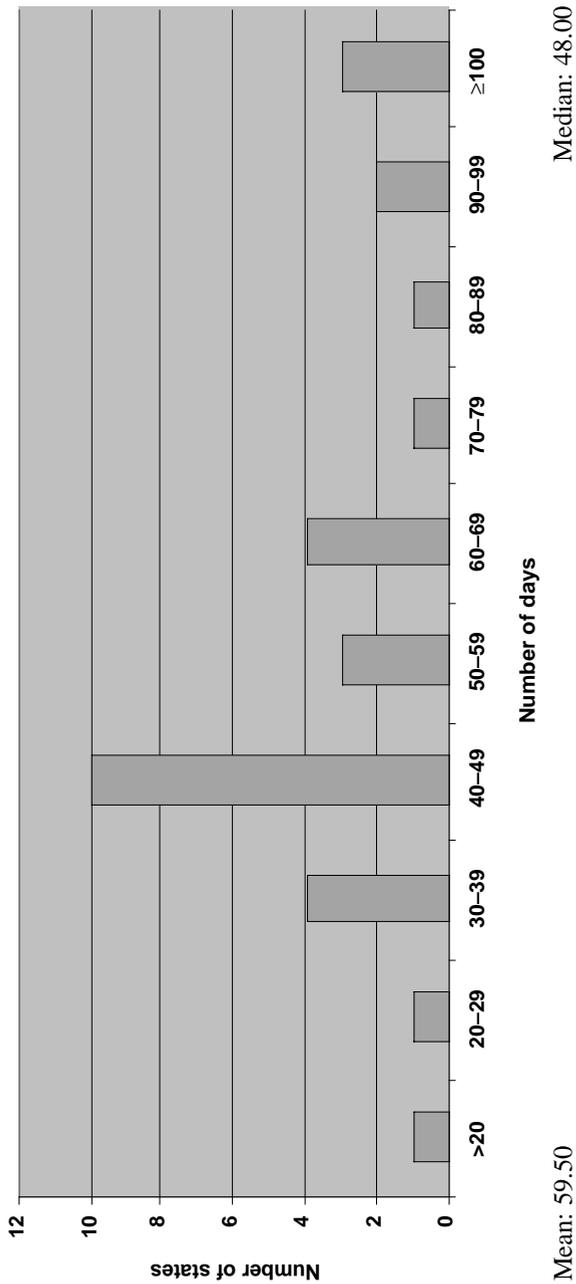


FIGURE 10.3. Average Number of Days to Fill Position in Fiscal Year 2003

changed its residency requirement, and Oklahoma provided direct hire authority to agencies. Third, states have changed their practices to reflect the realities of the job market for some fields. Connecticut now hosts hiring days for hard-to-fill positions. Over the course of a day, candidates complete an application, attend an orientation, and are interviewed. The state may then offer a candidate a conditional offer at the end of the day.

### **TREND 5: SOME STATES ARE INVESTING IN WORKFORCE TRAINING AND DEVELOPMENT**

To cultivate a high-performing workforce that can meet the changing needs of citizens, governments need to invest in the training and development of their employees (GPP). On average, states spent about \$274.10 per state employee on training in 2003. The GPP study found that five states spent over \$500 per employee and six spent less than \$50 per employee (see Figure 10.4). On average, state employees completed about 16 hours of training and managers finished approximately 21 hours of training over the year. About 68 percent of states operated a senior management leadership training program.

Arizona has focused its resources and efforts on creating a shared services training approach through Arizona Government University (AzGU). AzGU offers centralized administration for the training activities of 127 agencies, with a decentralized delivery system. A Board representing the state agencies has oversight for the direction of AzGU. Their mission is to create a workforce development program that delivers critical competencies and skill sets to enable employees to develop professionally. Courses are available to all trainers in executive agencies; a shared training calendar was developed to incorporate class offerings that are open to all employees. In addition, AzGU has developed a Web-enabled learning management system that maintains course descriptions, schedules training and meetings, tracks employees' training information and provides unlimited reporting capabilities.

Louisiana also realized it needed to build the skill levels of its current staff so they could be prepared to take on roles with greater responsibility. To help address the state's needs, Louisiana implemented a mentoring program pairing lower level, less experienced employees with more experienced employees and executive staff. This program is a central part of its succession planning effort.

In an effort to help state employees develop career plans allowing them to progress within state government, Ohio has created a three-level training program called the Pass Program. Level 1, which is a 12-week program, focuses on soft skills and technology courses designed to build and enhance core administrative skills and competencies. Levels 2 and 3, which can only be taken upon graduation from the previous level, help employees tap into leadership and team-based skills. Level 2 requires that class members develop and present a group project over 14 weeks of guided training. Level 3 focuses on skill building and personal management development. After completing all three levels, employees

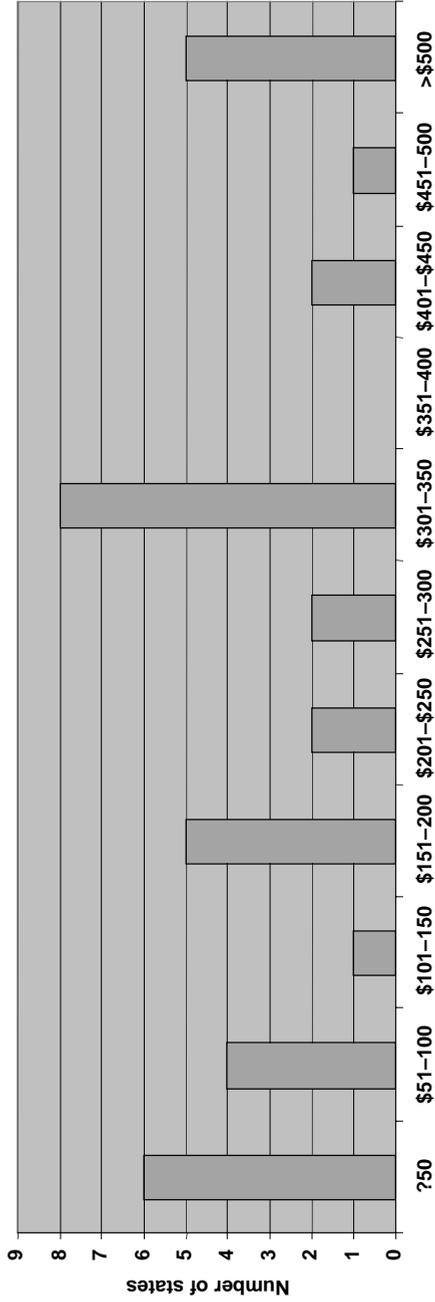


FIGURE 10.4. Training Expenditures Per Employee Fiscal Year

have developed their own career development plan and understand their role in guiding their own long-term development.

### **Lessons Learned through the GPP**

In general, states are moving toward a more responsive and flexible human resource management model, although to varying degrees and with varied success. States must deal with somewhat conflicting objectives: adopting changes that provide greater flexibility to individual agencies and managers in administering human resource management systems while maintaining consistency across state agencies. A number of states are utilizing technology to improve their hiring and training processes. Most states still find it challenging to recognize performance with monetary incentives.

Looking at states that have more successfully implemented a culture of high performance, the GPP found a set of common characteristics. First, the central HRM office in these states took a proactive leadership role in developing practices that support high performance, and provided considerable support to state agencies during the implementation of new practices. Second, states that pushed for high levels of employee performance also engaged in a process of continuous improvement, even under strained budgets. Third, the central HRM office followed through on initiatives by providing adequate training and development, oversight, and consultation to state agencies. Finally, these states utilize technology more effectively, implementing systems to support existing processes, such as hiring, testing, career planning, and training.

States that find it difficult to shift toward a more innovative, performance culture will have to overcome their fear of changing the status quo. The government human resource management environment is changing as labor force demographics shift rapidly, and to remain an attractive employer, states must manage their human resources differently. Employing proven techniques such as decentralized hiring and promotion decision-making; monetary performance recognition; job-specific hiring and evaluation; and increased training and development throughout the government structure will help these states move ahead in an increasingly competitive hiring environment. Establishing these tools within an advanced technological framework will enable each state to develop the strongest workforce with the most efficient management system possible.

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## A Modest Proposal Regarding Political Appointees

WILLIAM L. MURRAY AND GARY L. WAMSLEY

The term political appointees has always struck us as a troubling one, because any term than can encompass both Deborah Gore Dean and Craig Livingston on the one hand and Gifford Pinchot and James Lee Witt on the other hand does not seem to be very useful.<sup>1</sup> What troubles us more, however, is our fields' tepid response to the proliferation of political appointees. There have been some notable and exemplary exceptions in Hugh Hecló (1977), Carolyn Ban (1987), James Pfiffner (1991), Paul Light (1995, 1997), and Patricia Ingraham (1993, 1987), but as a discipline political science, and public administration as an interdisciplinary field have been largely silent about, if not complicit in, the incredible proliferation of political appointees. For example, Richard Nathan argues for an "administrative presidency" in which management tasks can and should be performed by partisans (1983, 7) and Robert Maranto (1998a,b) argues that the tenure of career service administrators should be abolished, which most scholars feel would risk an even more dramatic increase in political appointments. Perhaps we have little reason to expect more from political science, but public administration owes its very existence to an outraged reaction to political appointees and their corruption, which had reached plague proportions in the late 19th century (Van Riper, 1958). It would seem reasonable to expect considerably more concern.

Today the nearest thing to outrage to appear in a scholarly journal was written by a retired Senior Executive of thirty-four years of experience, who had

apparently been forced to endure one inept political executive too many (Cohen, 1998).<sup>2</sup> We had developed our “modest proposal” unaware of this, but we are delighted to find ourselves in agreement with someone who knows all too well at first hand whereof he speaks. Cohen is one of the few practitioner voices that has sounded the kind of alarm and outrage that we think the phenomenon warrants. A quote captures some sense of the depth of his concern:

We entrust the administration of the largest “company” in the country—with the biggest budget and staff, the widest range of products and services, and the greatest impact on the life of every American—to a cast of well-meaning political loyalists with little or no management experience. They may be smart, committed, and high-energy, workaholics, but most have never run anything, except, perhaps, a political campaign. (451)

The current swelling of the ranks of appointees has so far involved relatively little or largely petty corruption, but it may be all the more serious for that reason. Greater corruption might at least provoke a response. Instead the current mushrooming of appointees has brought us blunders, minor scandals, and general ineptitude which is often blamed on “bureaucrats” or government generally, thereby tarring the career service and all those in public office, even legislators, with the same brush. All of this steadily and insidiously erodes public confidence in government and our ability to govern ourselves—a very serious matter for a democratic system. Absent the corruption that might fuel outrage and a broader reform movement, shouldn’t our field, scholars as well as practitioner, still be in the forefront in examining the implications of the growth of political appointees, the consequences and possible reforms? We think so.

This chapter begins with a taxonomy of political appointees at the federal level, to sort out our thinking about them. It then offers an explanation for why political science, and more significantly public administration, has countenanced (if not encouraged) the growing number of political appointees. We conclude with a “modest proposal” about political appointees: greatly reducing their numbers and limiting their scope to the ranks *above* Assistant Secretary.

### **A TAXONOMY OF FEDERAL POLITICAL APPOINTEES AND THEIR DYSFUNCTIONS**

While happy families may be all alike, this is not the case with political appointees. We first review the major types of political appointees at the federal level, weaving in some of the literature’s observations about each. The reader is cautioned that these categories are not exhaustive and is referred to Light (1995) for the most complete mapping of political appointees. Nonetheless, for our purposes they can be reduced to three major types.

### Presidential Appointed, Senate Confirmed Appointees

The highest ranking political appointees in the federal government are known as persons on the Executive Schedule or presidentially appointed, Senate confirmed (PAS) appointees.

These PAS appointees are compensated on levels I to IV of the federal executive schedule and were originally confined to occupants of key White House Staffers Cabinet Secretaries and agency heads. Unfortunately, the proliferation of such positions has extended them downward to division heads, and program directors in some agencies. In addition to cabinet secretaries and heads of independent agencies, the traditional titles carried by PAS appointees include: secretary, deputy secretary, undersecretary, assistant secretary, and administrator. Hecló's 1977 study of federal political appointees assumed an organizational structure consisting of a cabinet secretary, a deputy secretary, one or more undersecretaries, and several assistant secretaries. Even with this relatively simple executive structure, Hecló remarked on the growth of organizational complexity, commenting that a 19th century clerk would scarcely recognize his department—the impression of increased size and complexity due to general growth of course, but most assuredly due as well to the size and scope of the executive superstructure.

Pfiffner's work in 1991 and Light's 1995 study reveal a federal government becoming steadily and significantly more bloated with political appointees at the upper echelons of the departments. Light found that, while the absolute size of the civilian federal workforce remained relatively constant from 1960 to 1992, "the total number of senior executives and political appointees grew from 451 in 1960 to 2,393 in 1992, a *430 percent increase*." The four principal layers of political leadership identified by Hecló in 1977 had mushroomed to thirty-two layers in some cases (7). One manifestation of this increased layering of political appointees is the bewildering array of titles now carried by PAS employees. These include such mind-boggling titles as Associate Deputy Undersecretaries, and Deputy Associate Deputy Assistant Secretaries. (No, we did not leave out a comma; it is a real title.) These and many others would simply be funny if the implications were not so grave.

Light found that the growth of PAS appointees in absolute numbers was particularly pronounced at the lower echelons of upper management, at the deputy assistant secretary level. According to Light, the number of deputy assistant secretaries has increased from 77 to 507 from 1960 to 1992, meaning that in 1992 the federal government had more deputy assistant secretaries than it had political appointees of all ranks in 1960 (8). The growth in absolute numbers of political appointees is most pronounced at the deputy assistant secretary level, Light found that in terms of percentage increase, growth has occurred at all ranks of political appointees.

The growth in the number of PAS appointees has several consequences for public administration beyond the broader problem of the growth in total number

of political appointees of all types (this would include noncareer SES and Schedule C positions in addition to PAS positions). We shall return to this point later. At this point, we need only say that a number of unfortunate trends have left agency leadership positions vacant for much of an administration's term. In August 1997, *Washington Post* ran a series of articles demonstrating that 30 percent of presidentially appointed positions in the federal government were vacant 8 months into the new administration. Moreover, very few of these latecomers will stay to the end of a President's term (Mackenzie, 1994).

Another consequence of the increase in PAS positions may at first glance seem counterintuitive: it has *reduced* rather than increased presidential influence over policy implementation. Upon closer examination the reasons for this are clear enough. Hecló points out that presidential appointees come with, or may develop, their own power bases and network of influence independent of the chief executive or the nominal agency head (1977). When we remind ourselves that PAS positions are not simply presidential appointments but also to a degree Senate appointments because it must confirm them, it becomes clearer why more PASs does not necessarily result in more presidential influence over policy and its implementation. Consequently, a President must nominate persons who are likely to survive the Senate confirmation process and this often means nominating someone with enough friends, allies, or advocates sitting on key subcommittees and committees. Such persons may not be of the same party as the president and in any event they are bound to have particularistic interests that differ with his or her interests.

Furthermore, if such potential fissures in the relationship between the president and his or her nominee were not already built in by the above calculus of potential confirmation, the process would itself produce such cracks. For the confirmation process is one in which behavioral contracts are made (to be enforced in future hearings, especially budget hearings). Interrogators in the confirmation process ply nominees with questions that seek to elicit responses committing his or her agency to future actions that serve the interest of the questioner or their district (Mackenzie, 1981, 156–170). Even if the nominee has been briefed well enough to give the cliché response—"I don't have the answer on that yet, but I'm looking forward to working with you on that, Senator"—they still have been put on notice and can be sure that question will come back again and again in future interactions with the Senator, the committee, or its staff (Reich, 1997).

The authors saw at first hand the consequences of an increased number of PASs and the lengthened confirmation process. The National Academy of Public Administration (NAPA) study team on which they served and the panel that reviewed the problems of the Federal Emergency Management Agency (FEMA) in 1993 took note of this phenomenon with the nine PAS appointees at FEMA, which is a very small agency of a little over a 1,000 employees. Of the nine PASs, the agency head (director) was the last to have been appointed.<sup>3</sup> All of his important executives or program heads had passed the confirmation gauntlet and been confirmed, having likely made such behavioral contracts as necessary to achieve

confirmation. Even if the agency head had the confidence of the president, and this one apparently lacked this to some significant degree, he in effect had been given no say in the appointment of the agency's senior managers and thus no way of assuring that he could effectively implement presidential policy.<sup>4</sup> It was well-known in the agency that the director had the formal power but informally did not have the discretion to insist on the removal of any of the appointees in the agency, as all had their own political sponsors within the administration or Congress. Ironically, because political appointees, particularly PAS appointees, often have their own network of supporters, this makes them more difficult for other political executives to manage, not less. Heclo (1977) sums up the effect of the process nicely:

To the normal confusions of pluralistic institutions and powers in Washington, the selection process contributes to its own complexities. . . . Political forces intervene from many quarters, and their interests in political appointments often bear little relation to presidential needs or to qualifications required for effective performance by public executives. (10)

A final consequence of the growth in PAS positions is that there are now many more layers of management between the President and the career administrators that the political appointees are nominally supposed to help the President manage. If there was ever a chance that personal or partisan fealty on the part of subordinates could give chief executives more effective control, it would have been when there were only one or two persons between him or her and the level of implementation. However, the National Commission on the Public Service (Volcker, 1990) noted that:

. . . Presidents today are further away from the top career layers of government with 3,000 appointees than was Franklin Roosevelt 50 years ago with barely 200. From 1933 to 1965, during a period of profound expansion in government responsibilities, the number of cabinet and sub-cabinet officers appointed by the President and confirmed by the Senate more than *doubled* from 73 to 152. From 1965 to the present, a span when total employment and programs were more stable, the number more than *tripled* to 573. (17)

Ingraham (1987) also notes that the short average tenure of presidential appointees is just one of several reasons making them an imperfect instrument of presidential control. Similarly, Pfiffner (1987) argues that presidential mistrust of career bureaucrats is misplaced and that increasing use of political executives is counterproductive because of the inexperience and short tenure of political appointees. Heclo (1977) found an average tenure for political appointees of 2.5 years. Six years later, another study by the National Academy of Public Administration (1974) found that the average tenure of a political appointee had shrunk to less than 2 years. In addition, the Volcker Commission (1990) noted that the

downward penetration of political appointees limits the career potential of federal employees and hence the attractiveness of a federal career by reserving ever more senior positions for political appointees. Many of these positions, particularly at the deputy assistant secretary level, were once largely filled by career personnel.

### **Noncareer SES**

The authority for creation of the noncareer SES authority was brought about by the Civil Service Reform Act of 1978. The number of noncareer SES positions varies with the overall size of the SES, as the number of SES appointees is statutorily limited to 10 percent of the total SES. This also means that the number of them in any given agency may vary widely. The noncareer SES is the most recent type of political appointment created, and it is the only type of political appointment authority that has not grown demonstrably since its inception. Ingraham (1987) notes that, from 1979 to 1985, the number of noncareer SES positions ranged from 828 in 1979 to 688 in 1985. Light (1995) estimates that the SES had expanded to 8,130 by the end of the Bush administration, allowing for 813 noncareer SES appointments, approximately the same number as were available at the adoption of the Civil Service Reform Act in 1978 (58). The flat rate of growth tells us nothing, however, about the positive or negative significance of these political appointees. Especially problematic is their impact on the morale of the career staff.

### **Schedule C Appointments**

Schedule C appointments are appointments on the general schedule without career tenure, that is, at *grade 15 and below*. Schedule C appointees have a wide range of potential assignments including staff assistant to a political executive, chauffeur, and secretary, initiated by the Eisenhower administration. According to Light (1995), this appointment authority initiated by the Eisenhower administration vested in cabinet secretaries' authority to appoint "positions of a confidential or policy determining nature" without regard to merit (45). Typical appointees are special assistants, but also such positions as secretaries and chauffeurs. The number of Schedule C appointees in the Eisenhower administration ranged from 868 to 1,128. By the end of the 1980s, according to Light, there were over 1,700 Schedule C appointees in the federal government (46). Ingraham (1987) found that in 1986 "there were more schedule C Reagan appointments at the GS 13–15 levels only (946) than there were in total of Schedule C appointments at *all* grade levels" (911).

While the Schedule C appointments were legally and by tradition the prerogative of agency heads and cabinet secretaries, in the Reagan Administration, these appointments became the province of the White House Personnel Office, although the secretary or agency head remains the formal appointing authority for the positions. According to Light (1995), the Reagan White House established a

policy that all political appointments, including Schedule C appointments, would be subject to White House approval (56). Successive administrations have allowed the department to make such appointments, but only after review or clearance by the White House Personnel Office. In other instances the White House Personnel Office has made such appointments, but the Secretary of the department or agency director have been allowed to review them.

In addition to contributing to the overall politicization of the federal government, Schedule C appointees cause specific problems. The first is that many political executives have a tendency to become isolated by a phalanx of Schedule C aides. Schedule C appointees tend to act as gatekeepers of access and translators or distorters of information for more senior political appointees, and as such can screen political executives from needed interaction with career staff and exacerbate tensions and confusion.

Schedule C appointments are also problematic because they tend to magnify the problems noted previously with lower-ranking presidential appointees. The lower the rank of a political position, the more difficult it is to find a quality individual to fill the position and to justify why the position needs to be a partisan rather than career appointee. One of the authors interviewed a schedule C appointee serving as the secretary to President George H. W. Bush's cabinet, that is, she was not the Secretary of a department, but the secretary to the President's Cabinet. While it is true that the importance of the position depends on the significance a president attaches to his cabinet meetings, we think it fair to say that it was not a totally insignificant position and that at times has been quite important. This person was passionately partisan, her knowledge of government and its working bordered on tragicomic, for example, "there ought to be a law against Congress requiring all these studies of agencies," and her sole qualification seems to have been that she had organized one of the many inaugural balls. Incredibly, she had yet another schedule C appointee who served as her assistant. He was alert, young, eager, and as lacking knowledge of the government as she was. Matthew Holden (1991) describes some of these political birds of passage in this way:

Errand-running falls to the young, who come equipped with enthusiasm, the zealous obedience born of ambition to rise, and school-taught techniques. The younger people will have had a relatively limited political experience. Sometimes their only experience will have been with the person who is now the chief executive. The professed loyalty to the chief is passionate. The tone toward all others, is preemptory. The ambitious youngsters are able to exert influence in the world by gaining a reputation for having access to the center. (66)

Thus when it comes to politicization, Schedule C appointees have a tendency to "out-Herod Herod." This is because many Schedule C Appointees, as Holden says, tend to be younger, zealous, campaign aides eager to win their partisan stripes. They are used to operating in the "no holds barred" atmosphere of

campaigning. Whatever, the candidate seems to want, the campaign aide delivers—no questions asked. Holden explains some of the reasons for this:

Life within the entourage is framed by the possibility of a fall from grace. The very powerful are also vulnerable. Personal dependence and the elements of trust that might be presumed impose a demand for loyalty to the incumbent of the office. Doubt about “loyalty” however grounded, is both a severe impediment and an instrument in the war of one advisor against another. Loyalty is judged on many criteria. Verification of one’s own loyalty, to the satisfaction of others, is an ever-recurrent necessity. (1991, 66)

Thus, whatever or whoever threatens the candidate must be neutralized or destroyed. This may have an arguable functionality in the hurly burly of campaigning, but within government institutions and the processes of governance where politics takes on a much different guise and grammar, it can spell disaster and scandal.

For example a person such as a Craig Livingston, who held a schedule C appointment in the Clinton White House, and whose only qualifications were having worked as a campaign “advance man,” may or may not have asked for the FBI background files on Republican politicians. But if such files fell into his hands his background meant it was unlikely he would be sensitive to the fact that a serious mistake had been made and needed urgent rectification. Indeed, his background meant it was likely he would consider it a stroke of good fortune to be exploited as fully as possible. Whether or not that was the case, the Filegate scandal that was created from the event dogged the Clinton administration through both terms. These relatively low-ranking appointees can therefore contribute significantly to the increased partisan conflict, faux pas, and scandals that hurt the political executive and his administration they are supposed to serve.

We are unaware of any close scholarly examination of their role, but our own experiences in government bring to mind many instances where we know or have every reason to believe schedule C appointees were the source of damaging or would-be scandals if they are ever uncovered. For example, we believe it was a schedule C appointee who diverted an Air Force transport carrying supplies for an emergency field operation thousands of miles to pick up the golf clubs of the political executive who was his superior. In another instance, an overzealous schedule C appointee precipitated the assignment of special Air National Guard tanker planes equipped to fight forest fires to an emergency for which they were totally unsuited. He then thought it would be good PR to arrange a photo-op of such a plane dropping water on a house to save it from being burned. He did not understand that such a drop would flatten the house like a matchbox. Only greater knowledge, experience, and political astuteness on the part of career officials at the scene saved the mission from becoming a political disaster for the agency and agency head. They persuaded the schedule C person to stage the drop for photographers, but not on a house. Typically, the problems created by

persons in the schedule C positions are those resulting from lack of expertise combined with partisan zeal and an inability to recognize the difference between campaigning and governing. Lacking experience they are unaware that the politics of governing wear a different guise and unfold according to a different grammar. What is only “dirty tricks” in a campaign becomes illegal and even criminal in the institutional, legalistic, and highly transparent circumstances of governing. The Watergate Scandal in which a “third-rate burglary” brought down the Nixon presidency is only the most egregious example. Being zealous partisans, schedule Cs are quick to assume that all career officials are tainted with the partisanship of the opposition party. They are quick to amplify or distort and pass on to their partisan political superiors any real or imagined disloyalty of career officials. If there is no tension between their political superiors and the career staff, they tend to create it; if there is such tension, they exacerbate it. They are also prone to interfere and attempt to micromanage situations for the same reasons. Loyalty and confidentiality, the supposedly necessary qualities needed in these positions, become perverse and dysfunctional for the reasons discussed above.

### OVERHEAD DEMOCRACY AND THE ADMINISTRATIVE PRESIDENCY

Some scholars like Paul Light (1995) have pointed to the increase in the total number of political appointees, their layering in federal agencies, and the problematic implications involved. Amazingly, other scholars like Maranto (1998a,b) call for an end to tenure in the federal civil service, something that a number of scholars believe will result in still more political appointees and unfortunate results (Durant et al., 1998).

Why has public administration, which seldom hesitates to indulge its reform impulse in such things as reorganization, budgeting, personnel, auditing, and other matters, held back until recently in doing more to raise questions about the remarkable increases in political appointees that have taken place in recent years? Why are some scholars, most notably Nathan (1983, 1985), Moe (1985), Knott and Miller (1987), and Maranto (1993, 1998a,b) taking positions that implicitly or explicitly justify an increase in political appointees? The reason lies, we believe in one of the central tenets in the ontology or core ethos of public administration and political science: “overhead democracy,” a corollary doctrine to the concept of the “managerial or administrative presidency” (governor, or strong mayor), and a concomitant assumption that, regardless of the problems they create, political appointees are essential to the viability of both doctrines, and indeed the viability of democratic government. The doctrine of “overhead democracy” as originally developed, held that public administrators could be made democratically responsive and responsible by their subordination to *both* the legislative *and* the executive branches. Examined critically this is a logical impossibility, but tenets of political culture are not meant to be examined critically and much can be made to seem possible by verbal sleight of hand. Emmette Redford (1969) illustrates this beautifully in describing what became conventional wisdom among scholars in political

science and both scholars and practitioners in public administration. According to Redford:

Traditional literature on administration and politics gave us a model of how the administrative state ought to operate—a model that acquired orthodoxy in both administrative and democratic theory. It was a simple model of overhead democracy. It asserted that democratic control should run through a single line from the representatives of the people to all those who exercised power in the name of the government. The line ran from the people to their representatives in the Presidency and Congress, *and from there to the President as chief executive, then to lesser units, and so on to the fingertips of administration.* (71, emphasis added)

Scholars (with the notable and recent exception of David Rosenbloom (2000) and a few others) and practitioners of public administration had been and still are moving, sometimes consciously, sometimes unconsciously toward conceptualizing public administration and management as the instrument of the chief executive, and doing so to the diminishment of the constitutionally based role of Congress in administration and toward one of merely ratifying policy initiatives of the chief executive. Redford was critical of the trend, but to our mind did not go far enough in showing how far and how long scholars and practitioners had been pushing for a formula that they hoped would, in practice, center administration or management on the chief executive and limit the extensive constitutional role of Congress in administration to one of merely ratifying policy initiatives of the chief executive. Rather than trace the full history of it, let us begin with the rationale the Taft Commission on Economy and Efficiency of 1912 offers for an executive budget:

The reason for urging that the budget should be submitted by the President is that *the President is the only person who under the Constitution is responsible for the acts of the executive branch of what is known as “the administration.”* (143, emphasis added)

We submit that anyone reading Article I of the Constitution would have difficulty concluding that the President “*is the only person who under the Constitution is responsible for the acts of executive branch.*” Article I gives Congress an extensive and explicit role in administration (Dudley and Wamsley, 1998, 340).

Perhaps the move toward overhead democracy and a managerial presidency can be seen most clearly in the Brownlow Committees Report, which took what we consider breathtaking license with the Constitution in their recommendations. We do not know their intention and cannot attribute willful disregard of the Constitution to the committee and its staff. After all the principal models of a government executive with which they were familiar were the city manager within the council-manager form of government, a form of government, which Dwight Waldo has correctly referred to as the only unitary form of government in

America, and which is vastly different from the shared powers of the U.S. Constitution. It would be quite natural, however, for them to try to make the President the focal point of responsibility, which they were unable to locate in a Congress that they saw as a major source of waste, inefficiency, and corruption. Brownlow himself was a city manager and the council-manager form of government has been a mainstay in urban reform and nascent public administration of which the three-committee members and much of their staff had been a part. Perhaps they felt they could not be explicit about using the city manager as their model for a responsive executive so they felt compelled to try to draw upon and use the British government to make their point about fixing responsibility on the executive. But while it was drawing on a national government rather than the council-manager form of government in order to make a point about their recommended changes in their own national government, their logic is, to say the least, tortured. They could only do it by verbal sleight of hand. No doubt what they admired in the British system was the focus of responsibility in the Prime Minister and they wanted to see such a fixing of responsibility (and concomitant power) in the presidency. Therefore, they began with a statement that strains reason to the utmost: "Constitutionally, the President is the Prime Minister of the United States." After acknowledging that the President and Prime Minister are elected differently, a most important distinction for they are stunningly different, the report then slides to the point it wants to make by concluding that:

The mere difference in the method of choosing the President on the one hand and the prime minister on the other does not warrant the conclusion, therefore, that the executive branch of our Government cannot be made responsible. (Brownlow, 1937)

The final outcome was a reorganization of the government that went further than anyone had imagined possible toward creating a managerial presidency and nurturing the concept of overhead democracy. The reorganization created the Executive Office of the President and moved the Bureau of the Budget to it from Treasury. It called for the establishment of "12 great departments directly responsible in administration to *the chief executive*" (Ibid., 34).

The trend to the managerial presidency is also clear in the report of the 1949 Hoover Commission that followed the same path of distortion:

We must reorganize the executive branch to give it simplicity of structure, the unity of purpose, and the clear line of executive authority *originally intended*—with a "clear line of command from top to bottom." (Hoover, 1949, 3, emphasis added)

The Heineman task force (1967) appointed by President Lyndon Johnson almost two decades later hewed to the same line. Not until 1974 was there the slightest wavering in the doctrine of the president as CEO, and that was slight

indeed and largely in reaction to Watergate and President Nixon's plans to centralize powers even further (NAPA, 1974).

And still decades later we find Ron C. Moe (1994) referring to these words approvingly and saying:

This terminology was deliberately chosen to indicate that the commission accepted the theory of governmental administration first expounded by the Founding Fathers in 1787 and was concerned to reemphasize its essential validity for contemporary times. (112)

It is true, of course, that Article II, section I, states that "executive power shall be vested in a president," but the specific meaning of this sweeping phrase is left unclear and has been the subject of decades of struggle between presidents and congress. Congress has seized the opportunity to create positions of cabinet rank and below and to assign them statutory powers rather than the president, and of course they are as much or more subject to the pressures from congress as they are to those emanating from the White House. He may nominate persons to those offices but the Senate must confirm them. He may review and shape their budget request, but congress will do as it wishes with that request. He may try to influence and persuade such persons and their agencies, but congress can probably do this more effectively by hearings, investigations, and legislation. In the final analysis the grant of executive power to the president in Article II is, in the words of presidential scholar Edwin Corwin (1957) "a term of uncertain content"(3). As we have seen, however, this ambiguity has not deterred generations of scholars and practitioners from seeking to make the president the chief executive officer. All this by way of making the point that in our estimation Redford was not nearly as critical in his presentation of the "overhead democracy" concept as we believe he could and should have been. In fairness, however, it must be said that although he viewed overhead democracy as an important rationale for the American regime, he did criticize the concept as overly simplistic, suggesting that the influences on bureaucratic action bear in upon it from a variety of directions, thus making it seem more at the center of a web than a point at the end of a vertical line descending solely from the chief executive (72-80; Held, 1979).

Notwithstanding Redford's attempt to sketch a more complex and sophisticated model, overhead democracy's power as a normative theory in-use remained potent enough so that two decades later Lane and Wolf (1990) could state:

[overhead democracy] is a powerful normative theory which satisfies the need for establishing political control over the bureaucratic administrative establishment. The fact that the theory takes an overly simplistic view does not diminish its significance as a powerful influence on public organizational cultures. (100)

For most of the 20th century, and most intensely in the past three decades, the concept and the practice of overhead democracy has been steadily transformed

so as to mean the career officials are to be responsible and responsive largely, if not solely, to the president, who has been conceptualized in theory as the “chief executive officer” and spoken of in political rhetoric “as the only official elected by all the people” (Lane and Wamsley, 1998). “All the people” is of course a functional myth, but that need not detain us at this point. This transformation, some would say this distortion of the Constitution, has been possible, indeed inevitable, because of the failure of political elites generally, and political scientists and scholars of public administration in particular, to either fully understand or successfully convey to others, that “separation of power” is a misnomer in describing our government and therefore the managerial presidency or the president as “chief executive” is a serious distortion of the Constitution. Richard Neustadt was the notable exception to these lapses. As he put it, separation of powers would be more accurately described as constitutionally “shared powers—shared grudgingly” (Neustadt, 1960).

### **THE ADMINISTRATIVE PRESIDENCY MORPHS INTO THE POLITICAL PRESIDENCY**

The Nixon administration was a critical turning point in the “morphing” of our conception of our government from one of shared powers in which administrators were responsible to both the president and the congress, to one derived from overhead democracy in which the president was the chief executive to whom administrators reported first and foremost. The Congress had come to be seen as simply part of the environment of the White House, alien and irritating, but not to be taken seriously.

As Richard Nathan (1983) has shown us, Nixon began his first term committed to keeping the White House staff small and finding the best people to be his cabinet secretaries. He was trying, in other words, to operate a “strong cabinet government,” but found the results frustrating and disappointing. Nixon and his advisers felt that sending prominent persons who were “qualified” by dint of occupation or association with the interests concerned with the operation of particular departments led only to their pursuing their natural proclivity to act independently while “marrying the natives”; that is, allying themselves with the career administrators in the departments and its interest groups and becoming program advocates besieging or gaming the White House in general and him in particular.

By the beginning of his second year he had abandoned earlier ideas in favor of what Nathan calls a “counter bureaucracy” strategy, though it could just as well have been called a “counter prominent secretary” or “counter strong cabinet” strategy. Convinced that career administrators brought into government during Johnson’s Great Society effort were a major part of the obstacles to his efforts to cut back government, Nixon set about systematically trying to wrest policy initiative from them as well as the prominent cabinet secretaries. He expanded the White House staff and sought through structures like the Domestic Council and other “working groups” to bypass the secretaries by bringing together White

House staffers and “working level” departmental executives below the secretaries to develop policy initiatives (35).

He also sought to exile, isolate, or get rid of career staffers perceived to be obstacles. A variety of means were used to this end but one infamous example was the Malek Manual, developed by Fred Malek when he was with the Department of Health Education and Welfare (HEW) (Malek, 1971; U.S. Senate, 1974). It was copied and circulated widely outside formal channels. The message according to Paul Light (1995) was “You cannot achieve management, policy or program control unless you have established control,” and this meant “placement in all key positions of substantively qualified and politically reliable officials” (50). It did not take long for substantively qualified to be equated with “politically reliable.” The manual noted that the administration had inherited a legacy of “disloyalty and obstruction at high levels while those incumbents rest comfortably on career civil service status” (9006–9007). It went on to spell out strategies for “neutralizing” such persons. Regardless of how much or how little it was used, or how much career administrators actually were obstacles to White House policy, no one doubts that the Malek Manual reflected the administration’s outlook.

The result of this struggle by Nixon to gain better control of policy can be said to have resulted in the morphing of the administrative presidency into political presidency in which it was assumed that the only path to better control of policy was to appoint partisan loyalists to ever lower levels of administration. For example, the Nixon administration used the report of the second Hoover Commission to justify making the position of Assistant Secretary for Administration, which had traditionally been held by a high-ranking civil servant, a political appointment throughout the departments. This position had been an essential ingredient in providing continuity across changing administrations and providing appointees new to government or Washington with valuable information concerning the politics of government.

The essential role of the position can be seen in the experiences of one incumbent of that position in the Department of Labor.<sup>5</sup> He recounted how he was told by the incoming secretary that he should expect to “be gone in a few months.” The secretary had no government experience and proceeded to commit one gaffe after another against the advice of the assistant secretary for administration. Gradually the secretary began to follow the advice of the assistant secretary and a few months stretched into years. Of course there is no long-term happy ending to this episode because a later secretary converted the position to a political appointment, but it illustrates the value of the position being held by a career officer. The politicization of this critical position throughout the government has probably diminished the general competence of departments and has also added a fourth layer of political appointees to the traditional Secretary, Deputy Secretary, and Undersecretary. Moreover, political appointees now have proliferated both above and below the Assistant Secretary positions, and resulted in a bewildering array of titles and levels.

Jimmy Carter's campaign and presidency was the final step in the "morphing" of the overhead democracy concept into a conception in which the political presidency is complemented by the dual conception of it as plebiscitary (Lowi, 1979). Now being seen as "popularly elected" (the electoral college notwithstanding), the words of the 1912 Taft Commission have come to full fruition. The president, who is seen as the "only officer of government elected by all the people" is now expected to be the CEO of the executive branch (Lowi, 1979). This change in conception also marked the emergence of bureaucrat-bashing as a bipartisan campaign tactic and made antagonism between the president and the bureaucracy a more or less permanent feature of our political culture and philosophy of governing. President Carter saw himself as a "people's candidate" who won in the wake of Watergate by running his campaign outside of the normal channels, and perhaps even in spite of the established party and government elites. He believed that bureaucrat-bashing struck a resonant note with the electorate, but once in office he found that the issue had less purchase. It paralleled and was linked to his experience with government reorganization, which he assumed was a concomitant of bureaucrat-bashing. Although reorganization of the "bureaucracy made for engaging rhetoric on the campaign trail, it did not resonate on Capitol Hill. Not because congress harbored any positive feeling for bureaucrats, but rather because Congress was not ready to roll over and serve as part of the scenery of the "chief executive." It let it be known that it did not want the government reorganized by the president. It would unsettle interest groups and their relationships with committees, and necessitate restructuring committee jurisdictions, which is always an extremely delicate and difficult thing for congress to do. If there were to be any reorganizing done, Congress preferred to take the initiative.

Most of Carter's reorganization plans therefore went nowhere or achieved only minimal results. Eventually and ironically, however, his Presidential Reorganization Project (PRP) was able to produce a plan for reforming the civil service, which later would prove to be a more effective instrument of bureaucrat bashing than anyone could have imagined: the Civil Service Reform Act of 1978. The act was only passed by committing to making 10 percent of the new Senior Executive Service political appointees (discussed at length in Chapter 3). This was to have significant repercussions for the relations between civil servants and political appointees and for presidential transitions.

The poisoning of the relationship between the presidency and career public administrators reached its zenith, however, during the election campaigns and administrations of Ronald Reagan. Events of those years may have made it unlikely that the relationship will ever return to something like the alliance that existed in the Roosevelt and Truman years. This followed naturally from Reagan's simple but strongly held ideology and was captured in his famous sound bite—"government is not the answer to our problems; government is the problem."

The theory and practice of the Reagan administration's efforts at politicizing the civil service are forthrightly described and enthusiastically defended in Butler et al. (1984).

They centered on appointing to both cabinet and subcabinet levels loyal ideologues, or “Reaganites,” whose qualifications were first and foremost loyalty to the president and his ideology. As John Ehrlichman explained:

The three criteria we followed were, was he a Reagan man? Two, a Republican? And three, a Conservative? Probably our most critical concern was to ensure that conservative ideology was properly represented. (Newland, 1987, 45)

These appointees were not necessarily expected to know a great deal about the departments to which they were appointed. They were expected to know, or be eager to divine how President Reagan felt toward those departments and their programs. First and foremost they were expected to dominate and control career officials by preventing their access to “policy sensitive information” and participating in any activities perceived to have policy implications (Sanera, 1984, 13; Carroll, 1985, 169).

What needs to be said about this approach, which places policy control by the President and his party above all, and ranks ideological purity over substantive knowledge or astuteness in the politics of governance, is that it is more efficacious when the intent is to reduce government and its effectiveness, that is, ratcheting government and policy down or back, than it can be when trying to define problems and solve them through effective government action. To do the latter requires more input and participation of knowledgeable career officials who know government, the politics of governance, and the details of programs and their effective management. Indeed such knowledge and participation is essential in such a mode, whereas it is useful but marginally so in disassembling, destroying, or incapacitating government action through programs.

And to be fair, Reagan’s critique of the federal government struck at just that point of vulnerability. Government as problem definer and effective solver had become a joke to Americans fed a steady news media diet of government goofs, ineffectiveness, and chicanery. Few understood that many of the problems government was stuck with were what Michael Harmon (1995) calls “wicked problems”—difficult problems nested or entangled in other difficult problems—and that American public administration had not lived up to even its own expectations in dealing with such problems. The fact that it had done better than was recognized or might reasonably have been expected, and that it had done so under difficult conditions, and in the face of ever-tougher problems, was unfortunately beside the point. The Reagan critique found a receptive audience.

Given the Reagan Administration’s intentions toward government, the poisoned relationship created between the president and career administrators was effective and functional to the president’s intentions or “mandate” (Sanera, 1984). Viewed from outside the Administration and from the perspective of history, these efforts may be collectively described as a continuation and elaboration of overhead democracy with a plebiscitary, administrative/managerial, political CEO president

supreme in the realm of administration by means of an army of ideologically committed political appointees (Lane and Wamsley, 1998; Moe, 1985).

### THE COMPLICIT ROLE OF POLITICAL SCIENCE AND PUBLIC ADMINISTRATION IN THIS DISTORTION

The Reagan Administration did not, of course, invent the overhead democracy, the plebiscitary and managerial president and the drive to establish political and policy control by the layering of political appointees. As we have seen, all this has been evolving steadily for many decades. As far back as the founding debate between the Federalists and the anti-Federalists there have been differing views of what the presidency should be. No less a figure than Alexander Hamilton is often presumed to have been favorably disposed to a stronger presidency because he called for “energy in the executive.”<sup>6</sup> In more contemporary times, Herbert Kaufman (1956, 1073) identified the conflict within the study and practice of public administration between the doctrines of executive leadership and neutral competence. Kaufman felt the focus on executive leadership by public administration had played a part in transforming that focus into a quest for executive supremacy on the part of Presidents.

A constant theme used to justify this quest has been an appeal to long-standing democratic values embodied in Jacksonian representativeness and manifested in the form of loyal political appointees under the direction of a “popularly elected president.” We think, however, that public administration has been all too ready and willing to see political appointees as the necessary means of assuring managerial control for a “popularly elected” president. We conveniently forget or overlook partisan redistricting, the winner-take-all nature of single-member constituencies, the electoral college, the impact of campaign financing that relies on powerful interest groups, and other unsavory aspects that lurk beneath the surface and of the mythic “popular election” and “presidential mandates.” Public administration has been all too ready to accept the assumptions behind overhead democracy, the plebiscitary, managerial, and political presidency and to accept the assumption that such a president must have loyal political appointees (Kaufman, 1956, 1057). Students and practitioners of public administration have unwittingly abetted this presidential aggrandizement by: (1) talking, writing, and acting in the early decades of the field as though policy or politics *should be and could be separated* from administration or management; (2) in more recent decades by talking, and writing as though the two *could not be separated*; (3) our eager willingness, when called upon for recommendations and consulting to serve the purposes of plebiscitary and managerial presidents under the rubric of “reinventing government” or “the new public management”; and (4) often writing and acting as though politics and “management” *can and should be separated*. Is there any wonder that public administration has a legitimacy deficit? Of course, politics and administration cannot be separated now or ever, but we have not performed the difficult task therefore required of us as students and practitioners

of public administration: of either making them *seem* distinguishable in some way, or making their inseparability functional and legitimate for our system of government.

Obviously, both political executives and career executives are part of the political process in the fuller sense of the term. The role of the former has a decidedly partisan dimension and more likely involvement in that end of the political process that includes campaigns and elections, that is, who shall hold state offices and with what agenda; and the latter has a decidedly nonpartisan dimension and involvement in that end of the political process that includes management or administration, that is, state action upon the agenda that emerges from the electoral and governance processes, which is not necessarily synonymous with the agenda for which a successful candidate(s) campaigned.<sup>7</sup> The two sets of role incumbents are thus thrown together in that part of the political process that we could usefully call governance, which is a convergence of the politics of elections and the politics of administration. We have not, however, developed a conceptualization that makes this clear. Instead we have come to *deny* that politics and administration are dichotomous, while continuing to talk and behave as though they are. In so doing we have clung to a role of faithful servant to the president as CEO, which has only continued to exacerbate expectations of a plebiscitary, managerial, and inevitably a political president, which then leads inexorably to an aggrandized presidency (Pfiffner, 1991, 172–174).<sup>8</sup>

In spite of the way the constitution reads and in spite of Neustadt's aphorism that the President's power can largely be summarized as "the power to persuade" (1960), public administration, has maintained (with concurrence from political science) that the President is *the* manager, the CEO of the executive branch, and has generally assumed that many problems of governance could be ameliorated by giving greater power to the President (Brownlow, 1937; Heineman, 1967; Nathan, 1983; Willoughby, 1927). This has been an inevitable outcome of the field's largely unconscious desire for a way to turn a government of shared powers into a hierarchy of monocentric power in which policy direction would be clear and specific (or so we have wanted to believe) and career officials would simply implement policy by efficiently "managing" (or so we have too often defined what we do). With this kind of ambivalent role conception, and yet a desire to take part in shaping events we have been complicit in creating our own problems. The term "shooting oneself in the foot" comes to mind.

As a prime example, the intellectual force behind the 1978 Civil Service Reform Act was a leading figure of public administration, no less than a former dean of the Maxwell School of Citizenship and Public Administration at Syracuse University, Alan "Scotty" Campbell. Indeed, Campbell made the enhancement of the President's ability to control "unelected bureaucrats," one of the central selling points for the CSRA in his efforts to get the bill through Congress. This was done by making it possible for political appointees (up to 10 percent) to be part of the proposed Senior Executive Service (the noncareer SES appointments discussed earlier in this chapter and widely described to this day as "all carrot and no

stick”). It also made it possible for political appointees to “reassign SES personnel with the beginning of a new administration.”

We have singled out the role of scholars and practitioners of public administration and their complicity in transforming American conceptions of “shared power” into “separation of powers,” and the presidency (governorship, and strong mayorship) into plebiscitary “chief executive officers.” Their role has been important and perhaps one of the least recognized by them and others, but it is only one of several contributing factors. The transformation of the office has been seen as only natural, a part of a necessary and ineluctable evolutionary trend—a combination of our displacement of fears, hopes, and anxieties against it, our increasing expectations of the office in a world of depressions, crises, terrorism, and emergencies, and a perceived need to better manage a government of increasing complexity.

Lester Salamon has said, “between the 1930s and 50s the presidency emerged as the legitimating center of the national political order, the primary repository of national hopes and ambitions” (1981, 287). The evolutionary result has been described succinctly by presidential scholar Edward Corwin: “Taken by and large, the history of the presidency has been a history of aggrandizement” (Corwin, 1957, 57).<sup>9</sup> Interestingly, Corwin wrote these words before the two most arguably “imperial” presidencies of this half-century, those of Johnson (1963–1969) and Nixon (1969–1974). However, he added the admonition that is key for our purposes in this chapter that the presidency’s history of aggrandizement has not made it a more effective institution. And Schuhmann (n.d.) asks wryly:

Is it any wonder that a branch of government expected to act as savior has turned out, in recent years, to behave so much like Sampson? (1987)

Notwithstanding the decidedly mixed legacy of efforts to expand presidential control, Presidents have continued in the last two decades to attempt to assert more political control over the bureaucracy. A preferred method of doing this is increased use of political appointees, particularly the phenomenon of “layering” political appointees more deeply into the ranks of executive agencies, what Light (1995) characterizes as “thickening” government. Unfortunately, however, there have been counter intuitive and dysfunctional results. In fact, we would argue that the presidency has been substantially weakened in its ability to lead during the past 20 years, setting aside for the moment the contention that the President’s leadership capacity has always been more theoretical than actual (Schlesinger, 1989, 420–499).

This means that a more politicized, yet weakened presidency has attempted to assert more control over “the bureaucracy” even as its ability to lead it has been diminished. These same patterns have been echoed in many state houses and city halls throughout America.

As Lane (1994) argues, the President’s attempt to control the bureaucracy has manifested itself by substituting political responsiveness as a qualification for

career officials for the more traditional qualification of neutral competence of civil servants first established in 1883. As noted previously, however, public administration, because it has been unable to conceive of its own role as something more than managerial, has always allowed itself to be complicit in this because civil service reforms, executive budgeting, and government reorganizations have been portrayed as managerial means of creating more honest, effective, and efficient government, an arguable but rebuttable presumption. They also, however, have been vehicles for altering or distorting the constitutional role of the presidency by reconceptualizing the president as CEO after the manner of a city manager or corporate CEO. This has had the effect of giving the institutional presidency a claim to rival or surpass the congress's constitutionally specified power over the "bureaucracy" and importantly to forestall or trump any effort of public administration to conceptualize a legitimate role for itself in governance beyond that of the president's loyal instrument (Dudley and Wamsley, 1998; and Lane and Wamsley, 1998). Lane observes, however, that as presidents have inevitably sought to solidify, if not aggrandize, the power that flows from this reconceptualization of the presidency as managerial, they have just as inevitably sought to assert more control over the bureaucracy—the kind of power seeking that logically follows from the conceptualization of the president as CEO.

But the constitutionally mandated, shared powers nature of our government has always militated against: (1) a CEO conception of the presidency and (2) a role as "faithful instrument of the president's will" on the part of the bureaucracy. Nonetheless, political science and public administration have persisted in trying to make a system of polycentric power one of monocentric power, and that simply is not possible without causing dysfunction in the many forms we have discussed above.

Lane (1994) maintains that this struggle of the president to control bureaucracy has *not* resulted in more effective management of the bureaucracy, because "size, scope, and complexity of government organizations" militate against effective presidential control through political appointees and in fact through any agents (20, Salamon and Lund, 1982). Although civil service reform, the executive budget, and reorganizations fostered the emergence of the president as CEO or manager of the executive branch, and have given the presidency executive powers not specified in the constitution, these have *not* given presidents the kind of control they have felt they needed in light of mushrooming expectations.

### **POLITICAL APPOINTEES AREN'T THE SOLUTION; POLITICAL APPOINTEES ARE THE PROBLEM**

But it is equally important to say that political appointees have done little to bring about a more effective managerial presidency. Indeed, it can be said they have also militated against it (Campbell, 1986, 14). Nevertheless, as Ingraham, Thompson, and Eisenberg (1993) note:

for much of this century, but most notably for the past 25 years, political/career relationships in Washington have been marked by presidential efforts to direct and control the permanent bureaucracy better. The key players in this relationship are the political executives appointed by the President . . . and the top career management cadre. (263)

Ingraham et al. found that, while the number of political appointees remained relatively stable during the Bush and Clinton administrations, the overall number of political appointees had grown dramatically in the last quarter century. A similar phenomenon exists at the state level, with increased layering of political appointees but, at best, uncertain results from this layering.

In addition to being ineffective as an instrument of political control, increased use of political appointees causes other problems. The proliferation of political appointees has led to considerable conflict between career and political executives (Lorentzen, 1985; Durant, 1990; Colvard, 1995). Colvard succinctly captures the problem of career-appointee relations even in the best of times in stating:

Political officials come into an agency without detailed knowledge of the discipline of the agency and are suspicious of the career civil servants who have the knowledge they need. The career civil servants who have been developed as experts in their field, do not have a full appreciation of the legitimate role of the political official. Eventually they gain respect for each other, trust develops, and they understand their respective roles. (However) with the average tenure of political appointees being roughly two years, this process often takes a good deal of the time they have to work together. (34)

In addition to problems caused by the inexperience, short tenure in office, and hostility toward career bureaucrats found in political appointees, Aberbach and Rockman (1988) and Terry Moe (1985), suggest that politicization of the federal executive branch may lead to congressional retaliation. They speculate that congressional retaliation could take the form of more statutory restrictions on presidential personnel authority. We would hypothesize that it also is, and will, take the forms of increased congressional demands for investigations and studies. As the constitutional logic of *Federalist 51* suggests, none of the three branches of government will forever tolerate efforts by another branch of government to usurp its constitutional prerogatives. It is therefore certainly reasonable to expect an eventual congressional reaction to presidential usurpation of control over administration.<sup>10</sup>

We have reviewed alarming growth of appointees and the problems they create, as well as what has happened to the presidency and the complicity of political science and public administration in its distortion. We hope we have thus shown where we are and how we got to our present unhappy state in terms of political appointees and career executives. We are not arguing for congressional domination of the constitutional system, or even for efforts to diminish presidential

power. Rather we argue for searching for ways we might move to some more useful relationship.

### A MODEST PROPOSAL

We propose that the position of Assistant Secretary for Administration and their equivalents in all smaller agencies be returned to career status, thus making it the pinnacle position for Senior Executives. We further propose the elimination of all noncareer SES positions and all Schedule C appointments with exception of a few special assistants to political executives.

Noncareer SES appointments add yet another layer (or layers) between the career staff and the PAS appointees. The intended purpose of the entire SES corps, which was to create an elite group of nonpartisan senior administrators, has been blunted by the proliferation of PAS appointments and the layering of these appointments above the SES level of the organization, and it has in no way been advanced by making 10 percent of that corps political appointees. The most justifiable uses of political appointees, the so-called “heavy lifting” in public agencies—bringing political clout and high level political connections to an agency, providing varied private sector experiences, and the ability to have phone calls returned from the White House—are less likely to be found in someone who is selected for a noncareer SES slot, given the large number of PAS slots that remain vacant at any given time. In other words, if a person has settled for a noncareer SES appointment, it can be presumed (fairly or not) that in the pecking order of Washington he or she were not well-connected enough to obtain something higher, that is to say a PAS slot.

The Volcker Commission warned that “the more positions are opened up to political appointees at lower levels, the harder it is to recruit high-quality people to fill them” (Volcker, 1989, 224). Scotty Campbell’s original intention for the SES (Campbell, 1978), to create an elite corps of senior career administrators with mobility across agencies failed for a variety of reasons. Space does not allow a full recounting of those reasons here, but among them were: pay compression caused by being linked to relatively static congressional pay, institutional cultures that buttress a long tradition that weighs against moving among agencies, and abuse of the transfer provisions of the SES to punish suspected or anticipated disloyalty. One of the principal reasons for the failure of the SES, however, was that most SES slots have now been pressed too low organizationally to interest political appointees of executive caliber. As the Volcker Commission (1989) and Light (1995) found, the downward penetration of political appointees has pushed SES slots ever lower in the organization. We feel it is imperative that all the roughly 700 SES positions be open only to career officials. A cadre of career administrators at the Assistant Secretary level would provide a corps of truly senior administrators, provided that there was also a concomitant pruning of the bloated ranks of PAS slots and elimination of the 10 percent of appointees within the SES.

Such a pruning as our “modest proposal” would entail is in order, if for no other reason than the simple fact that it has become increasingly difficult to fill

all of the PAS slots available. PAS slots, by their very nature of requiring Senate confirmation, run directly into what David Broder termed in the *Washington Post* a “pipeline problem” with significant backlogs of presidential nominees awaiting Senate confirmation. As ideological partisanship has intensified and the legislative and executive branches have often been in different hands the confirmation process has become much more difficult, perilous and protracted. G. Calvin MacKenzie (1994) has conducted a study documenting the average length of the appointment/confirmation process over 30 years. He finds that it has quadrupled from 2.4 months under Kennedy to 8.5 months under Clinton.

For 20 of the past 32 years, the Senate has been controlled by a different political party from the one occupying the White House. This fact, combined with reduced deference to presidential selections (probably sparked by Reagan’s nomination of Robert Bork to the Supreme Court and John Tower to Secretary of Defense) have significantly complicated the process of confirmation for appointees. More than half of the appointees confirmed between 1984 and 1999 waited 5 months or more to be confirmed. As the pipeline problem has grown worse because of factors on the legislative side it has also worsened on the executive side. Two-fifths of those finally appointed felt the process was confusing and one-fourth said it was embarrassing. Nearly half felt the Senate made the process frustrating, and a third felt the same about the White House (Barr, 2000). Increasing numbers of potential appointees are simply not willing to endure the probing and disruption of their lives and careers that is entailed in accepting a high-level appointment. Paul Light sums up the situation—“it is no exaggeration to say that the appointment process is broken—as it stands now Mother Teresa would have trouble getting confirmed” (Barr, 2000). Nor does it appear likely to improve soon. Future administrations will likely be even more cautious and slow. As Paul Light says, “A bad appointment can hurt you a lot more than a good appointment can help you” (Barr, 2000).

Perhaps there is no better place to seek support for our “modest proposal” than to turn again to David Cohen, the retired SESer and his forty-six-page tightly reasoned polemic against amateur government. Cohen sums up his argument this way:

While the 3,000 political appointees at the top cannot be blamed for all the ills of the federal government, but they are a large part of the problem. They make the job of the civil servant harder, draining his energy and dampening his creativity and initiative. They comprise whole layers of unnecessary bureaucracy and impede communications and work flow. They often have fish other than their management duties to fry, and some of those fish have a bad smell. They also cost us a lot of money. (1998, 494)

Cohen goes on to point out that it would be futile to try to require qualifications and standards for political appointees because it would prevent politicians from rewarding supporters—the right political resume seldom has the right managerial credentials as well. Even if that rarity occurs, Cohen points out that the

government is not improved by a manager new to government service, distrustful or hostile toward career staff (and perhaps government generally), and who will not stay long enough to become fully effective (494).

Cohen also makes a convincing case for the assistant secretary ranks being filled by careerists, “nearly three-quarter of all Executive Schedule positions are in this category of officials who oversee major program or functional areas and report directly to the department or agency head.” This he says is the “level” at which career professional managers with long-term commitment to program and institutional needs are so critical.

Finally it should be obvious by now that this “modest proposal” is neither modest, nor is it simply about reducing salary costs. Although there would be millions of dollars saved by eliminating about 2,400 of the approximately 3,000 appointees (Cohen estimates \$350 million in salaries and \$150 million in processing annually [479]), the real savings would be less visible but more valuable beyond calculation in terms of greater effectiveness and perceived legitimacy of our government—a vast reduction in: the long-term vacancies, delays in refilling them and the resultant treading of water by the career staff; the extensive head-hunting and recruitment efforts, the excruciating long and detailed background checks; the agonizing confirmation proceedings, in-processing of the survivors, the disruptions and delays that go with vetting them into the organizational structure; the time lost absorbing and orienting the new appointees into organizational processes, the lost time that comes with dealing with their mistakes and misunderstandings; and finally, coping with their early and often abrupt departures. All these things are more prevalent at the beginning of an administration, but because of the rapid turnover are *annual, ongoing, and continuous*. The costs of this continuous dysfunction, whether measured in cost effectiveness or dollars, is staggering.

Nor should we forget that our “modest proposal” would also reduce political faux pas, scandals, foul-ups, wasted motion, and meaningless iterations that now accompany the accommodation of the patronage army. As things stand now, political appointees not only fail to give chief executives the control they wish, but they are also a major source of political difficulties and costs. They are perhaps most analogous to unexploded munitions that can be expected to go off at any moment. It is time to face this fact, to drastically reduce their ranks and expand those of the SES, and to seek in a variety of ways to develop trust and a working relationship between the remaining political appointees and the career executives.

## CONCLUSION

It is a principle bordering on a cliché of sound communication that less is sometimes more. The objectives for which political appointees exist, including managing the career service, are best served not by a large volume of political appointees but instead by a small number of higher quality appointees. In an era of divided

government, lessened career interest in the federal service, and weakened political parties, continued proliferation of political appointee slots, many of which will remain vacant for long periods of time, is a recipe for an ineffective government at a time when it is called upon to do more and more with less and less. If there has ever been a time since the end of the 19th century for scholarly concern, and even outrage, over the growth of political appointees and the threat they pose for effective politics *and* administration, this is it. And if the problems of filling these political appointments with qualified people gets any worse our government will not be one of “strangers” in Heclo’s memorable phrase, but instead a government of ineptitude and vacancies.

### NOTES

1. Deborah Gore Dean is the former barmaid and erstwhile socialite who was an assistant to the Secretary of Housing and Urban Development in the Reagan Administration. She was indicted on several felony counts and some of the charges are still being appealed at this writing. Craig Livingston is the former bouncer and campaign advance man who requested background files of nominees for office of the F.B.I. The files delivered included many of prominent Republicans thus setting off a minor scandal quickly labeled “filegate” that dogged the Clinton Administration for two terms. Gifford Pinchot was the famed naturalist and conservationist who became the first director of the U.S. Forest Service whose political and administrative skills are legendary. James Lee Witt is the was appointed director of FEMA by President Clinton when the agency was close to collapse and threatened with extinction. His political and administrative skills are credited with dramatically turning the agency around.

2. Although it hardly qualifies as outrage and did not focus simply on patronage, the tone of the report of the National Commission on the Public Service chaired by Paul Volcker was certainly one of deep concern.

3. One of the nine was never filled during the time of the study.

4. The evidence of a lack of confidence was clear enough in the wake of Hurricane Andrew. The president sent his own personal representative to supervise the relief efforts, thus leaving an embarrassed director playing second fiddle. Even more telling was the fact that the director was a protégé of Edwin Meese who was one of the president’s closest advisers.

5. Conversation with Mr. Al Zuck.

6. Though it is not at all clear that Hamilton would have equated “energy” with expansion of the constitutional powers of the president, that is nonetheless widely assumed.

7. Politics, of course, is the art of creating a “mandate” from an agenda comprised largely of campaign slogans and then getting something through legislative and administrative processes that can plausibly be claimed to resemble that agenda in some way. Or alternatively, taking events originating in the legislative and administrative processes and by selective rhetoric and symbol manipulation creating something that could be perceived of as an agenda.

8. Scholar Terry Moe avoids the use of the term aggrandizement, no doubt finding a certain pejorative tone in it. He speaks instead of “centralization” and politicization.” We think it can be argued that these are synonymous with aggrandizement but it is an arguable

point. Moe sees public administration scholars as being critical for “deinstitutionalizing” the presidency but offering little proof of deleterious effects. He also assumes that other institutions such as Congress will act to offset the trends of centralization and politicization. We think there is sufficient evidence of such negative effects and that he is being incorrect in his prediction (1991, 157, fn 36).

9. Much of the aggrandizement Corwin identifies is a result of national security issues, though expansion of presidential power to address these issues also leads to expansion of the powers of the domestic and managerial president.

10. The 104th Congress has been mixed in this regard, attempting to assert more control over some aspects of administration but also approving an enhanced rescission authority that shifts power in budget making, the lifeblood of administration, more toward the President.

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## **Civil Service Reform in the United States: A Strategic Analysis of Past, Present, and Future**

ALI FARAZMAND

Civil service systems have played a major role in governments and public administration systems since ancient times. The great civilizations of ancient Persia, China, Rome, and Egypt benefited from and developed civil service along with the massive military forces they had at their disposal. Similarly, reform of the civil service systems has been a frequent activity governments and politicians have undertaken to streamline, modernize, and improve their administrative systems. Darius the Great's comprehensive administrative reforms around 500 B.C. included, among other features, promotion of a civil service system with an emphasis on merit and in-service training throughout the vast Achaemenid World State Empire of Persia that extended from India and central Asia in the east to north Africa and south Europe in the west; the largest empire the ancient world had ever known. Chinese utilized competitive examinations for service entry. These and other historical civil service experiences were studied and seriously considered in the debates for civil service reform in the late-19th-century American government and public administration (see Van Riper, in this volume).

Contrary to the popular belief and the current general mode of anticivil service and antibureaucracy in the United States and around the world, both the civil service and bureaucracy are alive and well and indeed play a key role in the smooth operation of the American government and public administration. The nature, character, and role of these public organizations have, however, changed significantly. Any analysis of the bureaucracy and civil service system in this context must take into account a political economy perspective as well, in order to paint

a clear and holistic picture of the American system of public personnel management and public administration. This can only be done from a strategic point of view, utilizing a macrolevel analysis with a political economy approach, because any isolationist, microlevel analysis and atomistic discussion of the civil service reform become meaningless. Any reform has gainers and losers; Pareto optimality rarely exists.

This chapter provides a strategic analysis of the American civil service reform from an historical perspective, with future directions and policy implications. Due to space limitations, the chapter focuses only on the major civil service reforms that are considered by the mainstream experts as the landmark reform events in American administrative history. What follows is divided into five sections: First, the issue of civil service reform is presented briefly in a theoretical context. Second, a theoretical discussion of the rationales and models of reform is provided. This is followed by an analysis in Section 3 of the 19th-century Civil Service Reform Act of 1883 with a historical background to its inception. Forth, the developments in the 1930s through 1960s are discussed for a better understanding of the conditions leading to the later strategic civil service reform in the 1970s. Fifth, the Civil Service Reform Act of 1978 is analyzed with its implications for the later time. Finally, further reform acts are considered as part of a strategic, long-term policy goal of the corporate administrative state now in control of the public sphere in the United States with significant implications for not only the public personnel system at home but also for governance and public administration around the globe.

### **THEORETICAL CONTEXT OF CIVIL SERVICE REFORMS**

One of the fundamental functions of any government machinery in the world, whether democratic or autocratic, capitalist or socialist, involves a twofold strategic task: (1) to facilitate the smooth operation of the functions and responsibilities of the temporal government, that is to perform public affairs functions; and (2) to provide an effective mechanism of organizational control over the complex of governmental organizations involved in the functions of maintenance and enhancement of the dominant economic and social system, either in capitalism or socialism. The function of service delivery, including security, stability, and problem-solving and development is an implicit component of these two broad functions.

Civil service system oils the machinery of the ruling governance system in place; it provides administrative continuity, stability and order, and professional competence with partisan political neutrality that protects administrative behavior from the rushes and abuses of political sentiments of the time. Civil service systems, as opposed to military personnel, are composed of civilian career-oriented personnel whose actions and inactions are governed by structural and process laws, rules, procedures, and values. While civil service systems have a heavy emphasis on career-oriented merit systems with seniority-based organizational

behavior, their strategic leadership positions are most often occupied by political appointees as executive representatives of the governing political party and ideology.

In essence, civil service systems provide (a) managerial, (b) political, and (c) legal bases of administrative behavior in government, with an ethical safeguard against potential abuses of partisan politics. Yet, history of governments, including the American governments, is full of stories of partisan, political, and personal abuses of career civil servants by political bosses. While these three functional roles of the civil service systems can potentially work together in harmony (especially in parliamentary government systems and to some degree in presidential systems like the United States), the managerial and legal functions can, and often do, conflict with the political functions of system maintenance.

This issue has been a key scholarly concern in public administration and bureaucratic politics, with scholars emphasizing the three approaches of *law, management, and politics* in the study and practice of the field (see Rosenbloom, 1993). To Rosenbloom, there is an inherent conflict between these three dimensions of, and approaches to, public administration, yet there is no clear answer to the potential problem. Dwight Waldo (1992) further explores the dilemma of reconciling the values of bureaucracy and civil service on the one hand, and those values of democracy and political system maintenance, on the other; his answer seems to be a need for both, with a “strive” to achieve the goals of the latter. It is extremely difficult, if not impossible, to conceive of democracy without bureaucracy (Waldo, 1992). This is a great scholarly debate beyond the scope and limit of this short essay.

What is important to note, therefore, is that civil service systems serve as a key instrument of rationalizing and implementing political, economic, administrative, and ideological goals and objectives, but away from the rushing and emotional characters of temporal political forces. They also serve many other functions and purposes, such as providing public employment, professionalizing the administrative system, providing technical expertise, establishing history and records, providing stability and continuity in government systems, promoting institutional memory through knowledge of expertise and experience, and offering structural guidance to political as well as administrative leadership.

These strategic instrumentalities of civil service system are a key to effective governance and to political leadership in pursuit of specific governmental or partisan goals and missions. As such, strategic civil service system is an integral part of governing and governance systems, and certainly instrumental to different political and governmental systems. Therefore, in both theory and practice, civil service systems (there are different systems of civil service orientations and applications) are key instruments to strategic public personnel administration in building and managing human capital in all times, especially in the 21st century.

Civil service systems by design, like any institutional system, have three fundamental features: structure, process, and culture. *Structure* consists of organizational hierarchy, decision authorities and levels, rules and regulations governing

organizational actions, power relationships, and the linking pins to external as well as internal organizational environmental centers or points of interests, significance, and influence. For example, knowing their limits of organizational domains, a higher civil servant in a particular government organizational system may interact—either by necessity, functional duty and requirement, or personal desire—with key outside officials, policymakers, other civil servants, and citizens for the sake of organizational and professional purposes or both. Yet, structural requirements or rules may forbid direct personal interaction or communication between lower level civil servants with senior career servants, or vice versa, and similarly between mid-level civil servants with political executives of an agency. Structure, therefore, provides guidance and roadmaps, and defines the scope and limits of “what” is to be done; and structuration is a key organizational and leadership activity (Farazmand, 2004, 2005).

*Process*, on the other hand, defines “how” things are to be done, “what” a structure has allowed, and it provides the means by which the roadmaps are followed and the destination is reached. Processes help get things done, with or without efficiency, effectiveness, fairness, accountability, and transparency. Organizations and governments may be efficient yet secretive, unaccountable, and lack transparency, and indeed in violation of laws and regulations that serve to protect individual, constitutional, and other democratic rights of citizens and others.

*Culture* reflects the values, attitudes, perceptions, and beliefs of people or employees who do the work of the organization; they shape the culture of the system. The culture in turn is both formal and informal. The former represents the formal rules, regulations, and procedures hierarchically dictated and communicated for task implementation and goal achievement, while informal culture represents the grapevine, ideas and information originated and communicated by employees and workers through “conversations” and nonorganizational means. Once formed, informational culture can be a potent force to deal with; it can serve as either a catalyst or barrier to organizational change. Thus, institutional and cultural approaches to change and reform are considered more desirable to organizational and system change and transformation (Peters, 2002).

## RATIONALES AND MODELS OF REFORM

### Rationales for Reform

The need to reform a civil service system arises when these central features—structure, process, and culture or values—are either outdated, have become sluggish and inefficient and lack vibrant dynamics, are inflicted by corruption, or are resistant to changes that are demanded or imposed by external as well as internal forces, pressures, and expectations. The inability to adapt by a civil service system to changing conditions of governance and administration—both internally and externally—raises an urgent need for reform and transformation in the

system, so as to respond to the dynamics of change of the time. Thus, adaptability and flexibility constitute one key rationale for civil service reforms. Civil service systems are generally structured by laws, rules, regulations, and procedures emanated from constitutional, legislative, judicial, executive, and agency sources and decisions. Civil servants are expected to observe these legal bases of actions within organizations that perform government functions within the rule of law and constitutional democracy.

By tradition, merit-based career civil servants also enjoy a degree of professional independence and are protected from potential partisan influences and politicians' preferential dictates or abuses. While independent professional expertise with legal protection may serve against corruption and partisan or personal abuses, the system may be viewed as resistant to political changes demanding higher values of efficiency, political responsiveness, and popular accountability. Balancing these two sets of legal/organizational and political values is a delicate issue that has been the subject of all administrative reforms, democratic governance, and bureaucratic politics for at least over a century.

A problem arises when external changes demanding civil service reform and transformation are viewed—rather accurately—as against the broad public interests and in such situations a civil service system resistance may be needed to protect universalistic public interests and values against particularistic private group or class interests. As will be seen later, this was a subject of professional debate during Ronald Reagan's presidency in the 1980s, when Donald Devine took extreme political measures to restructure and reform the civil service system—actually destroyed it—to achieve partisan political goals, measures that many professional civil servants objected to and resisted, but lost the battle (Newland, 1983). Similar political measures have been adopted by George W. Bush during his reorganization and consolidation of the security, intelligence, and immigration organizations into the Department of Homeland Security staffed with political appointees and nontenure civil servants, appointees at will (not to be confused with employees at will).

By far the most often noted and professed rationale for civil service reforms has been the elimination of corruption and building professional competency in the administrative and government system. Other rationales for reform include political reorganization and reforms that would restructure the system more in line with the rest of the governance system, modernization of the system processes and procedures, professionalization and institutional capacity building, and flexibility of the system to respond, to revive and perform more efficiently, effectively, and accountably in times of major socioeconomic changes. Still, sometimes reforms are adopted for the sake of reform, or simply to follow the trends set by others. For developing and less developed nations, the choice is limited, as reforms have demanded, as a condition, by powerful "external forces of policy change" such as the United Nations (UN), the World Bank (WB), the International Monetary Fund (IMF), the World Trade Organization (WTO), and other donor governments like the United States, European governments, and Japan. They tend to reshape the

economic and political landscape of the world in the age of capitalist globalization with an antisocialist ideology (Farazmand, 1999).

Thus, civil service reforms have always been a key strategic policy instrument in public administration, and essential to strategic changes in governments, directly or indirectly. All changes have consequences with political economy implications for those who benefit and those who lose in the process, and civil service reforms are no exceptions.

### **Models of Reform and Change**

Models of reform and change are in two categories, one dealing with the substance and consequences, and the other with the forms and directions.

*Substantive reforms* explain what entails and what is included in the civil service, how the new system is to perform, as well as who benefits and loses. Substantive civil service reforms also give policy priority signals of the administration in charge. They contain structural, process, and value features. For example, the Pendleton Civil Service Reform of 1883 established a merit system and signaled a strategic professionalization of public administration and government in the United States. Similarly, the 1978 Civil Service Reform Act strategically positioned the U.S. civil service toward a “businesslike” system of personnel management with extensive managerial flexibility and political executive discretion in employee-management relations; it also paved the way for privatization and contracting out schemes of the 1980s and beyond.

*Formative models of reform* include origins or forces behind reforms as well as directions of reform decision authorities. Guy Peters (2002) identifies three models of reform: top-down, bottom-up, and institutional models. *Top-down reforms* are elitist models of reforms decided and dictated by political and administrative elites; organizational elites take charge of implementing top-down reforms throughout agency and departmental systems. Organizational members have no say in the reform process but are affected by its consequences. *Bottom-up reforms* are considered *environmentally* induced or pressured reforms that reflect popular demands for change, with presumed responses by organizational elite’s adaptability to change. *Institutional reforms* are considered more holistic and inclusive models of change that involve institutional culture and values as well as people or members of the system being affected by the reforms. The institutional model is therefore viewed as more desirable as it offers the advantages of both top-down and bottom-up models with additional features of cultural acceptability of the people being affected (Farazmand, 2005).

Most civil service reforms have been of top-down types, with few on institutional basis. Elites respond to popular citizen pressures or demands for change as long as the changes do not disturb the status quo system, or enhances the system with new directions. The sweeping privatization and contracting out or outsourcing of governments in the United States and around the world since the 1980s

have been of the latter form and direction, toward market-based and corporatist governance systems promoting the goals of globalization of corporate capitalism in America.

### THE CIVIL SERVICE REFORM ACT OF 1883

Also known as the Pendleton Act, the Civil Service Reform Act of 1883 was the first comprehensive civil service reform legislation in the United States. It was a pioneering act of legislation that had transcending effects on the national, state, and local governments across America. States and localities also adopted similar reform programs at the turn of the 20th century, commonly known as the progressive era characterized with professionalization of public management, council-management system, and merit-based competitive examination systems (Cayer, 1995). The 1883 civil service reform was a major part of a series of administrative, economic, and political reforms that were carried out as a result of many socioeconomic and political changes, upheavals, and events that took place in the latter half of the 19th-century American history.

The political economy issues of this period included, among others, the civil war and abolishment of slavery, the rise of large-scale industrialization and its corresponding monopolistic economic enterprises or corporations across the states, the farmers movement, the labor movement, the expansionist wars for land acquisition to the far west and south forcing Native Americans into confined “reservations,” and the massive corruption that had swept the governance and administrative systems of the United States at all levels of government since the early part of the century.

In brief, the Civil War ended with the supply of a large number of freed slave-labor force moving into the industrial base of the North, and with the expansion of railroad west and southward, industrialization of the south emerged also. Industrialization created a new challenge of labor organization, an issue that demanded government attention. Similarly, interstate commerce expanded and in turn required some sort of government regulations as different states practiced differential treatments concerning labor, transportation, and public communication. In a growing economy and society, social problems also rose as immigration and population growth expanded into town and westward territories.

Northern industries and cities attracted freed black slaves and absorbed them with differential and low wages, creating more challenges of discrimination, managerial abuse, and corresponding rise of labor movement organizations such as the Knights of Labor and American Federal of Labor (AFL) to demand better working conditions, reduction of working hours, and abolition of child labor, among others. Other changes and corresponding challenges demanding reforms and government actions characterized 19th-century America. However, for the purpose of this chapter, the most important reform movement of the second half of 19th-century America was the administrative reform

to manage the machinery of the government and public affairs (Skowronek, 1982).

The “government by gentlemen” of the early 19th century had already given way to the Jeffersonian and Jacksonian “spoils system” by which partisan and personal loyalties would serve as bases of employment into public office. While the government by the gentlemen “elites” was modified by the government by the “common nonelites” in the administration, the personnel system of government was replete of moneyed office seekers and corruption began to sweep the government administration throughout the entire United States of America. Sale of office for favor and money was common, and the well-intentioned Jacksonian “office rotation” system of personnel management was abused to scandalous levels. This and other forms of corruption reached the highest level of concern during the Lincoln administration engaged in the civil war and in dire need of politically and personally loyal people to carry out public policy decisions.

The rising corruptions in the governing institutions and the administrative system rose a massive popular protest that called for major reforms aimed at abolishing the spoils system and public office corruption, and protecting civil rights and other constitutional rights of citizens. Similar callings were made for reforms in social and economic areas of interstate commerce, market performance, and public-private sector relations. The result was the beginning of the rise of what Dwight Waldo (1948) has dubbed the “administrative state” or the government bureaucracy composed of a complex of legislation, laws, rules and institutions in the executive branch of government to regulate the private economy, monitor market activities, promote free interstate commerce, and streamline the government administrative system as demanded by the changing socioeconomic and political conditions of the time.

The growing in size and functions of the American federal government, rising from a nation-state to a fast industrializing regional and international power, became more complex and sophisticated beyond the capacity of a government staffed by “common-men.” It required a far more competent, efficient, and specialized organizational and personnel system with technical expertise, functional skills, and professional knowledge to run this rising international government. The Pendleton Act of 1883 was the “strategic answer” to this rising need challenge of the time. It aimed at modernizing the government system by building capacity in its personnel administration through creation of a modern civil service system that would meet the challenges of the new time beyond the 19th century.

The Reform Act aimed at abolishing corruption by introducing a “merit system” replaced the runaway “spoils system” and created several *structural* features, such as the collective governing body of the Civil Service Commission (CSC), to promote and protect the merit system and handle its violation cases. The purpose was to create a professional civil service system highlighted by efficiency, fairness, and good government; more importantly, its mission was to provide a “check and balance” system, to be the “ethical watchdog, the moral guardian of governmental

decision making” (Thayer, 1997, 95). *The process* of accomplishing the goals included mechanisms of a competitive examination system for entry positions, with a grade system that would allow promotion based on merit performance and job related qualifications with a career path to raise cadres of civil servants to highest possible levels so they would serve different political masters with the same institutional and professional knowledge, skills, and competence.

The emerging institutional *culture* emanating from this new system of civil service and personnel administration was based on the cardinal values of professionalism, technical expertise, knowledge and skills, efficiency and effectiveness in the management of public affairs, regardless of political bosses’ orientations or preferences. The result was increasing professionalization of public personnel administration with a growing self-conscious civil service system that managed the functions of a modern government. The political emphasis of separating administration from politics, that is the “politics-administration dichotomy” as the administrative doctrine of the time espoused by Woodrow Wilson’s (1887) essay “The Study of Administration,” was clearly interpreted as a “political neutrality” and “neutral competence.” These values of administration away from politics shaped, rather erroneously, the “first orthodoxy doctrine” in the American history of public administration as we all know it.

Thus, government by the “spoils and corrupt” was replaced by the “government by good and efficient.” These characterizations, explanatory as they may be as far as the professionalization of the personnel system is concerned, can promote a misunderstanding and false representation of governance systems both politically and economically. Poignantly speaking, the government by “the elites” remained unchanged, and indeed was reinforced by new institutional developments, but the new government was managed by professionally trained and efficient civil servants whose employment was considered a “privilege, not a right.” That meant that good and efficient public employees could be dismissed and politically abused at any time, even though civil service protection mechanisms had enjoyed some degree of independency via “neutral competency” afforded them. Thus, the new governing elites representing the powerful economic interest groups, that is the new industrial corporate elites and other commercial and financial elites, along with the rising military elites, formed the new power structure elites of the nation in search of regional and global expansion through wars, diplomacy, and economic instrumentalities.

Therefore, Mosher’s (1968) characterization of the history of American public personnel and civil service system from “government by gentleman” to government by “professionals,” “professional state,” or “labor unions” of the 1960s should not be mistaken and taken with face value; government by elites, especially the “corporate business-military-political elites” has indeed been enhanced and strengthened. Professionalization of civil service and public administration has actually meant a reduction of discretionary power for political governing elites representing the real power structure, and de-professionalization and de-civilization of public service and administration enhance those arbitrary and

discretionary powers and authority in administration and governance, as we have witnessed since the 1980s.

The professionalization of the civil service and personnel system, therefore, placed in government a modernizing strategic instrument of governance and administration capable of responding to the challenges of the “modern times,” and of meeting the demands of the new “industrial state” with national, regional, and global programs and policies. This was done along with a strong “patronage” system allowing in the bureaucracy key political executives carefully selected based on personal, political, and partisan loyalty as well as financial campaign contributions, that is “money.”

Thus, spoils system never left the personnel and civil system. This was the trend that continued—the dual career civil service and patronage systems—throughout the first half of the 20th century and during the two world wars, which increased the demands for more professionalization of public service and administration, and of the growing American bureaucracy. It was further enhanced during the global ideological cold war following World War II, served the globalizing government and transworld corporations worldwide, and through judicial intervention (court cases on employees constitutional rights) and political executive orders (for example, Kennedy’s executive orders on government employees right to unionization and Johnson’s on Affirmative Action) and civil rights movements from below gained a number of rights and privileges, including antidiscrimination civil rights laws and replacement of the “doctrine of privilege” with the doctrine of “substantial rights” granting public employees some degree of protection through due process of law against arbitrary managerial actions.

However, these developments were accompanied by a growing uneasiness, and even hostility, among a wide range of opponents of the growing “administrative state” that became even larger during and after the Great Depression induced New Deal programs and post-war turbulent decades of the 1950s and 1960s. Critics of the growing largess of the civil service and bureaucracy in the United States came from left or right and from business elites to academics whose cries for reclaiming democratic powers away from unelected discretionary bureaucrats were recorded and heard everywhere in late 20th century (Sayer, 1948).

The popular media, also owned by the elites, joined the band wagons and the result was preparation and mobilization of citizen publics to wage a war of bureaucracy-bashing and to get rid of the now “inefficient” and slow moving “monster” bureaucracy that only feeds itself and the “entitled welfare recipients” of the country. This rhetoric became the slogan of the 1980s and 1990s, and beyond. Elsewhere (Farazmand, 1989) I have discussed this major development beyond the scope of this short chapter. Other scholars have also done a great job (see, for example, Goodsell, 1995; Peters, 2001). Suffice it to say that the antibureaucracy, antiadministrative state, anticivil service, and now antipublic service began to prepare a political agenda for a new “civil service reform” that would solve the purported problems and streamline the government-corporate business relations in America.

### THE CIVIL SERVICE REFORM OF 1978

The late 1970s was the beginning of a new era of bureaucracy-bashing and anticivil service systems in the United States. It also ushered a resurgence of the old “spoils system” under partisan political bosses in government. Having served its strategic role of enhancing a globalizing system of government and corporate capitalism, the increasingly self-assertive, broad public interests-oriented civil service and bureaucracy with high professional and partisan neutral administrative “standards” had by the 1970s become a rival competitor to the corporate business sector and its representative legislative elites in Congress who viewed competent administrative state a threat to their political discretionary power. Thus, the bureaucracy became the target of attacks, on the ground of democratic principles, from almost every direction, but mostly from the corporate business-funded think tank organizations, scholars, and politicians.

Almost every presidential candidate in 20th-century America campaigned against the federal bureaucracy and promised to destroy it. None did so after election to office; indeed, almost all left office with an even larger bureaucracy behind. All presidents have used the bureaucracy as a strategic instrument of change, policy, management, and all have benefited from its civil service system (Hecl, 1977). The legal and managerial foundations of the professional civil service system had provided a safeguard against abusive and unethical partisan and interest group-oriented policy and administrative actions for many decades. Now these foundations were considered by the conservative Right—politicians, business elites, and their academic counterparts—as a threat to flexible managerialism of the businesslike political executives and ideological politicians whose ultra conservative agendas were also directed by the conservative evangelist religious right with over 70 million church memberships under influence as time marched into the 1990s and the new millennium.

A series of antiproperty tax propositions adopted by various states paved the impetus for serious government cutbacks and civil service reforms that altered the character of the federal civil service and bureaucracy. Right after election to office, Jimmy Carter proposed—and received unanimous approval from his democratic Congress in 1978 for—a Civil Service Reform Act that changed the 1883 Reform Act’s provisions in both form and substance. It was the second most comprehensive reform measure since the 1883 Pendleton Act. It moved the country’s century-long established professional civil service with competent administrative standards toward a businesslike corporate personnel system at the discretionary disposal of partisan-motivated political bosses. According to its architect, Allan Campbell (1978), the act put the “personnel management . . . among the top priorities of the federal government” and replaced a “nonsystem” (Campbell, 1980) in pursuance of Carter’s bureaucratic reform agenda, which turned into a “bureaucratic-bashing” strategy “that painted all civil servants with a common—and negative—brush” (Ingraham and Thompson, 1995, 56).

The Carter’s CSRA was both *formative and substantive*. The formative changes included several *structural* arrangements, such as the replacement of the collective

Civil Service Commission (CSC) with an Office of Personnel Management (OPM) headed by a single director, a Merit System Protection Board (MSPB), a Federal Labor-Relations Authority (FLRA), a General Counsel for merit system protection, and a few others. The legislation also provided a whistle-blowing protection measure aimed at preventing corruption and promoting accountability and ethical behavior in public service, a measure that has failed the test of four presidents. But the most important features of the legislation were the threefold *substantive* changes that altered the spirit of civil service system in the federal government.

The first and most important feature of the reform Act was the *flexibilization doctrine* in dealing with the higher civil servants (and all others). The former supergrades who were now renamed as “senior executive servants” (SES) were given the option of getting out of the civil service protection and to perform as “generalist executives” for higher pay and bonus systems similar to corporate executives in the private sector, subject to a new “performance evaluation” requirement. Flexibilization was also developed through the SES *mobility and rotation* system, the ability to move or transfer to other agencies in need of managerial capacity. These two features of flexibilization were supplemented by appointment of 10 percent of SES positions with political executives at the top, plus similar provisions at other levels of the civil service system, allowing more discretionary patronage appointments on political and personal bases. Similar to the British elitist model, this feature of the civil service reform was a strategic change making a large number of “generalists” available to various agencies of the government under control of the political leadership.

The second substantive change was reform of the public sector labor-management relations through creation of a federal “Authority” acting like the private sector National Labor Management Board (NLRB). The Authority’s empowerment to handle public employee relations limited unions’ power and employees’ ability to take cases to courts by referring matters of disputes to administrative judges or “agency adjudication.” This change was consonant with the conservative Supreme Court’s new doctrine of “agencification” of public employee relations in the last two decades, empowering administrative judges and agencies in matters of constitutional individual rights.

The third substantive change involved measures urging innovation and experimentation with new managerial techniques to find means of increasing efficiency and improving productivity in government organizations. These measures empowered agency executives to exercise private business techniques, approaches, and methods of organization and management with great flexibilities. Together, these three sets of substantive changes moved the federal civil service system closer to the private sector businesslike personnel management, subject to almost unlimited political pressures, influence, and discretionary authority. The flexibilization doctrine provided strategic instruments to public personnel *processes* of government and public administration.

The Civil Service Reform Act of 1978 has received a great deal of scholarly attention. While its supporters have praised it as “a remedy for bureaucratic ills”

(Campbell, 1980), critics have been many from various walks of life, calling its provisions a major “gift” to Ronald Reagan who used it as a key political instrument to reward partisan friends and punish unwanted civil servants, destroy the spirit of civil service system, and to cause a “crisis” in the federal government (Farazmand, 1989; Levine and Kleeman, 1986; Rosen, 1986; Thayer, 1987).

Perhaps a key matter of the fact is that Carter’s reform *strategically* positioned the civil service system as a political management tool toward a businesslike personnel administration with great opportunity for political and organizational use and abuse of power, subjecting career employees to partisan political pressures, and destroying a century-long established system of professionalized safeguard that had served as a watchdog system against political corruption in the federal government. The Civil Service Reform Act of 1978 led to the “death” of an independent civil service system that had by spirit served as “an ethical watchdog, the moral guardian of governmental decision making,” with the Pendleton Act of 1883 actually being “the full equivalent of a constitutional amendment” (Thayer, 1997, 95). It contributed to political abuse, as “easy firing” of career appointees by political bosses was made possible, along with increasing corruptions that occurred in various departments of government throughout the 1980s and 1990s.

However, the political economy of the Reform explains the strategic instrumentality it was intended to serve in the rapidly changing socioeconomic environment of corporate globalization with a need for a *flexible and subservient* federal bureaucracy under total political control. As noted earlier, historically, the federal civil service system was concerned with the “progressive era” managerial and legal values of efficiency and fairness in managing an expanding federal government with increasing domestic and global responsibilities. The political values of democratic responsiveness, responsibility, and representativeness were considered an inherently embedded component of the political and administrative arrangements within the administrative state under elected officials and their political appointees. But the relatively independent civil service system, especially since the two Hatch Acts of 1939 and 1940 protecting public employees from partisan political activities, was a professional body of neutral competence that had served against political bosses and their potential abuse of authority in government decision making.

This notion of embedded accountability and political control of the bureaucracy came under severe questions from various sources in the 1970s. The key concerns seemed to focus on democratic representation to citizens, as espoused by the conservative right politicians and scholars of “public or rational choice” theory (see, for example, Buchanan and Tullock, 1962; Niskanen, 1971). Their bureaucracy-bashing was followed with a call for massive privatization of government functions, dismantlement of the administrative state, and reduction of the civil service and bureaucracy into an instrument of law and order for social control. The subsequent reorganizations, reforms, and treatments of the federal civil service and bureaucracy under Reagan, who had viewed “government as problem, not a solution,” proved how wrong or naive even the good-intentioned

supporters of the 1978 Civil Service Reform were. Indeed, it was a powerful gift to Reagan's director of OPM, Donald Devine, who viewed OPM as a "political management institution," politicized the civil service, abolished the examination systems for career recruitments, and placed ideologically oriented right wing partisans in strategic positions of the system. He caused a virtual disintegration of the SES as well as demoralization of the entire federal civil service, and transformed it into a powerful instrument of "political management" (Ingraham, Thompson and Rosenbloom, 1993; Newland, 1992).

More civil service reforms were followed under the Clinton administration, with a further comprehensive aim at its flexibilization, and productivity-oriented goals to be achieved through downsizing, privatization, and other mechanisms similar to private sector business operations. Indeed, Clinton's vice president Al Gore's National Performance Review (NPR 1993) program of reform was a more comprehensive step beyond Reagan's and toward sweeping privatization, outsourcing, and changes, both substantive and formative. This was in line with the so-called "reinventing government" with business-entrepreneurial ideological concepts as prescribed by the White House consultants Osborne and Gaebler (1991). As a result, a new *culture of political entrepreneurship, spoils, and businesslike personnel management* was established by the time George W. Bush took the White House away—through the Supreme Court intervention—from his rival presidential candidate, Al Gore, in the year 2000.

Thus was placed the strategic position of the federal civil service and bureaucracy to serve the globalization functions of corporate America through sweeping privatization, a one-size-fits-all businesslike "new public management," and other measures that George W. Bush's administration has aggressively expanded on. The end result has been the rise of a new business-oriented managerial "orthodoxy" of "new public management" as we all know it. Elsewhere (Farazmand, 1999, 2002, forthcoming), I have argued that both sweeping global privatization and the spread of "new public management" in public administration theory and practice have served as *strategic instruments* in accomplishing the goals of corporate globalization and reducing the role of government and public administration into servants of the particularistic private big-business elites.

### CONCLUSION: FUTURE OF THE CIVIL SERVICE

What then is the future of the civil service? What would be expected of the fate of the bureaucracy? Different perspectives may offer different responses to these questions. Mine is as follows: First, bureaucracy has survived millennia of political masters changing over time. As an institution of power instrumental to rule—whether democratic or authoritarian, elected or hereditary—bureaucracy has been and will continue to serve as a strategic instrument of power of the first order. This is a reality that all political statesmen and thinkers of the left and right from the ancient times have realized and lived with.

Bureaucracy may be changed in character to suit particular political and economic interests, but as an institution bureaucracy has a tendency to outlive all political and economic institutions and masters, and at times to “overtower” the society (Weber, 1947). Even the most vocal bureaucracy-bashers, from Jimmy Carter to Ronald Reagan and Margaret Thatcher and now George W. Bush have not only not abolished the bureaucracy, but also found it politically instrumental to their governance and administration, used it to their advantage, and made it even larger. The only differences are the orientations, character, and functions of the bureaucracy that have changed with changes in political masters or bosses. Jimmy Carter changed the character of the bureaucracy away from the welfare administrative state and toward a businesslike corporate governing system demanded by the globalizing corporate elites he represented.

Carter’s Civil Service reform Act of 1978 was the prescription for the alteration of the bureaucracy and the “death” of the relatively independent professional civil service in the United States. That prescription was filled rigorously and quickly by the Reagan administration and the U.S. Civil Service, after experiencing severe crises—both institutional and identity, and theoretical and practical (Levine and Kleeman, 1986; Rosen, 1986)—in the 1980s, was buried in the grave, with the remainder to be further lashed in the 1990s. The “direct political control over the federal civil service” established by presidents Reagan and Clinton (Newland, 1992, 87) and through politicization (Farazmand, 1989), the federal government bureaucracy was strategically positioned—both in structure and process—to serve the strategic interests of the accelerated process of “globalization of corporate capitalism” now in its full swing (Farazmand, 1999, 2004).

The new bureaucracy under Reagan was significantly enlarged in both size and budget, rather than shrunken, but its orientations and functional characters were sharply changed toward military and security purposes, while the social welfare and service delivery capacities of the bureaucracy were drastically paralyzed. The end result was a two-fold crisis of both legitimacy and institutional capacity (Farazmand, 1989), both contributing to the often-mentioned slogans of antibureaucracy, anti-civil service, and antigovernment. They have justified the newly designed strategic policy of privatizing, outsourcing, contracting out, and dismantling the welfare administrative state in favor of the globalizing corporate sector. Economic institutionalists are currently happy with these developments (Williamson, 1985).

The sweeping policies of privatization and its ideological-intellectual twin of “new public management” that followed during Reagan and Clinton were designed to transfer governmental functions of the bureaucracy to globalizing corporations and to transform the bureaucracy and civil service—whatever remained of it—to perform strategically the interests of the private business corporations, hence serving the globalization process. Thus took place, one may argue, the death of the civil service—from Carter to Clinton. The character of the bureaucracy and civil service was profoundly changed—in structure, process, and culture—to reflect and serve the interests and goals of private sector globalizing

elites at home and abroad, reducing the role of the bureaucracy to maintenance of law and order and social control through security and policing functions by enlarging, like his predecessor Reagan who expanded the military-security policing expenditures, and expanded the policing bureaucracy with size and expenditure. Both Reagan and Clinton, along with senior George Bush, engaged in promoting globalization not only by peaceful means, but also by violence of military action—in Granada, Nicaragua, El Salvador, Kuwait, and Iraq in the first Persian Gulf War against Saddam and later the Balkan war to dismantle Yugoslavia into fragmented small nations easy to control.

Globalization by violence was more aggressively pursued by George W. Bush's "extreme" government administration policy of globalization and global empire building that is well exposed domestically and globally. The tragic terrorist incident of 9/11/2001 gave him the perfect excuse for waging a global war on Muslims, nation-states, and governments, not following Washington's dictates, and political opponents with a powerful policy instrument of fighting "terrorism." The "pretext for war" has been set by false information, lying, and deception, extreme secrecy, lack of transparency, accountability, and more. He has invaded Iraq and Afghanistan, and has threatened, with different pretexts, wars of aggression against North Korea, Iran, and Syria—countries with sovereign governments outside of Washington's global realm of direct influence or manipulation. In serving such a global mission, new generations of security-intelligence-military personnel—in civil as well as military clothes—with different cultural and linguistic knowledge and skills will be needed to staff the rapidly growing global bureaucracy of the federal government in the United States and around the world.

The bureaucracy under the extremist style of the self-assumed "unitary presidency" under Bush has not been diminished; indeed, it has even been enlarged, and turned into a strategic institutional power of serving big business corporate elites as well as of militarization of the world and turning the domestic front into a "secret policing state" for security and "war-on terror" purposes. The bureaucracy has been inflicted with extreme secrecy, staffed with unqualified political appointees on patronage-spoils system basis, temporary and disposable employees, contracted-out services, contractual employees, and political bosses with business interests and personal association in mind. The professional civil service, whatever remained of it, has been transformed into employees and workers at the mercy of their political bosses, and the professional competence of the bureaucracy is paralyzed by the partisan political fears, with the incapacity and scandalous failure to respond to the major crises and emergencies, such as the Hurricane Katrina crisis in New Orleans during September 2005.

Today, the world's largest bureaucracy is composed of the direct military-security bureaucracies of the United States federal government (the Pentagon and the recently reorganized Homeland Security Department), with over 2 million personnel outside of the civil service protection system, professional employees, and workers who work under the personal whims of their political bosses. This figure does not include the security and contractual personnel working as covert

agents in government and corporate business organizations in the United States and all over the world. Adding these figures together, plus the 18 million state and local government employees, a rough estimate might put the true figure of the American civilian, military, and security bureaucracy at well over 25 million in size. This figure may even be an understatement, because it does not include the national guards and reserve personnel, as well as the “secret full-time and part-time agents” operating worldwide. In this highly politicized environment, organizational members quickly learn that questioning or challenging political bosses’ decisions means a downward foolish act of losing the job. “Patronage-driven political machines always have thrived on poverty and destitution, when people who need jobs will do whatever they are told to do, and businesses without business will do whatever they can to secure government contracts” (Thayer, 1997, 96).

The future of the American federal civil service and bureaucracy will continue to follow the recent trends of demolition, deinstitutionalization, deprofessionalization, corporatization, and marketization, and deregulation to serve the new era of globalization and the challenges it poses to economy, governance, and public management. It will be:

- (1) Depoliticized as far as civil servants’ political activities are considered, hence limiting or denying public employees basic human rights to express themselves in matters of professional and organizational concerns.
- (2) Politicized by partisan bosses who have turned the system into patronage-driven political machines for particularistic and corporate interests and global ideological agendas.
- (3) Subjected to further downsizing and corporate takeover for profit maximizing purposes.
- (4) Targeted for attacks from all directions for inefficiency and ineffectiveness.
- (5) Subjected to further bureaucratic politics, meaning to be used as a strategic instrument for particularistic private business interests.
- (6) Subjected to deprofessionalization and deinstitutionalization for political patronage purposes. Yet, the latter two phenomena may require some qualifications, as even the globalizing corporatist state of America will need a knowledge-based economy and management system, and knowledge management cannot be done without a good degree of professionalization. However, deinstitutionalization reflects the new *ideological market culture* so pervading the entire governance and public administration with the “new public management.” While proponents of this new ideological culture present a good picture of governance and administration (Barzelay, 2001; Donohue and Nye, 2000; Lindblom, 2001), its opponents warn against many serious problems it tends to inflict on broad public interests, governance, accountability, and erosion of institutional legitimacy of public administration organizations. There is a profound cultural change that has questioned the “basic assumptions” of the long-established administrative state with a relatively independent civil service that used to serve the nation—and most other nations as well—for almost a century.

The bureaucracy and civil service have already been extended into global areas to perform the globalization functions of American global superpower agendas,

and this trend will most likely continue with great expansion in both scope and size in the 21st century. Thus, the bureaucracy-bashing slogans of the past might continue but the actual and substantive role of the bureaucracy and civil service will continue to expand under different languages and semantics. In fact, the sheer reality of historical impossibility of abolishing bureaucracy—reality or myth—makes it also difficult to dismantle the federal bureaucracy and civil service, especially when it is functional to system maintenance and expansion. However, the age of an independent professional civil service is over in the United States, and any future reforms of the civil service to restore its previous status will be an unlikely event in the age of globalization of corporate capitalism. Will the bureaucracy persist? Yes, but with a new character and function of serving the corporatist state charged with the globalization of corporate capitalism, through both peace and violence.

In conclusion, despite the above observations, several key elements of the civil service and bureaucracy need to be kept in mind; they might serve as a catalyst of incremental change agents for possible realignment of political-administrative forces in the federal government. These include a host of critical and enduring issues—for example, race, color, gender, religion, ethnicity, class, and age (Guy, 1995)—that tend to inevitably embrace legal and constitutional intervention though judicial processes as a last resort. Of these issues, gender, race, color, and religion as well as individual rights (citizens as well as civil servants) will likely raise from time to time concerns of legal and constitutional protection against abuse, arbitrary action, and violation of constitutional rights inviting judicial interventions in administrative matters; hence an increase in judicialization of the civil service, bureaucracy, and public administration (Rohr, 2002).

It may be a truism that a “civil service that cannot question is almost dead,” but a host of “other” legal and constitutional bases of challenging the political administration of the bureaucracy can and will serve to a degree the survivability of the professional civil service and prepare the grounds for yet another possibility of reforming the patronage-based corrupt system of administration in the future. It, therefore, is, appropriate to end this chapter by a statement of caution that reforms may solve “problems existing at one time, often in the process creating a new set of problems that may generate subsequent reforms” (Kaufman, 1956; Peters, 2001, 4).

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**STRATEGIC PUBLIC PERSONNEL  
ADMINISTRATION**



# **STRATEGIC PUBLIC PERSONNEL ADMINISTRATION**

**Building and Managing Human Capital  
for the 21st Century**

**VOLUME 2**

**EDITED by ALI FARAZMAND**

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# CONTENTS

## VOLUME 1

*Preface* ix

### **PART I. STRATEGIC PUBLIC PERSONNEL ADMINISTRATION/HRM: HISTORY, DEVELOPMENT, AND TRANSFORMATION**

- 1** Strategic Public Personnel Administration: A Conceptual Framework  
for Building and Managing Human Capital in the 21st Century 3  
*Ali Farazmand*
- 2** U.S. Public Personnel Administration in Historical Perspective 23  
*Paul P. Van Riper*
- 3** Toward a New Perspective in Strategic Human Resource  
Management in the Public Sector 43  
*Donald E. Klingner and Gamal Sabet*
- 4** Accountability Challenges Facing Public Sector HRM in an Era of  
Downsizing, Devolution, Diffusion, and Empowerment 67  
*J. Steven Ott and Lisa A. Dicke*
- 5** Making the Transition to Strategic Human Resource  
Management: Precursors, Strategies, and Techniques 85  
*Steven W. Hays*
- 6** Productive Human Resource Management for the  
21st Century: Context and Strategies 101  
*Marc Holzer, Hedy Isaacs, and Seok-Hwan Lee*

<b>7</b>	“Strategic Planning” as Fakery: Government Does It While Pretending It Does Not <i>Frederick Thayer</i>	121
<b>8</b>	Innovations in Strategic Human Resource Management: Building Capacity in the Age of Globalization <i>Ali Farazmand</i>	141
<b>PART II. BUREAUCRACY, CIVIL SERVICE, AND POLITICS</b>		
<b>9</b>	Politics and Strategic Public Personnel Management: The Least Bad System? <i>Robert Maranto</i>	163
<b>10</b>	Ending Civil Service Paralysis: Emerging Practices and Trends in State Human Resource Management <i>Sally Selden</i>	183
<b>11</b>	A Modest Proposal Regarding Political Appointees <i>William L. Murray and Gary L. Wamsley</i>	199
<b>12</b>	Civil Service Reform in the United States: A Strategic Analysis of Past, Present, and Future <i>Ali Farazmand</i>	227
VOLUME 2		
	<i>Preface</i>	ix
<b>PART III. ORGANIZATIONAL BEHAVIOR AND STRATEGIC PPM</b>		
<b>13</b>	Phase Model of Burnout as Leverage in Meeting “Future Forces” Challenging HRD <i>Robert T. Golembiewski and Thomas A. Myers</i>	249
<b>14</b>	Job Mobility Assignments: Mechanisms for Human Resource Capacity Development <i>Lois Recascino Wise and Barbara Lamb</i>	281
<b>15</b>	High Performance Work Teams <i>Michael Klausner</i>	301
<b>16</b>	Linking Performance Appraisal to Organizational Strategic Planning: A Challenging Task in the New Century <i>Behrooz Kalantari</i>	319
<b>17</b>	Gown Goes to Town: On-Campus Commitment and Off-Campus Consulting by Public Administration and Affairs Faculty <i>James S. Bowman and Carole L. Jurkiewicz</i>	329

**PART IV. ISSUES AND TRENDS IN PUBLIC  
PERSONNEL ADMINISTRATION**

- 18** Equal Opportunity, Affirmative Action, and the Constitution: New Challenges Facing Public Human Resource Management 351  
*Jack P. Desario and James D. Slack*
- 19** The Human Resources Perspective on Workplace Violence 383  
*Lloyd G. Nigro and William L. Waugh, Jr.*
- 20** Framing Gender, Framing Work: The Disparate Impact of Traditional HRM Practices 399  
*Mary E. Guy and Jennifer A. Killingsworth*
- 21** Strategic Human Resource Management: Applying Technology to Function 419  
*Carole L. Jurkiewicz*
- 22** Strategic Public Sector Labor Relations and High Performing Workplaces: Confrontation or Cooperation? 441  
*David G. Carnevale*
- 23** Total Quality Management (TQM) and Globalization: Changing Role of Government, Challenges, and Opportunities 459  
*Ali Farazmand*
- Index* 477
- About the Editor and Contributors* 493



## PREFACE

The history of public personnel administration is as old as human civilizations. Indeed, strategic public personnel administration has been in practice for at least 2500 years, if not longer, with planning, recruitment, and development of long-term career professional experts for key strategic positions in government and public administration leadership. Several great ancient civilizations—for example, Persia, China, Assyria, Egypt, and Rome—practiced strategic personnel management systems, some systematically and others unsystematically. An example of a systematic and elaborate strategic public management is what was practiced by the ancient Persian Empire, so famous for its highly efficient and effective public bureaucracy that managed the largest empire the world has ever known.

This was evident in the planning for, and development of, political and administrative leadership elites as well as key professional experts in the ancient world-state Achaemenid Persian Empire that governed virtually the entire known world of the time. In building the historic structure of the palace city complex of Persepolis in the 5th century B.C. that employed hundreds of thousands of workers and technical professionals and engineers, educated women also played a major role as “compensation managers and supervisors” many of whom also occupied key managerial positions in the huge bureaucracy.

Similar strategic positions and personnel were managed in all other areas of the meritorious Persian bureaucracy—from building and running the Continental Royal Highway that extended from Persepolis and Persian Gulf to Sardis, capital of the Lydian Satrapy in the eastern Mediterranean area; to building and managing hundreds of miles long underground irrigation canal systems, *Qanats*; to the construction and management of the Suez Canal (circa 500 B.C.) under Darius the Great. Although the centralized professional bureaucracy of Persia was pushed

into a temporary backseat during the decentralized and yet powerful Parthian Empire for almost half a millennium, meritocracy and professionalism were immediately revived during the successive centralized and mighty Empire of Sasanid Persia that lasted till its fall to Islamic forces in the 7th century A.D.

Throughout these periods, goal-oriented strategic thinking and management characterized the Persian administrative systems and their public personnel administration for over a millennium. The legacies of the Persian strategic administrative system can be easily traced in the impacts and influences they have had on the governance and administrative systems of not only the regional governments of the east but also of the countries of the West such as Rome and Greeks that have inherited lessons learned from the knowledge on ancient Persia.

Ancient Assyria, Babylon, and Egypt prior to being conquered by Persia by Cyrus the Great in the 6<sup>th</sup> century B.C., as well as China and Rome later, also exercised various forms and degrees of practice in strategic thinking and management in governance and administration. These empires did practice strategic personnel administration, albeit unsystematically at times, and their interest in building managerial capacity through strategic personnel development was instrumental in managing major enterprises with success.

Notwithstanding the historical practice of strategic public personnel administration, the systematic study of strategy and strategic personnel administration is a fairly new development in the modern world. Indeed, such a study is only about 50 years or so old if we include the military strategic personnel administration. The more comprehensive and systematic study and teaching of strategic personnel management should be traced in the strategic management and systems theory literatures that have come to the forefront of management in public and private or business administration curricula. We also have to add the military systems in the United States and abroad in the post-World War II era. Indeed, one may argue that strategic thinking and administration has always been a key component of military planning and execution throughout the history. Thus, strategic public personnel administration has been and will continue to be a central function of strategic public administration, governance, and leadership, especially in the changing and uncertain environment of rapid globalization.

The 21st century will be characterized by rapid environmental, technological, demographic, economic, political, and cultural changes that pose serious challenges to governments and public personnel management worldwide. These challenges include growth of the knowledge societies, technological knowhows, transworld and transborder migrations of capital and labor, cyber employments and virtual workplaces, and relentless global pressures for results-oriented performance through outsourcing, networked organizations, and temporary-based human resources loosely joined by virtual places and institutions. Coping with and managing these challenges require new capacity building and development in human capital as a key asset of modern governments and private organizations. There is no escape from these global challenges of the 21st century if

governments are to survive and thrive. Failure to address these and other strategic challenges of the 21st century will only result in disasters and demises.

This book was conceived initially a few years ago, when the world had begun experiencing the massive fallouts of rapid globalization of corporate capitalism worldwide, with profound structural and process impacts of privatization, outsourcing, downsizing, and contracting out of public service and administration. The need for strategic thinking in public personnel administration and human capital development has never been so urgent. Today, strategic public personnel management is a central component of strategic governance and administration in public and nonprofit organizations. Although not a panacea, strategic personnel administration aims to lead organizations into the right directions with needed right people to achieve strategic goals and objectives in modern governance and public administration.

Aside from the above rationale that led to the initial conception of this important book, another impetus served as a major motivation: lack of few or inadequate textbooks with a focus on strategic thinking, development, and management of public personnel administration in the 21st-century governments. This book intends to fill in this major gap, and to hopefully serve as a key textbook that addresses the history, knowledge, policy, management, process, and culture of public personnel administration with a strategic perspective. Without such a strategic perspective, we cannot have a full analysis of the development and function of the field, and gain a clearly balanced picture of public personnel administration in both theory and practice.

This book is not a “how to do strategic personnel management.” Rather, it advances knowledge on the concept, history, organization, management, policy, and politics of strategic public personnel administration and its institutional settings such as civil service and bureaucracy, patronage and career systems. It also addresses a host of other issues that affect the function, behavior, performance, and value or culture of governance and public administration. As such, the book is also an important policy tool for political executives and public administrators in running the machinery of government. It is, moreover, a major primary and secondary textbook in graduate and upper undergraduate public personnel administration/HRM courses in public administration and policy programs worldwide.

This book could not have been accomplished without the genuine cooperation of its contributors. Their preparation, revisions, and last-minute updating of their manuscripts made this book a fresh and most up-to-date textbook on strategic public personnel administration or HRM. My special thanks go to all the contributors. I would also like to thank the publisher Greenwood and its senior editor, Nicholas Philipson, whose patience and cooperation made the book a success. Moreover, I would like my former doctoral student, Jocelyn Fernandez, who provided some assistance in the initial stage of the project. Finally, my appreciation also goes to another of my doctoral students, Rafiqul Islam, who assisted

me in the final work of completing and sending the book to the publisher. His assistance is very much appreciated. May I also thank the production people at Greenwood Press for their timely work and quality production of the book?

Ali Farazmand  
Florida Atlantic University  
March 2006

\_\_\_\_\_ PART III \_\_\_\_\_

**ORGANIZATIONAL BEHAVIOR  
AND STRATEGIC PPM**



## Phase Model of Burnout as Leverage in Meeting “Future Forces” Challenging HRD

ROBERT T. GOLEMBIEWSKI AND THOMAS A. MYERS

### HRD TERRITORY

Let us use a tool for the purpose intended, and then a bit more—to guide HRD professionals in focusing their efforts and heightening their effects, but this time with a focus on how the phase model of burnout can help in guiding HRD techniques. We rely on *Models for HRD Practice: The Research Report* (McLagan and Suhadolnik, 1989). This publication seeks to extend the value of *Models of Excellence* (McLagan, 1983). Both were commissioned by the American Society of Training and Development (ASTD). The new venture targets:

- human resources development instead of just training and development;
- standards of quality for HRD; and
- major ethical issues for HRD professionals.

A 1989 ASTD task force of HRD experts conducted the study, and helped develop a plan for responding to its results. Patricia McLagan, a nationally known HRD consultant, led the task force. Typical of the experts on the task force was Dr. Fred Otte of Georgia State University, a well-known HRD professor and long-standing member of the national ASTD, who had worked on several of the organization's projects over many years.

The task force's definition of Human Resources Development (HRD) in McLagan and Suhadolnik (1989, 18) has gained wide acceptance: “HRD is the

integrated use of training and development, organization development, and career development to improve individual, group, and organizational effectiveness.”

Each of these primary HRD components deserves brief attention. To begin, training and development focus on “identifying, assuring and—through planned learning—helping develop the key competencies that enable individuals to perform current or future jobs.” In turn, organization development focuses on “assuring healthy inter- and intraunit relationships and helping groups initiate and manage change.” Further, career development targets a set of critical linkages: “assuring an alignment of individual career planning and . . . management processes to achieve an optimal match of individual and organizational needs.”

These three sets of related activities are clearly value-loaded. Hence, HRD practitioners and researchers look for ways to use development as the primary process for helping make more human use of human resources. What values guide this development? Success will be estimated in terms of “productivity, quality, innovation, human resource fulfillment, and readiness for change” (McLagan and Suhadolnik, 1989, 18).

A few additional conceptual distinctions will help. According to McLagan and Suhadolnik (1989), HRD may be circumscribed in terms of four related areas that contribute quite directly to intended results. Perhaps the most direct linkage with results inheres in Organization and Job Design, described as “defining how tasks, authority, and systems will be organized and integrated across organizational units and in individual jobs” (McLagan and Suhadolnik, 1989, 18). Human Resource Planning also provides a quite direct linkage to results. It is described as “determining the organization’s major human resource needs, strategies, and philosophies.” A third major linkage can be approached through Performance Management Systems, which help assure that “individual and organization goals are linked and that what individuals do every day supports the organizational goals.” A final approach to linkage is via Selection and Staffing, which matches “people and their career needs and capabilities with jobs and career paths.”

These integrating and linking ambitions encourage HRD practitioners and researchers to seek models, techniques, and tools to guide their efforts. To that end, we here offer one high-potential contribution to HRD—the phase model of burnout (Golembiewski et al., 1996; Golembiewski and Munzenrider, 1988; Golembiewski, Munzenrider, and Stevenson, 1986). Throughout, the basic means and methods for change derive from Organization Development (OD) (e.g., Golembiewski, 2000, 2003).

### PHASE MODEL OF BURNOUT

Burnout is a phenomenon that many workers experience directly or at least see in someone else. It can ruin the quality of life for those who burnout, and it also often complicates the lives of those close to its victims.

Fortunately, these significances are paired with convenience. Burnout is not only easy to diagnose, but it also applies at individual, group, and organization

**TABLE 13.1. MBI Sub-Domains**

Sub-Domains	Definitions
Depersonalization	High scores distinguish those who tend to view people as things or objects, and who tend to distance themselves from others.
Personal accomplishment	High scores identify respondents who see (reversed) themselves as performing poorly on a task they evaluate as not being particularly worthwhile.
Emotional exhaustion	High scores indicate individuals who see themselves as operating beyond their comfortable coping limits, and as approaching “the end of the rope” in psychological and emotional senses.

Source: Adapted from Golembiewski et al., 1996, p. 40.

levels. The instrument for diagnosis also can help prescribe actions that will ameliorate burnout and its negative covariants.

### Maslach Burnout Inventory

The Maslach Burnout Inventory, or MBI (Maslach and Jackson, 1981a, 1986a), has real value as a tool for individual and organization analysis. By way of introduction, as Table 13.1 shows, its items target three central subdomains.

To elaborate a bit, the MBI items use a Likert scale to ask about how things are within a given work environment—how the respondent feels, at that time, about how he or she is coping with the stresses of that environment. To illustrate:

Write a NUMBER in the BLANK to the LEFT of each statement below, based on this scale:

TO WHAT DEGREE IS EACH OF THE STATEMENTS LIKE OR UNLIKE YOU?

VERY MUCH UNLIKE ME 1 2 3 4 5 6 7 VERY MUCH LIKE ME

1. I feel emotionally drained from my work.

Most people respond in 5–10 minutes.

### Theoretical Base

The phase model assumes that the most virulent aspect of burnout is emotional exhaustion, more so than feelings of lack of personal accomplishment. These are both considered more virulent than depersonalization. Much evidence supports this progression of virulence (Golembiewski et al., 1996).

Subdomains	Progressive Phases of Burnout							
	I	II	III	IV	V	VI	VII	VIII
Depersonalization	LO	HI	LO	HI	LO	HI	LO	HI
Personal accomplishment (reversed)	LO	LO	HI	HI	LO	LO	HI	HI
Emotional exhaustion	LO	LO	LO	LO	HI	HI	HI	HI

**FIGURE 13.1. Eight-Phase Model of Burnout**

Burnout effects are seen as environmental. Stressors at work can generate burnout, which, in turn, contributes to both the physical and mental dis-ease of individuals in the organization and those around them. These effects can spill over into the failure of the organization to achieve its mission, goals, and objectives (Golembiewski et al., 1996, 30–36; Golembiewski, 2000; 2003). Burnout at work can leak into work, and *vice versa*, but these effects are only beginning to be isolated and hence will receive little further attention here.

This theoretical base drives the need for determining why burnout happens, where and when burnout happens, and what can be done to reduce it. Success in providing such information will help assure that organizations and their members can be as successful as their other characteristics and the environment allow them to be.

A major problem for describing burnout as a researchable phenomenon has been the lack of a suitable operational definition, a situation common in the organization sciences. The phase model of burnout provides an operational definition different from most offered in research on stress. Operational definitions there usually focus on the number and severity of stressors at work. Rather, in the phase model, the focus is directed at how the respondents to the MBI experience the stressors to which they are exposed—no matter what their type, number, or severity. The rationale is direct. The same stressor at the same time can be energizing for some individuals but enervating for others; and at different times that single stressor may have different effects on the same individual, depending on her or his then-current coping skills, attitudes, and emotional reserves.

Viewed in these terms, scores on the three MBI subdomains can be distinguished as High or Low, and then arrayed in the order shown in Figure 13.1. Norms have been developed to guide these High versus Low assignments. (For details see Golembiewski, Munzenrider, and Stevenson, 1986, 24–25.)

### Progression of Phases

Note that there is *no* expectation that any individual will progress through every phase as burnout increases. In fact, such a progression seems psychologically improbable. Witness the awkward progressions from phase II to phase III, and phase IV to phase V. These possible changes require unlikely conceptual gyrations.

**TABLE 13.2. Total Symptoms Versus Phases of Burnout, One-Way Analysis of Variance**

	Phases of Burnout								F-Ratio (df=7, 1537)
	I	II	III	IV	V	VI	VII	VIII	
N=	352	109	193	124	107	176	109	367	
Total symptoms	33.5	34.2	33.9	39.5	38.7	40.1	40.5	42.6	39.628*

\* Indicates  $P < .001$ .

Source: Golembiewski and Munzenrider, 1988, p. 70.

To be direct, the phase model proposes only the progressive virulence of the phases, so that people in any less-advanced phase will experience less stress and its effects than people in more advanced phases. Table 13.2 illustrates the expected pattern in the case of nineteen physical symptoms: physical symptoms are expected to increase as the phases advance from I to VIII. This expected association rests on a straightforward rationale: health problems will reasonably be the stressors one experiences; and high burnout might well be expected to adversely affect both emotional and physical health.

The research results have a uniform character, consistent with Table 13.2. In sum, not only does nonrandom variation exist, overall, but physical symptoms increase in over 96 percent of the paired comparisons (when each phase is compared to each other phase). Paramountly, over 50 percent of the differences between pairs also often attain statistical significance as well as fall in the expected direction. In short, the pattern of covariants growing worse as from I to VIII is not only regular but also robust.

### INTERNAL VALIDITY OF THE PHASE MODEL

Details are beyond the present scope, but factor analyses of about a 100 worksites in the United States and around the world have generated similar structures for MBI respondents (Golembiewski et al., 1996, esp. 158–173). This suggests the significant conclusion that cross-national and cross-cultural effects do not distort or camouflage burnout phenomena. Levels of burnout may vary, but the underlying measurement components seem to be pretty much the same in different settings.

### External Validity of the Phase Model

How certain are we about the usefulness of the phase model? Quite convincing tests of external validity of the phase model of burnout rest on its ability to covary with many variables describing the quality of life for individuals and groups in their organizations. The literature strongly shows the expected pattern on almost

all of the 300-plus variables studied so far, mostly self-reports but leavened by a still-small but growing panel of “objective” or “hard” variables.

As the phases go, in sum, so go the other variables: outcomes grow less attractive as the phases advance. Overall, covariants of the phases almost always “show a distinct step-ladder effect, phase by phase,” meaning that paired comparisons fall in a consistent and expected direction in an average of 90-plus percent of the cases, and with 30–60 percent of the paired-comparisons often attaining statistical significance, which is clearly better than the 5 percent expected by chance. The regularity and robustness of this pattern of association are quite marked in comparison with the uneven patterns of covariation characteristic of research in the behavioral and organizational sciences (Golembiewski and Boss, 1992, 125).

### PHASE MODEL OF BURNOUT AND FORCES AFFECTING HRD

There is no one-best way to illustrate what the phase model can do for HRD, but the present approach can claim substantial credibility. Thirteen “future forces” expected to challenge HRD were identified as critical by at least 50 percent of the experts contributing to the *Models for HRD Practice: The Research Report* (McLagan and Suhadolnik, 1989, 19). Our challenge is to show how the phase model can help HRD practitioners and theoreticians deal with these “future forces” that are now present in many organizations. The “forces” will be described briefly, and existing knowledge based on the phase model will be utilized to suggest how those challenges can be met with effectiveness and efficiency. As appropriate, each “force” will have applied to it two products of the phase model: those features that quite directly derive from existing research, and reasonable extensions of existing research on burnout.

#### **Force 1: “Increased Pressure and Capacity to Measure Workforce Productivity, Performance, Cost-Effectiveness, and Efficiency” (McLagan and Suhadolnik, 1989, 19)**

##### *Direct Derivations from Phase Research*

HRD specialists can get substantial guidance from replicated phase model findings, as Table 13.3 illustrates. The table merits close attention because it implies that the progressive phases seem to be a centroid in nature—that is, changes in the phases seem to be related to much of significance in organizations. Moreover, this dominant pattern of covariation also seems to exist at all three levels of significance to HRD specialists—individual, group, and organization. *Inter alia*, the phases seem to covary with individual well being, identify areas for improvement, and shed light on potential for greater effectiveness at all three levels. The research supporting the phase model provides justification for using MBI data as reasonable surrogates for describing various ills that can be expected as covariants of burnout.

**TABLE 13.3. Selected Major Covariants of Burnout in 1995 Cross-National Panel\***

- 
- A. Higher Burnout or Strain Levels Tend to be Associated with Higher Levels of:
- o physical and emotional symptomologies (e.g., Cox, Kuk, and Leiter, 1993; Golembiewski, et al., 1996, pp. 84–106; Kelloway and Barling, 1991; Lin, Sun, and Golembiewski, 1996)
  - o spurning the assistance of people-helpers (eg., Cheku, Wong, and Rosen, 1994; Cheku and Rosen, 1994)
  - o costs of health insurance (Jackson and Manning, 1995)
  - o uncertainty about social realities and evaluations (e.g., Buunk and Schaufeli, 1993)
  - o helplessness (e.g., Golembiewski, Sun, Lin, and Boudreau, 1995)
  - o role ambiguity (e.g., Capel, 1987)
  - o intent to leave employing organization (Firth, McIntee, McKeown, and Britton, 1986) as well as turnover (Golembiewski and Munzenrider, 1988, pp. 225-227).
  - o absenteeism and turnover (Firth and Britton, 1989)
  - o negative emotional arousal (Niasburg, Fenning, and Eliur, 1995)
  - o cardiovascular risk factors (Appels and Schouten, 1991; Melamed, Kushir, and Shiron, 1992; Golembiewski, et al., 1996, pp. 145-147)
- B. Higher Burnout or Strain Tends to be Associated With Lower Levels of:
- o social support (e.g., Cheku, Wong, and Rosen, 1994)
  - o autonomy (e.g., Pines, 1993)
  - o indicators of organizational “healthiness,” as in less adequate problem-solving (e.g., Cox, Kuk, and Leiter, 1993; Pines, 1993)
  - o job satisfaction (e.g., Dolan, 1987; Gibson, McGrath, and Reid, 1989; Iverson, Olekans, and Erwin, 1994)
  - o job involvement (e.g., Golembiewski, Sun, Lin, and Boudreau, 1995)
  - o self-rated productivity (e.g., Golembiewski, Boudreau, Goto, and Murai, 1993; Boudreau, 1996)
  - o job challenge (Friesen and Sarros, 1994)
  - o creativity (Noworol, Zarczynski, Fafrowicz, and Marek, 1993)
  - o marital satisfaction (Greenglass and Burke, 1988; Greenglass, Fiskensbaum, and Burke, 1994)
  - o supervisory support (e.g., Greenglass, Fiskensbaum, and Burke, 1994)
  - o trust (e.g., O’Driscoll and Schubert, 1988)
  - o sense of psychological community (Pretty, McCarthy, and Catano, 1992)
  - o hardiness (Boudreau and Golembiewski, 1995)
- 

\* Based on Golembiewski et al., (1996), pp. 19-20.

Table 13.3 has two parts. Part A indicates directly tested covariants of the phases; and Part B illustrates those features that tend to systematically decrease as burnout increases. In addition, there are more burnout covariants at the three levels of analysis, as discussion will illustrate briefly.

**Individual Level** Few qualifications are necessary when characterizing burnout effects on individuals. Burnout seems to negatively affect its victims' health (Golembiewski et al., 1996, 84–108; Golembiewski 2000), regardless of how burnout is operationally defined. In addition to those in Table 13.3, symptoms include fatigue (Austin, 1981; Pines and Maslach, 1978); anxiety and depression (Himle, Jayaratne, and Chess, 1987); aches and pains (Golembiewski, Munzenrider, and Stevenson, 1986); insomnia (Belcastro, 1982); loss of appetite or overeating (Christensen, 1981); and trouble breathing (Golembiewski, Munzenrider, and Stevenson, 1984). Burnout is also associated with increased use of chemical agents (Ellenburg, 1981; Zahn, 1980), as well as abuse of illegal medications (Jones 1981a, 1981b).

Additionally, self-report survey research prominently identifies a definite association of burnout with inhibited personal functioning or diminished mental health. The indicators include: low personal efficacy and self-esteem (Aldinger, 1993; Golembiewski and Aldinger, 1994; Golembiewski and Kim, 1989); heightened negative psychological states, such as hostility, depression, and anxiety (Deckard, 1985; Rountree, Golembiewski, and Deckard, 1989); as well as a need for mental health interventions appropriate for nonpsychotic psychiatric reactions (Golembiewski et al., 1992; Golembiewski and Munzenrider, 1991; Golembiewski et al., 1992).

Burnout may also negatively affect those around the burnout victims: families (Bower, 1989; Elloy and Anderson, 1991; Golembiewski, Bower, and Kim, 1993; Maslach and Jackson, 1979, 1986b), the recipients of the victims' services (Maslach and Jackson, 1982; Maslach and Pines, 1977); and the victims' coworkers (Golembiewski et al., 1996, esp. 215–219).

### ***Costs to Work Groups and Organizations***

Burnout also may contribute to negative trends in larger systems (Maslach and Jackson, 1981b). In addition to those listed in Table 13.3, these include: decreasing peer cohesion (Golembiewski, Hilles, and Daly, 1987); increasing job tension (Burke and Deszca, 1986; Golembiewski and Munzenrider, 1988, Golembiewski et al., 1995); reduced commitment (Leiter and Maslach, 1988); and increased health care costs (Manning and Jackson, 1995). Further, workers in advanced phases perceive their worksites and work environments to be less attractive and more need depriving (Burke and Deszca, 1986; Deckard and Rountree, 1985; Golembiewski and Munzenrider, 1984; Golembiewski, Munzenrider, and Carter, 1983; Golembiewski and Rountree, 1986; Golembiewski, Scherb, and Munzenrider, 1992). In addition, as the phases advance, performance appraisal ratings tend to drop (Golembiewski, Munzenrider, and Stevenson, 1986).

***Reasonable Extensions from Phase Research*** Despite numerous replications of the costly covariants of advancing burnout, more is needed, especially in linking

identifiable “objective” costs with burnout such as turnover (Firth and Britton, 1989) and health care costs (Jackson and Manning, 1995). For various reasons (Golembiewski et al., 1996, 137–140; and in press), such estimates are both rare and difficult. The summary above establishes that use of the phase model permits quick, easy, and cheap estimates of many aspects of productivity, performance, cost-effectiveness, and efficiency.

## **Force 2: “Increased Pressure to Demonstrate the Value, Impact, Quality, and Practicality of HRD Services” (Mclagan and Suhadolnik, 1989, 19)**

### ***Direct Derivations from Phase Research***

MBI items and the phases reflect individual well being *at any given moment*. This feature of the instrument allows the phase model to be used as a tool to help establish baseline data, and then also to measure the effects of any HRD-related interventions. Consequently, administering the MBI and applying the phase model can be useful in needs assessment, design, and evaluation of many or most HRD intervention activities. “Good” HRD applications will tend to decrease phases of burnout, that is to say, as mediated by the characteristic impacts on personal and organizational features like those summarized above.

Paramountly, without a doubt, the most relevant work with the phase model for adding to the bang-for-the-buck reputation of HRD services relates to the amelioration of burnout. The full demonstration of why and how burnout phases can be ameliorated requires more space than we have available here (e.g., Golembiewski, 1990, 155–175; 2000), but a sketch can be useful here.

First, the incidences of burnout, in North America and in about twenty worldwide worksettings, assume formidable proportions—indeed, frightening proportions. The burnout situation in North America is surprisingly bad; and elsewhere in the world the condition is often even worse, given the smaller number of studies now available in global settings. Table 13.4 leaves little room<sup>1</sup> for doubt on this critical point. Consequently, reputation-boosting effects certainly seem reasonable *if* HRD specialists were to become central in ameliorating burnout.

Second, several designs have been developed, and replicated, for ameliorating burnout. Details are available in *Global Burnout: A Worldwide Pandemic Explored by the Phase Model* (Golembiewski et al., 1996, 222–228).

Third, the designs fall within the organization development and training areas of the territory already commonly assigned to HRD. In one case, for example, typical Organization Development designs were used to reduce burnout. A set of interaction-centered designs served as openers, and these were followed with some changes in policies and procedures highlighted by the opening designs (e.g., Golembiewski, Hilles, and Daly, 1987). This schema of action research is a familiar one in HRD.

**TABLE 13.4. Organization Features and the Phases**

Organization Features Associated with Less Advanced Phases		Organization Features Associated with Most Advanced Phases	
o	High participation in decisions at work	o	Low participation in decisions
o	High job involvement	o	Low job involvement
o	High satisfaction with most or all facets of work	o	Low satisfaction with most or all facets of work
o	High sense of psychological community; high cohesiveness of primary work group; high social support and emotional support from supervisor and coworkers	o	Low sense of psychological community; low cohesiveness of primary work group; low social support and emotional support from supervisors and coworkers
o	High trust in all levels	o	Low trust in all levels
o	High need satisfaction in job	o	Low need satisfaction in job
o	High clarity about job requirements	o	Low clarity about job requirements
o	1-to-many or group-oriented supervision	o	1-to-1 supervision
o	High shared orientation to getting task done	o	Low shared orientation to getting task done
o	Low work pressure	o	High work pressure
o	Open systems of interaction and cultures	o	Closed systems of interaction and cultures

Source: Golembiewski and Boss (1992), p. 145.

**Reasonable Extensions from Phase Research** In addition to the amelioration of burnout, the phase model literature also supports several reasonable extensions that can enrich HRD theory and practice. Three such extensions are: needs assessment; designs for interventions; and estimating progress on interventions.

### **Needs Assessment**

Organizations are usefully viewed as having both technical and social aspects. Although the phase model cannot directly indicate gaps in employee technical skills and knowledge, it can be useful in detecting gaps in social functioning in an organization's employees. Gaps in social functioning may have equal or greater impact on organizational success than the gaps in technical functioning.

The phases have clear roles in needs assessment and implementation. To be selective, major prerequisites for success described in the development literature include: the preparedness of a host population for an intervention, and determining the appropriate depth of the intervention (e.g., Dyer, 1981; Harrison, 1971). While the phase model deals only with estimates of "more" or "less," common sense tells us that people who are "burned out" will be less ready to take on new

activities, especially when combined with the stress of learning new behaviors and then applying them on the job. That is, we would need to rely on common sense if the research sketched in Table 13.3 were not so formidable. Hence, *the* question is not: Job enrichment or no job enrichment? The more workable question is: Does a specific population have such a large proportion of persons in advanced phases as to suggest they might be overstimulated if there are changes toward job enrichment?

Use of the phases is a quick and easy way to determine the existence of organization problems, as well as of the high-potential entry points for detailed diagnosis and development. Obviously, also, the phases can provide insight into how individuals feel about their day-to-day lives in their organization, far above and beyond information about the degree of employee readiness for an HRD intervention. The phases can also estimate the efficacy of performance management systems.

### **Design**

The phase model also can be used to help target specific sources of strain (e.g., Golembiewski, Hilles, and Daly, 1987), to which appropriate development interventions can be matched. For example, if a high proportion of IIs characterizes a work population, it is obvious that high levels of depersonalization are occurring. Referring back to Figure 1 will help the reader visualize such a use of the phase model in needs assessment. A high proportion of IIs points to the need for interaction-centered HRD interventions that we know have high success rates (e.g., Golembiewski, 2003; Golembiewski, Proehl, and Sink, 1981, 1982; Golembiewski and Sun, 1990; Nicholas, 1982). The interaction-centered designs that can counter depersonalization include, among others: third-party consultation; feedback designs to build organization structure and cultures capable of supporting improved interaction; and team building. In short, a high percentage of IIs calls for learning about effective interaction, as well as skill practice in the specific behaviors that will increase positive interaction among organization members (e.g., Golembiewski, 1979, Vol. 1).

A typical case is usefully identified. Because the phase assignments of members of work groups are so strongly affected by local management and conditions, a management development intervention may be needed to target the managers and supervisors of those groups with a high proportion of IIs. Such training may include learning how to become more of a leader than a boss, listening and feedback skills, and treating people like people instead of parts of a machine. Additional activities may include redesigning the work and coordination of group and organization members to facilitate better connection and cohesion.

If a high proportion of IIIs are found in a population, in contrast, job enrichment seems to be in order, along with a supportive organization structure, practices, and systems. Again, this is an intervention that we know usually works (e.g., Alber, 1978), and that also falls within the province of HRD.

For IVs, training and development interventions are more complicated in practice, but straightforward in principle. Combinations of interaction-centered and task-oriented designs are indicated. Learning objectives may include: how to improve and implement reward systems; understanding and explaining the value of the work people are doing; and cross-training on different jobs as well as effective interaction systems.

When Vs are targeted, this suggests a sudden depletion of emotional energies, as the result (for example) of major stressors—a death, an accident, or a sudden illness serve as illustrations. Here, time off may be a simple remedy, but a useful one nonetheless. HR policies recognize the need, in general, as in bereavement leave.

For VIs, VIIs, and VIIs more caution is appropriate, and we have much to learn. If nothing else, those in advanced phases of burnout are more likely to lack the emotional resources and probably the skills essential for coping with high-stimulus intervention (Golembiewski, 2000). Why? Such assignments identify people who are already at or beyond their abilities to cope comfortably. High-stimulus interventions of any type run the risk of overstimulating VIs, VIIs, and VIIs to a point beyond that consistent with good conscience and ethics, and even possibly to the point of physical or psychological damage. Initial low-stimulus interventions can involve time off, flexible workhours, job sharing or job rotation, mild role negotiation, increased flexibility, and autonomy at the job, improvements in performance technology, and opportunities for learning interpersonal skills. The effects of such interventions typically include defusing emotional tension, increasing learners' self-esteem, and improving their sense of efficacy. Conceptually, self-efficacy (Mager, 1992) becomes a critical issue for those in advanced phases, who already may be overloaded. Low-stimulus designs, already common in HRD, may be followed by high-stimulus interventions after burnout has been reduced (Golembiewski et al., 1996, 155–175).

### ***Measurement of Intervention Progress***

The MBI can conveniently generate measures of burnout over time, a real yardstick, for example, estimating the success of programs of organization development and change (Golembiewski and Boss, 1992). The meaning here is compound. Evidence continues to grow that success in first-order changes—for example, improvement in the attitudes and behaviors of those directly involved in a change effort—is associated with lower burnout (Boss, 1989). Growing evidence also supports the association of the burnout phases to second-order change, such as the character and style of broader relationships (e.g., Golembiewski, Hilles, and Daly, 1987). However, there have yet been no studies showing conclusive evidence of the relation of burnout phases to third-order change, such as differences in the performance levels of large organization systems

(Golembiewski and Boss, 1992). Some research approaches such a conclusion, but with reservations (Golembiewski et al., 1996, 135–140; Golembiewski, 2000, 2003).

In general practice, no burnout data on individuals is reported, only aggregate data on groups and organizations. This anticipates a possible reaction of managers to burnout data: getting rid of the individuals who are—based on high phase assignments—more likely to be unsatisfied with their jobs, feeling low job involvement, performing poorly, suffering physically and emotionally, worn out, and variously disaffecting their work groups and organizations. This implies that phase data may tempt managers into misuse, and thereby makes a strong case for anonymity of respondents! Of course, HRD professionals often serve as intermediaries to provide or reinforce such anonymity.

As experience and trust have grown at *specific worksites*, however, several approaches to using individual data have been tried, typically encouraged by the easy availability of resources for helping individuals in trouble. If nothing else, burnout data may help target those who are especially vulnerable during an intervention, alerting HR resources like Employee Assistance Professionals to be particularly vigilant in looking for adverse consequences, and where (e.g., Golembiewski, Hilles, and Daly, 1987).

Individual phase data also can be put to a broad range of uses. For example, one group reports aggregate data, but allows its members to call the external intervenor to discuss personal phase assignments, assess their relation to ongoing organizational dynamics, and to discuss possible ways of coping. At other times, the group makes public disclosure of personal phase assignments as part of its planning for action, perhaps as a prelude of an effort to reduce stressors for individuals. Individual data also could be included as part of confidential career development interventions. This allows participants to look at the effects of burnout on their current work and future career.

### **Force 3: An “Accelerated Rate of Change and More Uncertain Business Environment” (McLagan and Suhadolnik, 1989, 19)**

#### ***Direct Derivations from Phase Research***

As other discussion indicates, the phase model can be used as a tool to measure the effects of how well people are coping with all environmental influences at any time. Used with other information-gathering techniques, the MBI may help identify how much stress is experienced as a result of change and uncertainty so that action may be taken to deal with it, as and when, and where needed.

The implied generalization merely requires emphasis. The phase model will be more useful as the velocity of change in an organization is high and increasing. If Force 3 is on-target, this urges a great reliance on the phase model and its results.

### ***Reasonable Extensions from Phase Research***

Although not yet directly tested, the phase model seems to encompass two modes of onset, which useful capability is beyond that of other burnout operational definitions. *Acute* onset of burnout, perhaps brought on by a divorce or a death, may be indicated by a swift escalation through the phases—for example, I → V. Movement beyond V will depend on one's mode of coping—that is, by sacrificing either personal relationships or task that would be reflected, respectively, in the progression V → VI → VIII, or V → VII → VIII (Golembiewski, Boudreau, and Munzenrider, 1996; Golembiewski and Munzenrider, 1988). See Figure 13.1 to track these several flightpaths.

*Chronic* onset of burnout has a single flightpath through the phases—I → II → IV → VIII, as the experience of stressors accumulates over time. Significantly, but still supported by only sparse data, chronic onset seems to dominate. Indeed, it may well characterize 90 percent or more of the cases of advanced burnout.

This discussion also relates to a significant generalization. There seems to be a strong tendency for people in the least and most advanced phases of burnout to retain their phase assignments over time, while the people in phases IV and V are mobile in perhaps three-quarters or more of the cases. Golembiewski and Boss (1992) speculate that the movement from II → IV → VIII in chronic onset probably occurs quickly for most people. This places a premium on periodic assessment of burnout, because prevention of advancing burnout seems easier than ameliorating it once it has escalated. Fortunately, much is known about keeping people in Phase I.

This tendency does not hold for individuals who experience acute burnout. Their burnout will have a rapid onset, by definition, which cannot be predicted. For acute burnout, HRD will have to place substantial reliance on policies to be engaged after the fact. For example, bereavement leaves and employee assistance programs often will help employees in dealing with a most human category of acute onset.

These apparent tendencies clearly imply great value of the phase model to HRD and organizations. Why? Because many people enter advanced phases and, absent effective amelioration, tend to remain there. Of course, the covariants of the phases imply this will be a costly stay. Hence, HRD specialists have a clear motivation to test periodically for distributions of burnout, as well as to intervene early to inhibit and suppress chronic onset, or to reverse it.

**Force 4: “Increased Emphasis on Customer Service and Expectation of Quality Products and Services from the Workforce” (McLagan and Suhadolnik, 1989, 19)**

### ***Direct Derivations from Phase Research***

There is no mystery, overall, about the profile of the covariants of high versus low phases of burnout. Table 13.5 provides useful food for thought by HRD

**TABLE 13.5. Summary Distributions of Phases of Burnout, North American and Global**

		Phases of Burnout							
		I	II	III	IV	V	VI	VII	VIII
A.	North American, Overall Means, N = 24,721,	24.8	6.0	12.4	8.2	7.1	13.1	8.0	20.4
		43.2%						41.5%	
B.	Other Global, Overall Means, N = 6,463	9.1	5.2	12.3	14.5	5.0	11.0	4.9	38.1
		26.6%						54.0%	

From Golembiewski et al., (1996), p. 163, 170.

specialists. The point is to avoid advanced burnout phases. We know much about the organizational ways-and-means of doing so: that is, by engaging the organization features illustrated in the left column of Table 13.5. The implied rationale for doing so seems quite direct: employees with high burnout are likely to be so preoccupied with self as to be less able to focus on their customers and work.

### ***Reasonable Extensions from Phase Research***

Table 13.5 implies some good news, and then some that is bad—perhaps much more of the bad, in fact.

As for the good news, the organization features in Table 13.5 associated with least- or most-advanced phases of burnout will cause little surprise among HRD professionals. Training and organization development have long emphasized approaching the features listed in the column under less-advanced phases, as well as avoiding the features in the opposite column. The research with burnout phases simply increases the motivation to persist in this common wisdom.

For experienced HRD practitioners and theorists, Table 13.5 says nothing new while extending the burnout literature to what has long been known about organizations (e.g., Golembiewski, 1979, 1990; 2003). This builds on the past, and extends to newer research. That is a comely combination.

Table 13.5 also suggests some bad news, although direct verification does not yet exist. Thus, many organizations have embarked on “quality” efforts of many kinds—with different levels of success and failure, but with more of the latter than of the former (e.g., Golembiewski, 1995, 75–83). What accounts for such critical differences? Here we speculate, but from a solid base. Features like those in the most-advanced phases column suggest a shaky base for quality management, and such a poor fit of features with the principles of quality management may

help explain the large proportion of failures. Again, all HRD specialists—and especially the most well intentioned and up-to-date—are clearly advised to do some quick diagnosis with the phase model before sallying forth with today’s quick-fix, or tomorrow’s. Advanced phases of burnout in a workforce can undercut even ingenious intervention designs.

Of course, Table 13.5 does not establish causality. A few studies attempt to establish causal linkages via direct experimental design (e.g., Golembiewski, Hilles, and Daly, 1987), or via causal modeling (e.g., Facer, 2000; Rountree, Golembiewski, and Deckard, 1989) and they support the overall picture in Table 13.5. Nonetheless, additional studies of causal linkages are needed.

### **Force 5: “Increased Sophistication and Variety of Tools, Technologies, Methods, Theories, and Choices in HRD” (McLagan and Suhadolnik, 1989, 19)**

#### ***Direct Derivation from Phase Research***

To repeat only for emphasis, the phase model can be considered as both simple and sophisticated when it comes to HRD. It is sophisticated in terms of the volume and quality of research that backs it up. It is also simple to understand and apply, while providing added value to its users. Therefore, phase “technology”—for example, methods of administering and scoring the MBI—can be put into practice with relative ease, as HRD practitioners usefully expand their inventory of useful concepts and techniques.

#### ***Reasonable Extensions from Phase Research***

Use of the phase model of burnout can add to the ability of HRD specialists to make more informed and better choices of whether to intervene, as well as when and how, and can also help in setting priorities. Granting that we speculate, what does the phase model suggest about the often-vexing issues of what to do and when? Golembiewski and Boss (1992) suggest three strategic priorities for initiatives to reduce burnout.

These suggestions can powerfully inform HRD decisions about dealing with burnout. First, keep those in phases I–III where they are. Why? As noted, we have good experience and theory for reducing depersonalization, as well as for increasing the attractiveness of work. Moreover, most of those in phases I–III will tend to stay there, and so efforts to reinforce low burnout will be cost-effective as well as have high success rates.

Second, try to help IVs and Vs move toward less-advanced phases. Findings imply that failure to do so in timely ways will lead to a quick migration toward VIII, when amelioration will be much more difficult. Evidence also implies that people in these two intermediate phases are highly likely to be moving toward other phases (e.g., Golembiewski et al., 1996, 278–281).

Third, give attention to those in the most-advanced phases. These will be more difficult targets, in part, and scarce resources are better devoted to those in less-advanced phases. If resources permit, however, substantial success rates can be expected. A straightforward design has been developed and replicated (Golembiewski, Hilles, and Daly, 1987).

One caveat applies. Some people take a “passive” approach to coping with stressors. And passives in the three most-advanced phases seem to constitute the toughest targets, not only for practical reasons, but also ethically, because they may be the most vulnerable to stimulus overload (Golembiewski, 1996, 232–236).

The practical implication of this major difference between people needs to be put directly. In sum, some “passives” are “made” by nature, but we suspect that most cases reflect long periods of frustration and eventual withdrawal. Whatever that case proves to be, in the short run, both possibilities reinforce periodic testing with the phases so as to preclude the buildup of “passives” in a population, which can lead to a generalized “stuckness” that some may prefer to label “resistance to change.” That may be too facile, and in the bargain may blame the victim.

#### **Force 6: “Increased Diversity (Demographics, Values, Experience) at All Levels of the Workforce” (McLagan and Suhadolnik, 1989, 19)**

##### ***Direct Derivations from Phase Research***

The phase model may be most valuable in determining how well people are coping with such diversity—in indicating where additional efforts are needed to integrate workforce members effectively, as well as in measuring the effectiveness of such efforts. Substantial evidence (e.g., Golembiewski, 1995) suggests that the challenges will be great, and may already be mounting.

If greater diversity implies higher levels of burnout, as seems reasonable, then ameliorating burnout can be expected to have a growing priority. HRD as a profession seems well placed for such efforts, especially in training and OD modes. More specifically—HRD interventions nowadays make increasing use of groups, and such reliance is also central in reducing burnout (e.g., Golembiewski, 1990; 2003).

##### ***Reasonable Extensions from Phase Research***

This reliance on groups suggests two possible shortfalls of much HRD thought: focusing on the total organization and/or the individual. Some brief particulars suffice here to highlight these shortfalls. In contrast to the most popular emphasis on “a company culture” as the dominant fact of organizational environments (e.g., Peters and Waterman, 1982), within-organization variability has long been shown to be great (e.g., Lawrence and Lorsch, 1967; Shils and Janowitz, 1948). So it is

with burnout phases: in fact, the most powerful predictor of burnout seems to be the *work group* (Golembiewski, 1983; Rountree, 1984)—what Golembiewski and Boss (1992) call the “groups of first-reports” under a common superior. Any single work group tends to have its members in *either* the phases of least burnout *or* in the advanced phases of burnout, but rarely in both (Golembiewski and Boss, 1992). Therefore, the best predictor of a group’s burnout is knowledge of the phase of any single member of that work group (Golembiewski, 1996, 232–236).

Conceptually, the organization structures, policies, procedures, management, and quality of leadership of each work group create a common environment for group members. This explains both the relative homogeneity of phases in each work group, as well as the commonly wide diversity in phase assignments throughout the parent organization. This degree of resolution is far beyond Peters and Waterman (1982).

The influence of work groups is often discounted, however, as organizations seek “magic bullet” solutions to burnout. For example, many organizations attempt to “inoculate” their members against the affliction by sending individuals to stress management training seminars, which try to protect people against burnout. Many HRD menus include such workshops, and for one good reason: the workshops do have some success in helping people learn stress management knowledge and skills. But these workshops typically involve “strangers,” and that, in effect, finesses the powerful environmental stressors within each intact work group. Moreover, the wrong people may attend stress management workshops. Here, we lack data, but in one workshop over 90 percent of the attendees were classified as I, II, or III. About 50 percent of organization members were in the three most advanced phases of burnout, but contributed only 10 percent of the attendees.

Typically, HRD practices provide a single design for all such workshops. This seems limiting and limited. Hence, Golembiewski and Boss (1992) suggest a different approach. First, emphasize sending *intact* teams to stress management workshops, not individuals. This is seldom done. Second, diagnose the members of each work team, using the phase model. Design each stress management workshop for a work unit with all or most members in the least-advanced phases or for those in phases VI–VIII, depending on their members’ phase assignments.

**Force 7: “Increased Expectations for Higher Levels of Judgment and Flexibility in Worker Contribution (Specifically, for More Creativity, Risk Taking, Adaptation to Change, and Teamwork)” (McLagan and Suhadolnik, 1989, 19)**

***Direct Derivations from Phase Research***

Such greater demands on people suggest a correspondingly greater reliance on ways of determining whether or not individuals and work groups operate within comfortable coping boundaries. We seem to have increasing proportions of employees who “go around a corner” or “just snap,” perhaps because of the

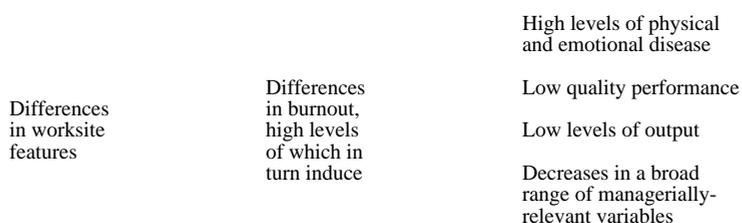


FIGURE 13.2. Proposed Relationships in Environmental Underlying Phase Model of Burnout

heightened cross-pressures so common in today's organizations. If anything, that overall condition will only get worse.

Here, again, the phase model is an obvious method for quickly, easily, and cheaply estimating the local state of affairs for work teams and (in safe settings) for individuals as well. Typically, HRD personnel will generate such diagnoses.

### ***Reasonable Extensions from Phase Research***

Obviously, the phase model does not clearly indicate the status of all factors that affect Force 7. Such factors include organization structure, authority and rewards, information flow, decision-making skills, and team skills. If a large percentage of organization members fall in advanced phases of burnout, however, that is critical information for designing appropriate policies and programs to induce, maintain, and reward the attitudes and skills associated with Force 7.

This is no feel-good prescription. As burnout decreases, levels of judgment and flexibility can be expected to increase. Reference to the covariants of advanced burnout also suggests a context in which individuals have to devote great energies to self-maintenance, as contrasted with a focus on flexibility and judgment. There is only so much physical and emotional energy to go around, and HRD programs and personnel will be central actors in assessing this critical fine-tuning. High levels of advanced burnout will have to be remedied, in general, before great leaps forward can be contemplated with safety.

### **Force 8: "Increased Use of Systems Approaches That Integrate HRD Systems and Technology in the Workplace" (McLagan and Suhadolnik, 1989, 19)**

#### ***Direct Derivations from Phase Research***

Many details support the position that environmental worksite features induce burnout levels having consequential outcomes for individuals and their organizations (Golembiewski et al., 1996). See also Figure 13.2.

Golembiewski and his colleagues (1996) describe four sets of managerial features considered to be "trigger variables" in systematic causal linkages with

burnout: managerial styles; policies and procedures; structure; and feedback effects that are supportive versus punishing. For example, a “participative management” style typically generates high satisfaction and, often, high performance as well (e.g., Miller and Monge, 1986). In addition, numerous variables consistent with that style are associated with decreases in burnout (e.g., Golembiewski, Hilles, and Daly, 1987; Golembiewski and Rountree, 1996a). See also Table 13.5.

Relatedly, Golembiewski et al., (1996) propose that three elements of structure be implemented to help reduce burnout: job rotation, job enrichment, and flow-of-work versus functional departmentation, whose extreme case is an autonomous team. While associating these structural elements with reduced burnout makes intuitive sense, and others also recommend them (e.g., Maslach and Pines, 1977), little detailed research exists to confirm their value in reducing burnout. In any case, the model in Figure 13.2 clearly ties HRD resources to the growing reliance on systemic and integrative activities called for by Force 8.

A feature also of interest to HRD professionals centers on ideological commitment to work. Consider the elderly nuns who worked numbingly long hours caring for dying patients (Cherniss and Krants, 1983). These women, buoyed by their religious beliefs, avoided burnout, in general. Oppositely, indeed, their lives were validated by their exhausting work. The obvious lesson: when workers have good reasons concerning “why,” *from their viewpoint*, they can overcome apparently daunting obstacles concerning “what” and “how” (Golembiewski, 1993). This feeling can be enhanced by decentralization so that workers experience a sense of autonomy and ownership. Other normatively based actions or features can serve similar purposes—missions and culture statements, displays of normative policies in action, and deliberate attempts to influence the collective culture (Golembiewski, 1996). The MBI and phase model can be used to measure as well as motivate the HRD actions to generate the desired systemic outcomes, including a better fit of an organization’s social and technical systems to each other.

### ***Reasonable Extensions from Phase Research***

The discussion above may already have pushed the envelope too far, so let us move on.

### **Force 9: “Business Strategies That Concentrate More on Human Resources and Require Strategic HRD Actions” (McLagan and Suhadolnik, 1989, 19).**

#### ***Direct Derivations from Phase Research***

Given the substantial incidence and persistence of burnout phases, overall, evidence suggests the salience of strategic initiatives to influence burnout. So far, in any organization of over 100 members or so, the smallest proportion of

residents in phases VI–VIII of burnout is 22 percent, and the largest proportion is 73 percent.

In sum, Table 13.4 establishes that there is much to be done in mounting strategic initiatives to deal with burnout. And much of that doing will be done by HRD professionals. Put in another way, HRD can be said to be increasingly strategic because of the key roles it will play in any broadly integrative efforts to deal with burnout.

Certainly, managers do not see Table 13.4 distributions as tolerable. Most managers have an ideal of few or no VIIIs; and they often guess that VIIIs constitute perhaps 5–10 percent of their actual workforces. In short, almost all managers will be surprised, even aghast, by the actual dimensions of the job to be done. This suggests powerful leverage on which HRD can capitalize, given success in ameliorating burnout.

### ***Reasonable Extensions from Phase Research***

So far, most organizations have taken a kind of one-buttock approach to Force 9 as well as to burnout. The strategic acknowledgement of major things to be done is clear enough in many executive initiatives—thus, “360° evaluation” gets much attention nowadays, when not so long ago many observers were willing to toss in the towel on determined appraisal; and even tenure in educational settings is now being modified so as to enhance both the responsibility and the performance of educators. In short, today’s challenges require far more of our human resources.

The long-run worth of such initiatives may be seriously doubted, however, in the absence of conscious efforts to monitor their effects on stress and burnout. If too many people “crack” or “go around the corner,” our efforts to reform and reengineer will inspire rejection, if not disgust. Again, the phase model provides a convenient way of assessing the costs of progress, and of influencing the choice of interventions that can permit reasonable fine-tuning of such initiatives.

Indeed, organizations may be running out of other options. At one time, for example, what employers didn’t know about stress couldn’t hurt them in court (e.g., Ivancevich, Matteson, and Richards, 1985). Today, ignorance of stress effects—whether feigned or real—is far less acceptable as a legal defense. Knowing about stress or burnout problems is seen by many courts as a necessary and minimum step toward mounting the effective action now expected of management.

### **Force 10: “Changed Emphasis In Organizations from Loyalty to Merit, Accountability, Performance, and Relevant Skills” (McLagan and Suhadolnik, 1989, 19)**

#### ***Direct Derivations from Phase Research***

The overall effects of such a shift seem reasonably associated with a kind of prevailing anxiety, which should be rejected in heightened burnout. This suggests

the premium that will be placed on measuring burnout as well as in managing it. Enough said.

### ***Reasonable Extensions from Phase Research***

We lack conclusive evidence here, but one need not struggle to imagine a closed circle of consequences—even a vicious cycle. Thus, the “psychological contracts” once common among major business and public employers seem to have largely had their day and, the prime consequences for employees seem to include heightened psychological strain and burnout. In turn, self-responsibility may become less common among employees and, absent uncommon restraint, this may encourage managerial coercion. And so on and so on.

Some surmises seem reasonable enough. Accountability and performance probably are harder to achieve when advanced phases of burnout dominate. And although little research exists linking “hard” performance data to burnout (e.g., Golembiewski and Rountree, 1996a, 1996b), a few studies show a moderate association that promises trouble: e.g., the more advanced the burnout, the worse the performance appraisals of individuals. And there is some evidence that productivity also deteriorates as burnout advances (e.g., Golembiewski et al., 1996, 129–140). Paramountly, there is no counterevidence that advancing burnout is associated with increasing performance. Again, the challenge of Force 10 for HRD has numerous crosswalks with the phase model of burnout.

These new demands imply greater reliance on HRD capabilities to induce and reinforce the required commitment and development of knowledge. If loyalty is waning, as seems to be the case, loyalty will have to be replaced, somehow. One possible contender is the “employment contract” (e.g., Golembiewski, 1994), which implies that an employer will commit to training employees for their next job(s), but without a sense under whose auspices those next job(s) will be performed. When loyalty dominated, there was no big question about who would be the employer for the next job(s). Dealing constructively with burnout seems a relevant part of such employment contracts, for little commitment will inhere in people who see themselves being used up and then discarded.

### **Force 11: “Globalization of Business; Increased and Expanded International Markets, Joint Ventures, Overseas Ownerships, and Competition” (McLagan and Suhadolnik, 1989, 19)**

#### ***Direct Derivations from Phase Model***

If nothing else, globalization promises no relief from burnout. Burnout is not a uniquely North American phenomenon. In several countries around the world, in fact, burnout seems substantially worse than in North America. See Table 13.4, among other sources (Golembiewski et al., 1996, esp. 168–173).

In short, globalization will not help management walk away from burnout issues. Far more, globalization means rushing toward greater burnout issues in different locations, cultures, and systems.

### ***Reasonable Extensions from Phase Research***

The phase model literature will profit from worldwide replications, to be sure, but the basic message seems unlikely to change very much. As HRD professionals get involved in globalization, then, so also will they increase their opportunities to gain leverage from the phase model, if Table 13.4 represents only a modestly accurate picture.

This seeks to make something of a bad situation and, possibly, may understate the matter. Specifically, “better” organizations may well constitute the bulk of the 100 or so worksites included in the present panel of phase model studies. If so, who knows what data from “worse” organizations will reveal?

### **Force 12: “Increased Need for Commitment, Meaningful Work, and Participation on the Job by a Larger Proportion of the Workforce” (McLagan and Suhadolnik, 1989, 19)**

#### ***Direct Derivations from Phase Research***

No doubt exists on this one. Many replications of studies assessing covariants of the phases explicitly test variables related to those mentioned by Force 12, especially job involvement and participation in decisions at work. Moreover, the personal accomplishment subdomain of the phases refers to how well the respondent sees self-performing work that is attractive and socially valuable.

In the case of every such variable, at every worksite, and in every country, the pattern is very much the same. More advanced phases are associated regularly and robustly with progressively poorer profiles. If you want employees with high degrees of commitment, you want to orient all policies, procedures, and structures toward supporting low burnout. The underlying rationale is obvious.

As HRD professionals really own Force 12, then, the more they in effect commit self to learning about the phase model, and using it effectively. This may seem shaky. However, the absence of desired worker characteristics such as commitment (Cherniss and Krants, 1983) was associated with burnout even before the development of the phase model. So the message above is not a new one for HRD researchers and practitioners, but adds force to the earlier alerts.

#### ***Reasonable Extensions from Phase Research***

Although direct demonstrations do not exist yet, the work features prescribed by Force 12 are well within typical circumscriptions of HRD missions and roles. Various approaches to organization and job design clearly are in that category—

job enrichment, role negotiation, cross-training, and so on (e.g., Golembiewski, 1995).

One additional factor related to Force 12 will profit from additional discussion, despite being mentioned earlier. Depending on whether respondents are in an “active” or “passive” mode, interventions to ameliorate burnout may differ substantially. Several surrogates have been used successfully to estimate mode, including a standard scale measuring job involvement (White and Ruh, 1973). Researchers divided respondents into two categories based on a standard norm—those above the norm are designated “active,” and those below it are “passive.” Different interventions seem indicated because burned-out passives are perceived as more vulnerable to high-stimulus designs (Golembiewski, Hilles, and Daly, 1987), which include intense team building and major structural or policy changes.

Actives, even though they may be in advanced phases of burnout, are still involved emotionally in the activities of their organization and retain emotional resources to respond to new stressors. This makes them a better target for HRD interventions than passives (Golembiewski, Hilles, and Daly, 1987). Such interventions can include gathering and sharing data about operations, conditions, relationships, and culture; contracting with organizational stakeholders for improvements in appropriate aspects of the organization; and working toward changing the organization’s structure, policy, and practices to institutionalize more effective interactions and other salient aspects of the operating environment (Golembiewski and Boss, 1992). In short, this describes the classic OD design: changes in interactions and values, reinforced by structural redesign to attempt to make the initial changes permanent features (Golembiewski, Hilles, and Daly, 1987). Such activities are also part of the human resources planning inventory of approaches.

The bad news is that the proportion of actives seems to decrease with each subsequent phase. Proportions in different organizations will vary, but the same pattern seems common—e.g., 70 percent of those in Phase I may be actives, while a similar percentage of those assigned to phase VIII are passives (Golembiewski et al., 1996, 232–236).

This regularity begs the question of what causes people to be active or passive. Mode may be a function of personality characteristics such as hardiness or helplessness (e.g., Garber and Seligman, 1980), or mode may be basically shaped by nurture. Mode also may vary with culture. Thus, several Japanese populations contain many more actives than (let us say) U.S. civilian workforces, even though actives still decrease, more or less phase by phase, in both countries (Boudreau and Golembiewski, 1990; Golembiewski and Boudreau, 1989). Also unknown is how long original actives remain so after moving into advanced phases of burnout. Freudenberger (1980) believes the period is short.

To date, only populations with small proportions of passives have been intervention targets. While no adverse effects were reported from the interventions, the passives tend to remain in the same phases of burnout even after marked

improvements are observed in others (e.g., Golembiewski, Hilles, and Daly, 1987). Here again, there seems much to build on, and much to learn.

It represents no great stretch to speculate that mode of dealing with burnout may have strong implications for other HR initiatives—that is, succession planning or career planning. No relevant research exists, as far as these authors know. But some organizations like the U.S. Air Force clearly seem to have found ways to reduce the proportions of passives to very low levels (e.g., Aldinger, 1993).

### **Force 13: “Increased Use of Flatter, More Flexible Organization Designs; Smaller, Self-Contained Work Groups; and Reduced Staff” (McLagan and Suhadolnik, 1989, 19)**

#### ***Direct Derivations from Phase Research***

Earlier discussion dealt with the group-related aspects of burnout, as exemplars of other detailed implications that also fall under Force 13. Here, note only an obvious point: features like those above require more of organization members so it becomes increasingly critical that clear and consensual limits be developed concerning what gets done, how, and with what consequences. Hence, obviously, the relevance of values or normative boundaries for managerial action, especially in times like ours.

Looked at from an important perspective, the phase model can serve as a surrogate for such value tethers, which, historically, often have been championed by those in HRD. *The* question here becomes: What use will be made of our human resources, as interpreted in terms of the proportion of passive VIIIs that an organization will help create, and then tolerate?

This question is not somehow vague and soft. Given the dour covariants of the advanced phases, every choice will have more-or-less costs associated with it, and we may predict with some safety that our sense of those costs will grow as our knowledge of the phases expands. Now this question is worthy of the best in HRD, blending as it does the issues of human uplift with dollars-and-cents concerns as well as with qualitative aspects of life in our organizations.

#### ***Reasonable Extensions from Phase Research***

The potential for extensions here seems substantial, for structure is a powerful determinant of behaviors and attitudes. The case has been extensively developed for bureaucratic structures and their probable impact on heightening burnout (e.g., Golembiewski, 1995, esp. 51–132), but such armchair analysis has not yet generated vigorous empirical research.

Beyond such speculative specifics, the same generalizations apply here as at several points in this essay: the MBI and phase model can help diagnose the needs for interventions, determine what kinds of interventions are needed, motivate management to authorize or make changes, and measure the effectiveness of such

changes on workforce members. While sociotechnical design may prove to be most effective, further research is needed to determine the structure and features of organizations, work groups, and job designs that induce the least burnout. Such research is underway by one of the present authors (Myers).

Many of these thirteen “forces,” including the present one, imply an increased reliance on interventions that have been in the HRD inventory, as it were, but were largely limited to use at executive or managerial levels or in high-technology settings. The notion of “dual career ladders” is one of these approaches and, in fact, has been used to help ameliorate burnout (e.g., Golembiewski, Hilles, and Daly, 1987). To explain, upward mobility has been *the* traditional reward for dealing with stressor-rich work, but today’s flatter organizations provide sharply fewer opportunities for this approach. Oppositely, for example, many middle managers are being released from government and business, as jobs are enriched and decision-making is relocated to lower hierarchical levels. Dual career ladders provide a useful complement to traditional patterns of organizing. Dual ladders permit a sense of mobility within a specific job or specialty, as opposed to hierarchical movement. This point has long been recognized in principle, but only recently has much practice generated the flat-out need to act on the principle.

### HRD ROLE IN ORGANIZATIONS

As HRD specialists try to move their activities toward being more strategic, they’ll find many challenges in proving that HRD can work successfully with the “forces,” and have marked effects on major organization objectives. The phase model can be a useful tool for providing evidence about required changes in social system functioning in which HRD has distinct skills, experiences, and theory.

The HRD potential in ameliorating burnout is great. Although some alternatives like “total quality” have a head start, they do not have the resonance that burnout has to HRD—to its values, skills, activities, and so on, both as they exist and how they may develop.

For example, the most effective HRD-related activities in organization/job design include job rotation, job enrichment, and creating autonomous team structures. Thus, HRD practitioners can well claim and gain a strong hand in organization/job design planning, implementation, and evaluation. These designs increase workers’ sets of skills and provide redundant functions in their organizations, while obviating the appearance of employees as “redundant parts,” which can lead to adverse personnel actions, including downsizing, and increased burnout (e.g., Noer, 1994). As worker management of their work situations increases, management development will become an imperative for organizations to deal with the movement of “managerial prerogatives” from managers to workers (Golembiewski, 1996).

The phase model can be useful in dealing with any social system that seems not to be working well in any organization at any time. Assignment of many people to the phases of burnout beyond the least advanced, based on the large number

of covariants with the phases, indicates that something deleterious is happening and intervention is needed to change the situation. Again, results from the MBI and phase model point to the kinds of changes needed. Further use of the MBI can show the results of ameliorative actions.

In sum, the MBI and phase model can be used like a stethoscope can be used in medical diagnosis. The MBI is quick, easy, and cheap to administer, and can provide an immediate diagnosis of the effects of problems that individuals, groups, or organizations are encountering. The phase model of burnout as a stethoscope for organizations could prove valuable in helping prevent and remedy the pain of burnout, the costs and missed opportunities for the organizations and their members who experience it, and as a research tool for learning more about burnout and its consequences.

### NOTE

1. A technical issue is relevant here. Throughout, reliance is placed on “universal norms” for the Hi-Lo distinctions used to make phase assignments. These norms derive from median-splits of the three MBI subdomains in a public agency,  $N = 1,535$ , where stressors were prominent. Alternatively, “local norms” might be used to assign phases, and different distributions would result from e.g., median-splits on each population. These distributions might be “better” or “worse” than those in Table 13.4, but require no basic changes in the positions elaborated here.

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## **Job Mobility Assignments: Mechanisms for Human Resource Capacity Development**

LOIS RECASCINO WISE AND BARBARA LAMB

Public organizations are increasingly looking to their counterparts in other governmental agencies and to the private sector for human resource management practices and partnership opportunities. The partnership theme, which is found more broadly in public administration literature, is increasingly woven into the fabric of employment policy (Jennings, 1994; Flynn, 1998). This trend reflects recognition of the need to bring multiple actors together to address the difficult problems related to human capital development on the one hand and the consequences of administrative reform and transformation on the other.

This chapter considers the extent to which temporary employee mobility assignments serve as a method for human resource development (HRD). It examines the way mobility exchanges are structured and identifies program components found in mobility programs in different national contexts. From these components a set of “best practices” are put forward as exemplary.

During the last decade, different voices have advocated the use of mobility assignments as a mechanism for improving the capacity of work organizations and enhancing employees’ career development. According to Peter Sutherland (1993), former commissioner of the EC, developing administrative partnerships is a key framework for meeting the challenges of managing the European Public Service. As part of the reforms recommended under the U.S. National Performance Review, Vice President Gore (1996) identified intergovernmental cooperation as a way of enhancing human resource capacity development in government and called for removal of bureaucratic red tape limiting partnership activities, yet

the United States seems to lag behind other countries in efforts to use different partnership mechanisms for enhancing human resource development.

In the United Kingdom, the use of job mobility, or *secondment*, expanded substantially from the late 1980s onward as exchanges flourished, both business and government (Syrett, 1988; Hobbs, 1988; Ball, 1997). In some cases, mobility opportunities have been used as a recruitment or retainment incentive for members of occupational groups with skills in scarce supply (Hawksley, 1995). In other cases, mobility exchanges have been used in organizations undergoing privatization as a means for acquiring new skills and work methods (Deane, 1992). And in many cases employees have been assigned to client organizations to gain a better understanding of clients' needs and preferences (Tylee, 1997).

The British government has put a number of different programs in place that promote job mobility or secondment for civil servants. Under the Fast Stream Development Program, selected entrants to the civil service are targeted for earlier exposure to responsibility, promotion, and job mobility. The emphasis on training and development through mobility functions as a recruitment incentive, according to testimonials (U.K. Civil Service Fast Stream Development Programme, 1997). Under the Export Promoter Initiative, government organizations use mobility assignments as a way of bringing needed business skills, particularly in accounting, into their organizations. Special mobility arrangements also promote British exchanges of engineering personnel with international partners (Barthorpe, 1996).

The task of promoting job mobility assignments for British civil servants to the EU falls to the Cabinet Office of the Office of the Public Service in the United Kingdom, but individual agencies also take initiative for promoting exchanges of personnel for the purpose of human resource development. For example, the National Insurance Contributors Agency states in its annual report that it uses mobility assignments to broaden the experience of agency personnel and to develop employee skills and abilities (U.K. NICA, 1995/96). Within the Ministry of Defense, the Defense Evaluation Research Agency uses both secondments and short-term attachments to promote personnel exchanges and states that "Personnel exchange is one of the most effective means of transferring knowledge between DERA, industry, academia, and other government departments" (U.K. MOD DERA, n. d.). According to reports from the Treasury, in 1995 and 1996 about 16 percent of agency personnel were involved in some form of personnel exchange with domestic organizations, other European and non-European governmental organizations (U.K. HMT, n.d.).

### RESEARCH AND THEORY LINKING MOBILITY AND HRD

Both theory and empirical research support the expectation that mobility assignments should produce positive gains for employees and work organizations. Although formal evaluations of the outcomes of mobility programs are rare, there is some evidence in support of the expectation that job mobility assignments

should produce positive gains for work organizations (Greig, 1994; Cheraskin and Campion, 1996; Simmons and Cutler, 1996). According to studies from organizational behavior and industrial psychology, mixing people with diverse work experiences, educational backgrounds and functional expertise together appears to be associated with more creative and more effective problem solving (Murray, 1989; Michel and Hambrick, 1992; Horowitz, 1996; Duffy, 1997). Assignees are more likely than incumbent employees to recognize dysfunctional work patterns in their host or home organization. They may recognize dependencies on obsolete or inappropriate technologies or other ways of knowing or processing information that prevent organizations from being innovative and progressive. These so-called "competency traps" (March and Olsen, 1989) limit organizational innovation and transformation.

Similarly, case studies of job mobility activities indicate they can contribute to organizational learning (Arend and Palmer, 1972; Booth, 1986; Syrett, 1988; Levinthal, 1992; Cheraskin and Campion, 1996; Ball, 1997). Mobility assignments have the capacity to promote organizational learning and receptivity to new ideas and work practices (Anderson and Davidson, 1996). Similarly, mobility assignments are compatible with the contemporary idea of boundaryless careers and lifelong learning. Careers involving mobility assignments can be seen as accumulating reservoirs of knowledge rather than climbing a progression of work experiences (Bird, 1994). Mobility assignments enable workforce members to acquire new skills and knowledge that serve new organizational priorities, new technologies, and new ways of working. The cumulative effect of these individual gains can enhance the overall quality of the public work force and make it more responsive to the public and more efficient and effective in its performance.

### **PROBLEMS AND LIMITATIONS WITH PERSONNEL EXCHANGES**

Notwithstanding the potential benefits, there are a variety of risks to organizations using mobility exchanges. One set of risks involves the possibility that no knowledge or skill is gained from the exchange. For example, it may turn out that the skills and knowledge acquired by individuals on assignment have no direct value or relevance for their home organization. The exchange may serve the individual's interests for career development or self-actualization but not those of the organization. A second risk is that the organization is unable to process or absorb the new knowledge or skills brought into the organization. Third, the organization may lack the procedures or culture for retaining and reinforcing new learning and revert to previous practices and ways of knowing. Another concern for donor organizations is that no strategy for reentry exists and the returning employee fails to make a smooth transition back into the organization. The work organization may have changed in his or her absence and the previous job may have been significantly altered or the lines of responsibility changed.

There may be psychological consequences related to the end of an exchange assignment and the return to the home organization. Some employees experience

difficulty reentering their home organization after a mobility assignment (Auer, Demmke, and Polet, 1996; Canada Treasury Board Secretariat, 1990, 54) and may even benefit from some form of counseling (McEachern and Polley, 1993). Other employees may harbor resentment toward the person and isolate him or her. In some cases, the home organization may seem uninteresting after a short period in a different work organization and geographic location. There may be a certain “let down” after an intensive and successful exchange experience; this may lead to different levels of detachment or withdrawal that limit the gain for the home organization that comes from the exchange experience.

Exchange partners should recognize that organizational performance could be undermined when exchanges involve long learning curves (Cheraskin and Campion, 1996). Similarly, duplication of effort or administrative bypassing based on an unwillingness to trust the qualifications and competency of an exchange employee will have a negative impact on productivity (Harrison, 1997).

Employees themselves may view mobility assignments with suspicion (Syrett, 1988). Older workers may fear they are being sidetracked and climbers may fear they are being taken off the fast track. Some may recognize that their attachment to their home organization is compromised.

The rules and regulations of mobility programs in themselves serve as a barrier to participation in exchange opportunities. Many countries have very complicated procedures in place (Auer, Demmke, and Polet, 1996). Factors affecting eligibility of participants or organizations can limit mobility. Factors affecting cost reimbursement and salary replacement hinder participation (Ronteix, 1990; U.S. GAO 1989a; U.S. DVAOIG, 1997).

The next section describes some existing mobility programs. This is followed by a review of three organizational objectives that exchange assignments might meet. Subsequently, the chapter presents some components of mobility partnerships and factors affecting the utilization of mobility mechanisms. Finally, some best practices for the strategic management of mobility mechanisms are put forward for consideration.

### **Existing Programs**

Developing administrative partnerships is a key framework for meeting the challenges of managing the European Public Service (Sutherland, 1993). The European Union uses many different mobility mechanisms including special programs for developing local and regional capacity and for stimulating exchange activity in particularly functional areas, like customs or policing. Recently the Stages program was introduced to give potential new recruits two temporary 5-month internships in the bureaucracy for exposure to the work of the European Commission. The European Commission recruits temporary personnel, typically in grades A and B, on short-term contracts, for example, involving research or technical questions.

Mobility exchanges, in principle, appear to be a common feature of national civil service systems. Among member states of the European Union, secondments of national civil servants to the European Civil Service or other authorities of the EU are common and most countries allow national civil servants to take temporary assignments in other international organizations. Some even allow civil servants to take permanent positions in an international bureaucracy and retain their status and job rights at home. According to a study of fifteen countries conducted by researchers at the European Institute of Public Administration (Auer, Demmke, and Polet, 1996), many national governments also have bilateral or regional exchange agreements. The Nordic Civil Servants Exchange Program and the Irish-Anglo Exchange are examples. Additionally, domestic programs provide for exchanges between national authorities, national and local authorities, national and nongovernmental, or national and academic organizations in Denmark, Germany, Greece, Spain, France, Italy, Ireland, the Netherlands, Austria, Finland, Sweden, the United Kingdom, and Norway (Auer, Demmke, and Polet, 1996).

In North America, exchanges with the private sector and nonprofit organizations are also allowed under the Interchange Canada Program. As it is currently structured, Interchange Canada applies only to domestic exchanges and International Programs is the system that applies to exchanges with international organizations and foreign governments. A special Canadian government program to enhance executive exchanges with the private sector, the Business/Government Executive Exchange, was established in 1985. The objectives of Interchange Canada are to improve policy development and service through better understanding between the federal sector and other sectors in Canada; to provide for the transfer of knowledge, expertise, technology, and best practices; and to provide for the development of employees. The Executive Exchange Volunteering Services Act established a special program for mobility between public and private sectors in the United States, but it expired in 1990. The Intergovernmental Personnel Program (IPP), which is administered at the departmental level, is the principle vehicle for mobility assignments in the federal government. A third program for the exchange of personnel in the U.S. national civil service is the Presidential Management Internship Program. Under the terms of the Civil Service Reform Act of 1978, employees in the Senior Executive Service were expected to rotate throughout the civil service, but efforts to promote interdepartmental mobility of top executives in the U.S. government have been unsuccessful (Sanders, 1994).

The level of exchange activity in these countries varies substantially as many agreements are not actively managed or promoted. A number of countries characterize their mobility programs as being oriented toward human resource development. One country with a long history of using mobility to promote both career development and staff flexibility is France, but assignments are primarily initiated by management. Austria and Germany have more recently begun to

promote interdepartmental mobility (Auer, Demmke, and Polet, 1996). The United Kingdom, Netherlands, and Canada appear to make relatively extensive efforts to promote job mobility as a form of human resource development. Governments may also use mobility agreements as a way of circumventing imposed staffing restrictions with no direct focus on how the exchange employee contributes to greater organizational knowledge or understanding in his or her area of expertise. Some governments may at different times rely on voluntary or compulsory mobility as a mechanism for controlling the supply and demand for labor and for meeting national goals for reducing the size of the public bureaucracy. These permanent job changes from one job or agency to another are not within the focus of the current study, although they serve a valuable role in maintaining an efficient public bureaucracy and may provide viable career options for some civil servants.

### **Purposes of Mobility Agreements**

Our focus here is on the way mobility assignments are used by different national governments for the purpose of developing human resource capacity. This would include programs designed to provide for career development of civil servants; to improve administrative capacity by improving the management pool; and to promote human resource development by enhancing equal employment opportunities.

1. *Providing for Career Development.* Closely related to the goal of better management are efforts to provide for the career development of individual employees. Career development for managers is a key objective of mobility assignments in Canada and mobility policies are carefully integrated into management development. If an organization benefits from broadly trained managers, those managers also gain in terms of enhanced career opportunities with more avenues for advancement. Movement within an organization is determined by the rules affecting career advancement as well as by an organization's policies for and investments in staff training and development. Opportunities for promotion and job training can be seen as distributive functions of internal labor market systems; where a system is stagnant and inflexible, personnel exchanges create alternative methods for distributing these benefits of employment among workforce members (Wise, 1994).

Job training and career development opportunities are a critical element of employee growth and upward mobility. Mobility assignments function as a training experience where employees learn through exposure to new skills, methods, or perspectives by working in different units or sectors. The notion of long-term employment, which characterizes many civil service systems, is compatible with policies for investing in the training and development of employees not only for job-specific skills but also for long-term career development and contribution to an organization. In this context, an opportunity for sabbatical leaves or mobility leaves to educational or research institutions can provide an important stimulus for developing a deeper understanding of a subject area and provide a vehicle for bringing that new knowledge back to the home organization.

Cross-training opportunities are a key benefit of intergovernmental mobility, although not all governments allow civil servants to participate in functional mobility exchanges (Auer, Demmke, and Polet, 1996). Functional mobility is more common in exchanges targeted at junior employees where there is a desire for new entrants to gain an understanding of an organization's full operation than it is for exchanges involving senior staff except in cases of redeployment. Cross-training creates open systems in government, better communication across departments or agencies, more innovation, and more responsiveness. It enhances equity opportunities and increases job satisfaction through offering workers new challenges and opportunities for personal and professional growth. These outcomes may be particularly desirable in relatively closed labor pools where, as a result of hiring freezes, few new employees enter the system.

2. *Improving Administrative Capacity.* Improving administrative capacity through greater understanding is a motive for cross-national exchanges including those promoted by the European Commission and Nordic countries. Driven by the desire to become less bureaucratic and more performance-oriented, the United Kingdom is making an effort to change its management culture by introducing new blood and new ideas into what has long been a closed system. The Netherlands has also instituted numerous reforms for improving the quality of public management, particularly during a period of little new hiring into the civil service system.

Mobility mechanisms may be seen more specifically as a means of developing the administrative capacity of regional/state and local governments, as it is in the United States, Canada, and France. For example, the stated policy of Canada's relatively new Management Trainee Program is "... to enrich the pool of middle managers who have the potential to become future leaders of the Public Service" (Canada Treasury Board, 1997a). In the United States, the Intergovernmental Personnel Program (IPP) came about in response to concerns over the ability of state and local governments to carry out the mandates of the federal government (Shapek, 1980; U.S. OPM, 1982). The interchange of personnel between different levels of government is seen as a means of transferring knowledge and expertise. By sending federal employees to state and local jurisdictions, or state or local employees in the opposite direction, skills and knowledge can be transferred between people with different types of education and different occupational backgrounds. In addition to long-term development needs, these exchanges may meet the immediate operating needs of the host agency.

3. *Promoting Equal Employment Opportunity.* Mobility programs may be structured to advance equal employment opportunity (Chevaskin and Campion, 1996). Some countries, including Canada and Norway, have established employment targets for various groups. In Canada, mobility exchanges target women, indigenous people, the disabled, francophones, and ethnic minorities. In Sweden, the National Tax Board established a special mobility program in 1993 using short-term assignments in regional offices with an assigned mentor to bring more women into the management ranks. Statistics Canada has an internal program that targets midlevel personnel who may apply for short-term sabbatical leaves from their regular duties in order to pursue a program of original research and analysis (Canada Treasury Board Secretariat, 1997b). Japanese firms are beginning to use internal mobility assignments as a means for improving career advancement among women after they pass their childbearing years (Lam, 1994).

Mobility programs may advance or marginalize special groups or workers. Some evidence suggests that opportunities for mobility discriminate against older and younger workers as well as against those with lower levels of education (Greenhalgh and Mavrotas, 1996). Thus the inclusiveness of the terms of eligibility and existence of special targeted groups is a factor affecting equal opportunity. Based on empirical evidence, researchers examining the use of job mobility within a large pharmaceutical firm contend that opportunities for career development benefit employees at all levels in the organization and thus should not be restricted to an elite cadre (Cheraskin and Campion, 1996).

### **Factors Increasing the Perceived Utility of Job Mobility**

A number of common factors appear to account for the increasing interest in opportunities to exchange government employees between divisions, organizations, and sectors. These include greater fluidity in government borders, a need for different knowledge, skills, and abilities, and different priorities in service delivery and production.

One reason that borders between government jurisdictions have become more fluid is economic restructuring (Ramfelt and Ekerdal, 1994). Employees in different jurisdictions must be able to coordinate with each other in order to execute their regular responsibilities. Coordination is required, for example, in environmental control where pollutants are carried by air and water into and out of an area without regard to political boundaries. Customs control and other areas of policing have witnessed an increased need for cooperation. In other fields, problem solutions have become increasingly complex and are less likely to be solved within governmental boundaries. Solutions to unemployment or insufficient economic development are increasingly less likely to be contained within the boundaries of one political jurisdiction.

Fluid borders place more demand on the need for shared expertise between employees in national and other levels of government as well as between civil servants and the private sector. In the Nordic countries, partnerships between local and regional governments across national boundaries are particularly important and pertain to schools and other educational institutions, building and planning, environmental protection, health and welfare, and tourism and recreation, for example (Peterson, 1994; Sweden Ministry of Public Administration, 1994).

Second, changes in the nature of needed knowledge, skills, and abilities place new demands on public employees at each level of government. These changes are associated with contemporary public management reforms including privatization, decentralization, devolution of government functions, and demands for greater cost efficiency. A global and increasingly technological economy has a number of clear implications for the way public agencies develop and maximize their human resource capacities. Technological change in itself alters the configuration of tasks and needed personnel within an organization (Leavitt, 1964). Decentralization and deregulation of personnel policy may put more emphasis

on local planning, analysis, and evaluation (Lægreid, 1991). In response to the demands related to new approaches to management in the public sector, many public officials are interested in learning about new management techniques and figuring out how to bring practices from private industry or innovative government agencies into their own organization. Efforts to improve efficiency or quality may require new skill configurations that can be brought into an agency from outside organizations including business and academe (Richards, 1990).

Christensen (1996, 32) points to a special "European competence," which involves a combination of skills in economics and judicial processes along with skills in multinational negotiation required of those working for the Norwegian Ministry of Foreign Affairs. Demands for new skills as a consequence of public management reform are especially apparent in local government. Changes in public management may be reflected in work being less segmented and more integrated, as Häggroth (1993) has observed in the case of Swedish municipalities. Successful performance in the new management culture may require public employees to develop skills in negotiation or contract management or to learn marketing or management methods from the private sector. Service delivery and production of public goods shift more frequently as a result of greater sensitivity to customer preferences. Shifting priorities create mismatches between the knowledge, skills, and abilities possessed by staff and those needed to execute current organizational priorities.

A third factor that increases the use of mobility mechanisms in some countries is the existence of an organizational unit or agent to plan and promote exchange opportunities. Despite apparent advantages of interorganizational and intergovernmental mobility, the actual rate of movement between organizations, national administrations, or international organizations is often quite low. Without a framework to create a special conduit for exchange and movement, the pattern of mobility may be limited to attrition or outplacement or to *ad hoc* activities that do not come together to make a clear and definable impact. Evans (1993), for example, distinguishes between structured and unstructured mobility programs indicating that the increasing diversity of public administration makes unstructured exchanges less effective in identifying and fulfilling potential mobility opportunities. In analyzing the implications of European policies for free mobility for actual mobilization within the broad labor market, a Swedish state research commission concluded that since Nordic mobility (which is unrestricted in the Scandinavian region) has produced relatively little labor movement, the consequences of EU policies should not have an appreciable impact on Swedish communities (SOU, 1994).

Active mobility program management enhances the likelihood that civil servants will be aware of the opportunity to participate in mobility exchanges and of how exchanges would benefit them individually. Passive postings of programs or positions or production of descriptive brochures is not sufficient to create a successful program. Norway has tried to increase efforts to expand mobility between units and levels of government due to external market pressures. In particular,

the inability to compete with the private sector for certain groups of professionals caused a drain on human resources at the central level and led to more movement within the government (Læg Reid, 1990). Two different systems for promoting mobility were put in place. In 1991 a special program for exchanging top managers between government and industry was established. The second program involves rotations within the public sector. A very small number of exchanges have actually occurred under these mechanisms. A survey indicated that information about the program had not reached the agencies involved and few agencies had implemented the mobility programs.<sup>1</sup>

In this context, the experience of the Dutch national government is instructive. In 1995 the Netherlands Ministry of the Interior established a special division for the approximately 320 members of the Senior Public Service (ABD) headed by a Director General. Among its basic objectives are to enable senior civil servants to work in different ministries and to increase knowledge and improve the skills of members of the senior public service (Netherlands ABD, 1998). Mobility is clearly promoted as a vehicle for enriching managers' work skills and is integrally linked to human resource capacity development and to the strategic goal of improved management performance of the top civil service. The ABD has responsibility for coordination among central agencies and ministries and works directly with personnel departments in other ministries. A special appropriation was made to the Ministry to facilitate mobility programs. Senior public servants are also encouraged to participate in international exchanges, which are part of the career development track for top Dutch civil servants, through this office. A goal is that senior civil servants remain in one post for an average of 5 years throughout their careers (Korsmit and Velders, 1997).

Official evaluations show the program has had a positive effect on the level of mobility as well as on career development of senior staff. An external evaluation based on data for the period from September 1995 to December 1997 shows the program, even in this initial stage, has had a positive impact on mobility and HRD (Netherlands ABD, 1998). Interministerial mobility accounts for 38 percent of the positions filled; this figure would represent about 9 percent of the total Senior Public Service. In comparison, interdepartmental mobility for the U.S. Senior Public Service is less than 2 percent (Sanders, 1994). The total amount of mobility for the Dutch Senior Public Service would be about 24 percent based on a workforce of 320 persons. Programs in Canada and the United Kingdom that have been in place much longer and involve a broader workforce base indicate total mobility rates of about 16 percent as noted earlier. In addition to promoting mobility of the top civil servants, the ABD produced a set of core work competencies many of which could be gained through work experiences in other organizations.

In Canada, a liaison officer resides in the Public Service Commission who has responsibility for coordinating activities related to mobility programs (Interchange Canada, Business/Government Exchange Program). This person trains and works with the liaison officer for mobility housed in each department. The Interchange Canada liaison officer in the Public Service Commission acts "as a

broker between sponsoring and host organizations.” Under the Interchange Canada program, the Public Service Commission has responsibility for providing for program management, publicizing and promoting programs both within and outside the central government, negotiating agreements, training departmental liaison officers, providing consultations and advice on operational matters, maintaining an information database regarding exchanges, and monitoring program performance. At the departmental level, the Liaison Officer has responsibility for promoting exchanges, nominating candidates for exchange opportunities, assisting with arrangements, negotiating agreements for exchanges below the executive level, etc. (Canada Treasury Board, 1994).

### HOW GOVERNMENTS STRUCTURE MOBILITY PROGRAMS

National experiences with mobility systems provide insight into different options for configuring public sector personnel. This section looks at six key administrative components of mobility mechanisms. They include the eligible staff, eligible organizations as hosts or donors, the duration of an exchange, the administrative arrangements, the cost structure, and the type of leadership or coordination.

1. *Eligible Staff.* Mobility exchanges are typically offered for those who are perceived as having greater career potential than average. Senior civil servants are often targeted for special mobility programs. Several nations, including France, the United States, Canada, the Netherlands, and Australia, have a top grade of executives and managers for whom mobility is a fundamental employment principle. The idea, which is found in many civil service executive programs, is to develop an elite cadre of individuals that belongs to the government as a whole rather than to a specific agency or department, who can be deployed as needed to meet the changing demands of the civil service.

At the same time, many governments and agencies of government promote mobility among junior staff, such as the United Kingdom’s Fast Stream Program mentioned earlier. Under the different Fast Stream Programs, participants who enter specific departments and different subprograms change jobs every 12 to 18 months and may be assigned to other government agencies, voluntary or industrial organizations, or to the European Union. Similarly, the U.S. Presidential Management Internship Program selects newly graduated masters levels students for a 2-year period of rotated job assignments within the federal government. Under the Canadian Management Trainee Program, about a 100 recent college graduates are selected annually for participation in a 5-year program designed to expose them to a range of functional areas and progressively challenging work situations that demonstrate the linkage between academic course work and management. Each trainee is sponsored by one home organization throughout the program, which retains responsibility for the trainee’s successful completion of the program although the trainee may be assigned to different agencies and departments throughout the cycle (Canada Treasury Board Secretariat, 1997a). Sweden’s National Railway (SJ) targets junior employees for a 16-month period of both functional and geographic mobility within the

organization as a way of providing a greater understanding of the overall operation promoting a generalist perspective and providing greater opportunities for individual development.

2. *Eligible Organizations and Beneficiaries.* Mobility partnerships can be formed with many different kinds of organizations. Some countries require that partner organizations be certified as eligible. Many countries appear to have an extensive battery of potential partners. In addition to other central government departments, regional and local governments are specified as eligible partners as are international organizations, public enterprises, and private sector organizations. Canadians and Americans add nonprofit and academic institutions to the list. In the United States, Indian tribes are also eligible partners. Trade unions are also eligible partners in Canada. Issues of conflict of interest are most likely to jeopardize exchanges involving private sector organizations and academic institutions, but are also of concern in less common assignments to international organizations.
3. *Duration of Exchange.* There is considerable variance in the duration of mobility assignments. There are a number of short-term programs 3 months in length and there are also some programs designated as 5 years long. But the most typical is a 2-year period. In contrast, exchanges between member nations and international bureaucracies are sometimes indefinite. Because the benefits from human capital investment tend to accrue over time, long-sighted approaches are not unwarranted (Salamon, 1991). Many programs have relatively short assignment time frames. Under the sabbatical exchange program for U.S. Senior Executive Service members, assignments may be as short as 3 months. Mobility assignments under the U.S. IPP may last up to 2 years, but may be renewed for an additional 2 years. In Canada, exchanges are typically 2 years in length but may be extended with approval. Canada's Ministry of Defense designates exchanges with business and industry as lasting up to 5 years. Canada's Management Trainee Program is also designed to last 5 years, although a 4-year cycle is also possible. Under the *Pas de deux* Program, which is operated by Health Canada and involves shadowing and exchange activities designed to help employees gain new knowledge, skills, and experience, shadowing assignments may last from 1 to 5 days and direct employee exchanges may last from 1 week to 3 months (Canada Treasury Board Secretariat, 1997b).
4. *Administrative Arrangements.* An effective mobility program must allow for flexibility to meet the needs of all parties, and this means that terms and conditions will vary from case to case. According to some research, governments are increasingly trying to increase the flexibility of the terms of personnel exchanges (Auer, Demmke, and Polet, 1996). This flexibility is found in France, where multiple mechanisms are available to facilitate the movement of people for various lengths of time across governmental, sectoral, functional, and geographic boundaries under various cost-sharing arrangements (Ronteix, 1990; Auer, Demmke, and Polet, 1996). In an effort to avoid the appearance of conflict of interest, some programs, like the U.S. Intergovernmental Personnel Program, require that exchanges be management, rather than employee, initiated yet there is no transorganizational administrative component responsible for promoting and facilitating mobility activity. From a strategic human resource management perspective, it would be appropriate to examine the way organizational or civil service objectives are served by employee-initiated exchanges before excluding them. Canada and the United Kingdom have numerous governmentwide and department-initiated programs to promote mobility. An

- interesting feature of the administrative structure of Interchange Canada is its provision for negotiation of the terms for mobility assignments on a case-by-case basis.
5. *Cost Structure.* The cost structure for mobility partnerships is a significant issue that impacts the likelihood that staff exchanges will actually occur. Incompatible financial management and accounting systems between agencies is one of the most common causes of failure in interagency cooperation (Bardach, 1996). These incompatibilities may be reflected in lower salary payments to the exchange employee, loss of paid vacation or sick leave, uncovered insurances, or lost contributions to a retirement fund. The donor and host organizations as well as the employees involved may have different preferences about how salaries and benefits should be financed. Tax codes may impact employees in a temporary exchange position differently than they would if employees remained in their home organization. Different qualifying categories may impact employees' eligibility for tax benefits in temporary assignments. For example, the length of the assignment may be a factor in determining whether an employee gains tax credits or deductions from assignments involving geographic mobility. Employees may be unaware of these factors when deciding about mobility opportunities.

Cost of living factors may significantly reduce real earnings in cases involving geographic mobility. A study of French senior officials found that income reductions of 50 percent were not uncommon as a result of international mobility assignments. At the same time, those who received higher salaries as a result of a mobility assignment found it difficult to face a reduction in earnings upon returning to their home agency (Ronteix, 1990). These concerns are often raised by national civil servants considering temporary assignments in the European or international civil service systems. Similarly, mobility assignments between levels of government in the United States have been hampered by pay differentials and insufficient compensation for extra costs created by the transfer (U.S. GAO, 1975; U.S. GAO, 1989a; U.S. DVAOIG, 1997). In some recent cases, mobility mechanisms appear to have been misused to solve permanent staffing problems and have generated inappropriate costs through excessive payments (U.S. DVAOIG, 1997). Employees on mobility may be paid less than members of their host organization for similar work when they transfer between levels of government or sectors. They may lose pay increases relative to those gained by employees doing equal work in their home organization. They may incur costs related to maintaining multiple homes or in vacating their primary residence. These financial costs reduce the rate of participation in mobility programs.

Intersectoral exchanges raise particular problems related to costs and perceptions of conflicts of interest. Under the provisions of Interchange Canada, managers are directed to avoid the appearance of gain to the public sector from exchange employees from other sectors by paying the full salary and benefits of the exchange employee. Where national government employees are assigned outside their sector, their home agency is expected to receive full compensation for salary and benefits. The host and home organizations usually share relocation costs. Departments may, at their own discretion, negotiate special arrangements if they can document how the public service benefits from the exchange and do not exceed 25 percent of the maximum salary and benefits attached to the position. In such cases, they would have to submit a request for permission to the Treasury Board. These provisions provide some flexibility to managers when exchanges are blocked by cost factors.

6. Leadership and Coordination. To the extent that interorganizational exchanges of human resources cross multiple boundaries, some form of boundary spanning management is essential for an effective program (Jemison, 1984). The role of leadership in successful intergovernmental programs appears critical (Agranoff 1991; Jennings, 1994; Horowitz, 1996), particularly since numerous pitfalls limit success in identifying and pursuing mutual interests across organizations. The idea of transorganizational leadership has been put forward as a component of successful intergovernmental partnerships. Intergovernmental management can increase organizational capacity through better decision making and better utilization of resources. To be successful at leveraging resources across governmental boundaries, administrators need a broad knowledge of the systems in place and the financial opportunities available to them (Agranoff, 1996). Programs that generate more exchange activity and appear to operate in harmony with existing terms and conditions are typically those with some form of leadership coordination. It seems logical to conclude that intergovernmental mobility is advanced by some form of transorganizational leadership that provides an element of strategic planning and coordination for the civil service.

The United Kingdom, Canada, and the Netherlands provide examples of different transorganizational leadership structures that do not hamper agency-level initiatives and promote flexibility. In each of these cases, while the programs are substantially decentralized some central agent monitors, coordinates, and promotes the exchange activity. In Canada, in addition to a liaison officer for Interchange Canada in the Public Service Commission, liaison officers for the mobility program are found in each department. Moreover, departments may advance their own mobility activities. Statistics Canada, for example, established a Career-broadening Assignments Division (CAD) in 1983, which can quickly staff temporary projects or work over loads, facilitate redeployment, provide for career opportunities, and new work experiences (Canada Treasury Board Secretariat, 1997b). The program started with about thirty participants and has now grown to 800, which represents about 16 percent of the work force. The program, which is judged highly successful, is especially applauded for preventing employees from getting boxed in to one type or method of work. In addition to promoting career development, the program makes it easier for the agency to accommodate to changing priorities and makes its workers more employable when reductions in force occur.<sup>2</sup> Other departments in Canada have adopted the CAD program. The idea of using project staff pools to respond to short-term demands for labor also exist in the Netherlands and Belgium (Auer, Demmke, and Polet, 1996).

### RECOMMENDATIONS FOR BEST PRACTICES

Many countries have programs in place to permit civil servants to participate in temporary mobility activities. A few countries seem to have outstanding and innovative approaches that appear to increase the amount of real exchange activity and

the value of the experience from an HRD perspective. Some recommendations for best practices can be drawn from these cases.

Formal policies should give guidance in the need to establish a strategic purpose for exchanges and the policies and conditions under which exchanges are permitted. Formal policies should alert partners to potential risks, for example, through creating the appearance of conflicts of interest or through nonretrievable costs to government that might accrue if no required period of postassignment service were required or enforced.

Administrative instruments for mobility should be simple and flexible. An ability to negotiate the financial terms in different circumstances, particularly in the case of external exchanges, is an important feature facilitating exchange activity. Administrative flexibility also means that the length or duration of such programs should be allowed considerable variance depending on the nature of the assignment.

Equal employment opportunities should be advanced and not hindered by mobility programs because they can affect the representativeness of the public service in general and management staff in particular. Administrative flexibility suggests that definitions of eligibility in terms of individual or organizational participants should be made as broadly as possible. Restricting individual participants to certain status, occupational, or age groups limits career development opportunities, the exchange of technical expertise, and may perpetuate an elite status quo. Technical operations may be among the most useful area for mobility and exchanges. Limiting organizational partners to other central government agencies would similarly restrict the range and richness of the exchange experience.

Planning should identify specific steps for assuring that the new knowledge, experience, skills, and insight gained from working in a new environment are shared with the host organization and that management understands its role in assuring that positive and relevant lessons are applied and retained. Some specific event for sharing this information with management and work group members beyond the submission of a written report would enhance the value of the exchange to the donor organization and increase the likelihood that knowledge learned was brought back to the donor organization. An essential practice is careful planning for the reentry of assignees into their host organization.

Finally, perhaps the best practice that governments wishing to enhance the quality of mobility programs could adapt is transorganizational leadership. Leadership and coordination appear to be critical factors to successful mobility programs. Creating a framework, rules, regulations, and guidelines is not enough to stimulate the level of mobility needed to impact the quality of human capital resources significantly. Underutilization because of lack of information or the failure to remove impediments to exchange typifies mobility programs. Transorganizational leadership can cut across levels of government to identify mutual interests and possible resources to promote exchanges. A liaison who serves as a broker to facilitate and promote exchanges is a key feature to increasing the amount of

exchange activity. Transorganizational leadership can also advance the strategic purpose of human resource development in the civil service overall, rather than the needs of single individuals or agencies.

Many barriers work against the strategic use of mobility programs in public sector organizations but mobility mechanisms are an important vehicle for developing human resource capacity in public sector organizations. They may enable governmental organizations to accommodate new purposes and orientations and to reconcile diverse interests. Mobility experiences may empower public employees to develop new ways of working, to acquire a deeper knowledge and new skills, to gain understanding of the concerns and obligations of other actors, and to achieve better coordination and cooperation with members of other units of government. They signal employees about the value of investing in their own human capital in ways that make them more valuable members of the public service. They can deepen the pool of knowledge and relevant experience that public organizations draw on to perform their tasks and solve problems. In this sense, the failure to employ strategic purposes in organizing mobility assignments represents a squandering of human capital that government employers cannot afford.

### NOTES

1. Correspondence with P. Laegreid, University of Bergen, Norway, May 28, 1998.
2. Communication with D. O'Dwyer, Statistics Canada, July 7, 1998.

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## High Performance Work Teams

MICHAEL KLAUSNER

During the past 10 years the trend among a variety of organizations has been for them to create teams to achieve specific goals. For example, in 1990 approximately 50 percent of U.S. corporations utilized teams (Applebaum and Blatt, 1994). An even more compelling statistic indicating the ubiquitous use of teams is that 80 percent of organizations with over a 100 employees used teams and that about half of the employees in such organizations belong to a minimum of one team (Gordon, 1992).

Given the increasing popularity of team utilization by a diverse range of organizations, it is important to answer two questions. One, are teams more effective than the more traditional structures for goal attainment? Two, what are the key factors that distinguish highly effective teams from mediocre or ineffective ones?

The answer to the first question is somewhat mixed, but overall, studies indicate that, *in general*, teams are more effective in producing high quality task outcomes than traditional structures (Applebaum and Blatt, 1994; Goleman, 1998; Kalleberg and Moody, 1993).

Our focus will be on the second question: what factors have been found to be associated with highly effective and successful teams? Team effectiveness and success are defined in terms of the quality and rapidity of desired goal outcomes.

While some do not make a distinction between a work group and a work team we believe such a distinction is merited. It is true that there is some overlap between the concepts of groups and teams, yet the areas that do not overlap are crucial in differentiating the terms.

We define a work team as “a small number of people with complementary skills who are committed to a common purpose, performance, goals, and an approach for which they hold themselves mutually accountable” (Katzenback, 1997, 84). This definition, while being a good starting point, must be supplemented with the observation that teams are very conscious of the processual dynamics that transpire within them. They are *both* process- and task-oriented (Wilson, 1982). Members hold a mirror to themselves, other team members, and the team as a whole. Socioemotional and instrumental (task) processes fluctuate.

Teams are also characterized by open, honest, and self-disclosing communication. Members feel comfortable in both asking for and receiving help. They do not have any “neurotic macho hang-ups” (Wilson, 1982). In addition, team members are very sensitive and responsive to each other’s nonverbal behaviors. They feel free to ask each other about them and determine whether their perceptions and interpretations were accurate. Members also reinforce one another’s worth and competence even when they disagree (Wilson, 1982). Those in the team acknowledge their mutual interdependence and are comfortable with this realization. Team members are good listeners; they listen with respect, empathy, and focus. They are not reluctant to question, argue over and, if necessary, alter some of the basic assumptions upon which the team and its rationale for existence rest (Wilson, 1982). Teams are also characterized by the existence of adult-adult relationships rather than adult-child relationships among members (Wilson, 1982). Team members have a mind-set that affirms: “We are here, we are good, we are one.” This is a very powerful mind-set and helps the team overcome obstacles, resolve conflicts, and constructively deal with threats (Wilson, 1982). Additionally, high degrees of trust and risk-taking are also features of teams. Teams are able to respond creatively to both opportunities and threats. They maximize the former and minimize the latter. Teams are typified by shared, rotating leadership and a consultative, consensual approach to decision-making. This approach results in a feeling of “ownership” regarding decisions, even by those who disagreed with them (Wilson, 1982).

Shared leadership is another attribute of teams. Many times the leadership role is rotated among members. Which person is the “leader” at any given time is contingent on what issue is being considered at the time. Those having expertise in it will tend to emerge as the leader.

These socioemotional aspects of teams described by Wilson are the most important characteristics that distinguish teams from work groups. The extent to which these socioemotional characteristics exist in any given team is a matter of degree; it is an empirical question. However, in order for a group to be a team they must be present. Indeed, the degree to which teams manifest many of these socioemotional features, skills, and competencies is what, in many cases, differentiates mediocre teams from high performance ones.

Task-required interdependence is an essential element of teams. “The activities of a team require, to an appreciable degree, that team members interact by way of exchanging information, sharing resources, coordinating with and reacting to one another in the course of accomplishing their task” (Guzzo, 1995, 3).

Our focus will be on what factors differentiate high performance teams from average or low performance teams.

There are nine factors that have been found to differentiate high performance teams from average or low performing ones. They are:

1. Clear goals
2. Clear roles
3. Appropriately competent members
4. A collaborative social climate
5. Unified commitment
6. Shared leadership
7. Open and nondefensive communication
8. Mutual accountability
9. Organizational support and recognition
10. Standards of excellence.

When teams possess these characteristics, their effectiveness and quality of outputs can be extraordinary. For example, compared to teams performing the same type of work, the top ten teams at a polyester fiber plant produced 30 percent more fibers yearly. This output translated into 7,000,000 more pounds of fiber (Goleman, 1998, 217).

### **CLEAR GOALS**

Without exception, goal clarity was cited as one of the most important ingredients of high performance teams. Indeed, the manager of a forest products company mentioned it as the “most” important ingredient (Disney, 1998). Two researchers of high performance teams argue that goal clarity is such a key factor because it enables teams to determine whether or not the team’s objective has, or is in the process of, being achieved” (Larson and LaFasto, 1989). If the goal does not seem to be in the process of being adequately achieved, the team can decide what needs to be done in order for it to be attained. Clear goals help team members to focus.

The best teams have goals that are clear, specific, meaningful, realistic, and significant. They are perceived as challenging yet within reach of accomplishment. The goals need to be seen as being significant in the sense that their attainment will make a difference in the larger scheme of things. Richard Feynman, one of the physicists who worked on the Manhattan Project, notes that his team behaved differently when members became aware of the purpose of their work. When they found out that the successful completion of their project could result in the defeat of the enemy a “complete transformation” occurred. The pace, quality, and quantity of their work improved after they understood the awesome positive impact accomplishment of their goal would have (Goleman, 1998, 228).

Team goals need to be specific rather than vague and general. Specificity adds the dimension of tangibility to them and makes it easier for team members to

focus their efforts. Goal specificity also has the advantage of providing ongoing feedback to team members, especially if the goal is quantifiable. The team knows how it is doing, and what changes are necessary to facilitate goal attainment. As team members see the progress they are making, morale, confidence and commitment are enhanced.

The importance of specific, quantifiable, and meaningful goals cannot be overemphasized. In addition to providing direction, feedback and motivation, they can also serve to neutralize personality clashes and interpersonal problems among team members. Shared goal objectives among members deflects them from focusing on interpersonal clashes by having them orient their energy and efforts toward goal achievement.

Fisher and Thomas (1996, 49) also cite the importance of goal clarity in contributing to the success of teams. In addition to the other functions that we discussed, they contend that goal clarity helps to develop team cohesion. They suggest that all teams should create "mission statements" specifying the teams' purpose and how attainment of its objective will contribute to the success of the larger organization.

Fran Flood, president and CEO of Salt Lake City-based Gentner Communications, a company that provides remote facilities management systems, including telephone interface products, conferencing products and a nationwide conference calling service for U.S. and international markets, was impressively successful in increasing Gentner's sales and profits, cites the importance of goal clarity in contributing to goal attainment. She writes that, "If the team understands where the company is heading (albeit the road to get there may shift dramatically) they have a sense of direction" (Flood, 1999). In addition, she believes it is not enough for teams to know where the organization is going, "they must also understand why the company is headed there and, more specifically, what role they play."

### ROLE CLARITY

Clearly defined roles are another feature of high performance teams. Lack of perceived role clarity generates uncertainty, frustration, anxiety, conflict, and stress among team members. In addition to each team member having an unambiguous conception of their role, they must also be cognizant of the roles of all the other team members and how they relate to each other and to theirs. "Knowledge of who does what which is shared among members helps create the magic of synergy, of everyone working together" (Fisher and Thomas, 1996, 39). Giving and receiving feedback was a major method members of outstanding teams used to familiarize themselves with each other's rules. They viewed feedback activity as an intrinsic component of their own role. "Implicit in this was the unspoken assumption that each team member needed to become reasonably familiar with every other team members' role" (Ilgen, 1998, 132).

It is crucial that each person's conception of their role and the roles of the other team members be shared. Without consensus on role specialization, team

functioning will be impaired. Shared perceptions of roles also contribute to feelings of identification with the team. Team cohesiveness and morale are reinforced when members believe that each person has an important contribution to make toward successful goal attainment. Fisher and Thomas state it well by noting that, “When roles are clearly defined and aligned, the idea that ‘none of us is as good as all of us’ becomes operational” (1996, 98).

The critical importance of role clarity in contributing to a team’s success is reflected in General Brady’s description of Vietnam rescue teams (Fisher and Thomas, 1996, 40).

We rescued 900,000 people during Vietnam. It was all done with teams—four people in each crew with distinct roles to play—pilot, copilot, medic, and crew chief . . . We had a marvelous machine . . . and four highly skilled people who were faced with a bunch of obstacles—weather, terrain, enemy weapons, enemy locations, confined areas, just about everything that you can think of. You had to put all that together and you had to go in there and get that patient and get him to a hospital so that he could live. How? Each person knew his role and the role of other teammates. The mission was unquestionably clear and there was no way to reach it without each person playing his role well, time and time again.

Fran Flood who was so successful in turning Gentner Communications around and is an expert on organizational culture change, developed a unique and effective model to facilitate role clarity. She indicates that,

We define the role that people play by using a concentric circle model. At the core is vision and with each outer lying circle is a level within the company e.g., executive team, managers, associates and customers (on the outer most ring). The vision is at the heart of the company—each employee focuses on the five key objectives (within their control) that can and will affect the vision. For example, 800 lets meet operations may not understand how to grow Gentner 25% year over year—but if they focus on: getting to work on time, answering every call on first ring, being the voice they’d like to hear, give their full attention to the caller and follow up on promises—ultimately their actions will impact the growth (or lack thereof) of the company.

Flood’s concentric circle model has certain elements that operate synergistically making it especially effective. Team members understand *both* the organization’s long-term, abstract vision and what they need to do on a very specific level to facilitate attainment of that vision. They know how their contribution fits in with the organizational vision. This reduces feelings of alienation and provides a sense of purpose to their work. In addition, it enhances motivation.

### **APPROPRIATELY COMPETENT MEMBERS**

While it is true that a team is more than the sum of its members’ qualities and that synergistic phenomena affecting the team’s performance emerge during

interaction, still there is no substitute for having the “right” people on the team. Larson and LaFasto found that the key criterion determining whether a potential team member should become an actual one was whether the person had skills that could contribute to goal attainment (1989, 59). Two types of skills were found to be crucial: Technical or instrumental and interpersonal or socioemotional ones. Technical skills are those that are needed to accomplish the team’s task. These would include a range of specific competencies that can be applied to the task. They generally require training and experience. Those that are most appropriate for a team would depend entirely on the nature of the team’s task.

Superior team members’ skills need to *complement* each other’s. It is not sufficient for a member to be highly competent in a particular area. If others are equally competent in that area little is gained due to redundancy. The performance superiority evidenced in high performance teams “comes largely from a complementary mixing of its members’ skills” (Katzenback, 1997, 85).

Interpersonal skills involve general competencies in social interaction. Examples of these would be: empathy, accurate person perception, knowledge of conflict resolution methods, sense of humor, positive attitude, listening, and emotional management. They refer to what Goleman has defined as “emotional intelligence” (1998). He defines emotional intelligence as “the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships” (1998, 316).

High performance teams have a healthy balance of members who possess *both* technical and interpersonal skills. While individuals tend to be more competent in one or the other, some possess high levels of competencies in both.

The concentric circle model developed and successfully applied by Fran Flood of Gentner Communications emphasizes the crucial importance of team member competencies and the role that constructive feedback plays in the overall process. Flood notes that, “training the employee to meet expectations is critical and providing ongoing feedback regarding performance makes or breaks the difference.” She applies some principles of behavioristic psychology by “using ‘speeding tickets’ to acknowledge performance and kudos for psychic income” (Flood, 1999).

It is easier for team builders to determine if a potential team member has the required technical skills than to know if the person possesses interpersonal skills. The latter, however, are no less important than the former. Indeed, they are crucial if the team is to be successful. The ability and temperament to “work well with others” was found to be a key requisite for successful teams. Individuals belonging to such teams cited the following as particularly important (Larson and LaFasto, 1989, 71).

- Focus on issues rather than personalities
- Openly share information
- Listen objectively to what everyone says
- Bring out the “best” in each other.

These behaviors require a variety of interpersonal competencies. All team members must possess good interpersonal skills if the team is to be exceptionally successful. The necessity of excluding people who don't seem capable of working well with others was emphatically and regularly mentioned by members of high performance teams. The CEO of Mt. Sinai hospital of Chicago observed that "one person who doesn't work well with others can set the team off into oblivion. One person like this can ruin a team" (Larson and LaFasto, 1989, 71).

The combination of technically competent team members who also possess excellent interpersonal skills enabling them to collaborate well with others, coupled with a desire to contribute to the team's success produces high levels of confidence (Larson and LaFasto, 1989, 71). These feelings of confidence and self-efficacy become especially important when unexpected problems emerge. It facilitates self-correctional processes. The capacity to make necessary changes based upon feedback is indispensable to a team's success.

### A COLLABORATIVE SOCIAL CLIMATE

The existence of a collaborative as opposed to a competitive social climate is another key ingredient of high performance teams. A collaborative climate and value structure is one that fosters and rewards cooperation. It is one in which the collective team goal becomes the goal of each member (Larson and LaFasto, 1989).

Many members of high performance teams indicated that "trust" was a key element in fostering a collaborative atmosphere. They believed that unless members trusted each other the team would "have little hope of functioning well and realizing their potential" (Larson and LaFasto, 1989, 87). Why should trust among team members be so instrumental in contributing to the team's success? Larson and LaFasto suggest the following reasons:

- Trust enables team members to focus on task accomplishment. Its absence causes members to be distracted.
- Trust facilitates smoother, more efficient communication and coordination among team members. It facilitates self-corrective processes leading to improvements in goal attainment.
- Trust makes it more comfortable for members to openly share information, even if it is negative.
- Trust also promotes risk-taking among members. They are not afraid of failure. They become more willing to face problems and propose actions to solve them rather than ignore problems and play it safe.

Interestingly, James A. Wilson (1982), who has done extensive research on high performance teams also found that mutual trust is a key element of such teams and observed the same relationship between it and risk-taking as did Larson and LaFasto. An atmosphere that values, rewards and legitimizes collaboration

among team members can be viewed as the “defining characteristic” of high performance teams. According to Larson and LaFasto “collaboration is the ‘teamwork.’” It is based upon a foundation of mutual trust. They observe that one of their respondents, Vernon Loucks, Chair of Baxter International, contends that “Trust is something that is a must . . . it is fundamental . . .” (1989, 94).

In addition to enhancing goal focus and risk-taking, a collaborative atmosphere directly enhances problem solving. It does so by encouraging members to “build on one another’s ideas rather than battle to make their own prevail” (DiStefano and Maynevski, 1995). Solutions to problems emerge as team members convey their ideas to one another and a synthesis of elements from each idea is seen as the solution. Maynevski puts it well in stating that “the truly empowered and effective teams, the Super Teams, manage themselves so well that their combined contributions result in a synergy that allows them to far surpass the sum of their individual contributions” (1994).

The outcomes of a team’s efforts are a combined function of the skills/talents of each person plus the emergent team “chemistry.” Team products are usually better than the outcomes contributed by the most competent team member (Hill, 1982). In cases where they are not, the reasons are due to low morale, insufficient commitment, conflict, social loafing, poor communication and other socioemotional factors. However, when socioemotional factors are positive the “. . . results can be more than simply additive—they can be *multiplicative*, with the best talents of one person catalyzing the best of another, to produce results far beyond what any one person might have done” (Goleman, 1998, 205). The explanation for this outcome “lies in the members’ *relationships*—in the chemistry between the members” (Goleman, 1998, 205). When the team’s chemistry is good a climate is created whereby each person is able to perform at his or her very best. Each person’s talents and skills complement those of the other members.

A collaborative climate is generated from a high degree of “psychological intimacy” among members (Nelson and Quick, 1997, 265). It involves feelings of “affection, warmth, unconditional positive regard, opportunities for emotional expression, openness, security, emotional support, giving and receiving and nurturance.” Communication in teams that are characterized by a collaborative climate is open, direct, honest and authentic (Wilson, 1982). Feelings of psychological and emotional safety and no fear of reprisals are also prevalent in teams that have a strong collaborative climate.

Teams having a collaborative atmosphere and value system will generate a “common approach.” This refers to the methods teams develops in order to achieve their goal. While the team’s goal indicates the purpose of the team, the “approach” indicates how it will attain its goal. Some of the elements affected by an “approach” are: role allocation, schedules, skill development/application, and decision-making procedures.

The development of a common approach is an essential component of high performance teams. It takes time to develop; it is an emergent process. Such key constituents of work teams as role allocation, functional specialization, skill

melding and effective coordination “evolve over time to meet performance needs.” They are not present when the team is first assembled.

### UNIFIED COMMITMENT

A unified commitment by team members to the team and to the team’s success is another feature of high performance teams. Larson and LaFasto define unified commitment as “a sense of loyalty and dedication to the team . . . an unrestrained sense of excitement and enthusiasm . . . a willingness to do anything that has to be done to help the team succeed” (1989, 73). Unified commitment indicates an intensely deep and enduring identification with the team. Studies show that teams that accomplished “truly remarkable” feats or that performed routine objectives very well possessed an intense commitment to attain their goal and a “willingness to expend extraordinary amounts of energy to achieve it” (Larson and LaFasto, 1989, 75).

Members of highly effective teams have deeply internalized their team’s goal, making it a constituent part of their selves. Joe Jaworski of the American Leadership Forum, who has studied many high performance teams, notes that, “it is essential that everybody buy into the team’s goal and put their personal self behind it . . . they’ve decided that their personal worth is at stake regarding whether the team’s goal is achieved” (Larson and LaFasto, 1989, 75). The manager of a forest products plant cites the importance of team members “buying into” the team’s goals as one of the factors that distinguish high performance teams from mediocre ones (Disney, 1998). Unified commitment to the team’s goal and success creates intrinsic motivation in members, which reinforces extrinsic motivations such as money. Members that are intrinsically motivated experience joy and satisfaction as they interact with each other. They relish the *process* and dynamics of pursuing the team’s goal for its own sake not just for the extrinsic rewards that will result when the goal is achieved. When a unified commitment exists among team members, power is wielded to serve the interests of the team rather than the self (Goleman, 1998, 218).

In addition to indicating a commitment to their team’s goal, unified commitment also means a commitment to each other. Members of superior teams closely observed the performance of each other. When they believed that a member needed assistance they provided it. The monitoring process was not perceived as “spying.” On the contrary, “Implicit in monitoring was trusting that others will come to the support of a teammate and believing that he or she should do the same” (Ilgen, 1998, 132). The commitment and support manifested by members of high performance teams increased the team’s cohesiveness. Members knew that their teammates “were not focused only on their own performance, they had a sense of how other team members were doing, and they were willing to help others when their own tasks demanded less than full attention” (Ilgen, 1998, 132).

A unified commitment to each other involves each member’s personal as well as professional life and activities. The efficacy of such a dualistic commitment is

noted by Katzenback and Smith, in their study of a Knight-Ridder newspaper team. They observe that “. . . A commitment to one another when combined with a commitment to the team’s goals broadens and deepens the purpose and achievement of a high performance team” (1993, 72). A dual, unified commitment functions to energize teams leading to a “deeper sense of purpose, more ambitious performance goals, more complete approaches, fuller mutual accountability and interchangeable as well as complementary skills” (1993, 79).

### SHARED LEADERSHIP

Leadership is a key ingredient of teams. The nature of the leadership role in teams, however, differs from that of non-team entities. Members of high performance teams believe that power is not a zero-sum proposition. Rather, power is viewed as an expendable resource that is not the province of any one member (Wilson, Genge, and Wellins, 1994). While not as “authoritarian” as leaders in traditional hierarchical structures, team leaders perform many of the functions performed in the former. As Wilson notes, “Successful team leaders loosen the reins; they don’t drop them” (1994, 12). Leaders of high performance teams are able to have members realize their potential to the fullest. They have confidence in the team members’ abilities and give them much leeway in structuring activities and goals (Larson and LaFasto, 1989, 128). Doing so results in the unleashing of a plethora of latent talents held by members. Larson and LaFasto labeled this the “multiplier effect.” Without exception, regardless of the type of team Larson and LaFasto studied, they found that “effective leaders bring out the ‘leader’ in others.” Their leadership style is such that it provides members “with the necessary confidence to act, to be accountable, responsible and make changes, rather than merely perform assigned tasks” (1989, 128).

Leaders of effective teams are quick to admit mistakes and learn from them. This, more than anything else, is apt to earn them respect from team members “faster than almost any other type of behavior” (Larson and LaFasto, 1989, 14). These leaders are able to subordinate their egos to their teams’ objectives. All of the foregoing creates a climate that facilitates, encourages, and rewards leadership rotation. Leadership rotation stands out as a key factor that distinguishes superior from nonsuperior teams. High performance teams provide each team member with the opportunity to be a leader in a particular area. Which team member takes on the leadership role at a given time depends on which member has the expertise to deal with a particular issue that has emerged. As an example, Katzenback cites the time Browning Ferris Industries, the giant waste management company, was developing refinancing strategies. The team was led by the Chief Financial Officer when discussions were with the Board of Directors, by the Chief Executive Officer when the team met with major investors, and by the Chief Operating Officer when the team was developing plans for interorganizational support for its strategies (1997). David Rockefeller, an effective business leader if there ever was one, knew the benefits of a rotational leadership approach. Clearly, Rockefeller

was the “official” leader, but he was wise enough to fade into the background so that others would have an opportunity to perform a leadership role.

Donald A. Winkler, Chairman and CEO of Finance One Corporation, a Columbus, Ohio-based subsidiary of Banc One Corp., who has had over 25 years of experience in leading large business organizations where high performance teams were key to achieving pretax earnings growth of 20 percent or more yearly, notes the importance of shared leadership.

To be successful each member of the work team must act as a leader—not as a leader in the typical hierarchical sense; rather, each member of an outstanding work team must truly be:

- a leader of *courage*;
- a leader of *good judgment*;
- a leader of *integrity*;
- a leader of *commitment*. (Winkler, 1999)

A rotational approach to leadership serves to increase a team’s morale, cohesiveness, and spirit. Mutual respect and admiration is enhanced, leading to superior socioemotional and task behavior.

Leaders of exceptional teams tend to have a nonauthoritarian, nonhierarchical philosophy of leadership. The essence of this was captured by the leader of a Kodak Corporation team who quoted the philosopher Lao Tzu’s view of leadership. Interestingly, this laid-back notion of leadership is also supported by Daniel Goleman’s research on “emotional intelligence” and leadership. He contends that “. . . team leaders lead best when they lead least.” This maxim is especially the case for self-directed work teams where the team is under the direction of someone who is not a member of the team (1998, 224). In citing a study of a self-managing customer service team, Goleman notes that the team’s performance suffered when the outside director submitted suggestions or even encouragement. Either the team viewed the suggestion by the outsider as a sign that he/she believed the team was not performing well or interpreted the suggestions as “meddling” (1998, 24). However, when a team is constituted with the understanding that it will be directed by an outsider, team members are not apt to take umbrage when he offers suggestions. Such leaders are most effective when they encourage the team to engage in “self-observation, self-evaluation, and self-reinforcement” (Manz and Sims, 1987, 41). It is only when the team is constituted to be *entirely* self-managing, as was the case in the first study, that members are apt to perceive suggestions from an “outsider” unfavorably.

The way in which team leaders dealt with mistakes made by members was another factor that differentiated high performance teams from mediocre ones (Fisher and Thomas, 1996). Leaders of superior teams individualized their approach in dealing with members’ mistakes. The approach used depended on the nature of the mistake, the person who made it and the situation. For example, errors resulting from a member not performing to his fullest capacity were reacted

to differently than those that occurred even though the member exerted his best efforts (Fisher and Thomas, 1996, 63).

Leaders of highly successful teams were effective in showing members that they were valued for their own sake rather than only because they were a means to an end. These leaders “displayed a bone-deep respect for every member of the team” (Fisher and Thomas, 1996, 74).

Leaders of superior teams were found to be adept at getting team members to perceive how the team’s task was intimately tied to the larger organization’s mission. They were able to have members understand and “buy into” the organization’s vision (Larson and LaFasto, 1989). Goleman’s research on the role played by a leader’s emotional intelligence also stresses this skill. He observes that, “the best team leaders are able to get everyone to buy into a common sense of mission, goals, and agenda. The ability to articulate a compelling vision that serves as the guiding force of the group may be the single most important contribution of a good leader” (1998, 223). Mr. Steve Disney, manager of a Georgia Pacific plant, also indicated the critical need for team members to “buy into” the larger organization’s agenda as well as the team’s agenda (1998).

High performance teams have the sense that effective performance occurs when the team rather than just the team leader is in control. Such a belief can only develop if the leader conveys it to the members via word and deed. Leaders of high performance teams also perform “real work” just like the other members. All of these actions result in a low status-power differential between the team leader and members. This is important because if members perceive the leader as attempting to grab power, the team will be “held back from becoming successful” (Whalen, 1999). The significance of leadership as a factor distinguishing superior from mediocre teams was emphasized by Ms. Nicole Whalen of the Loranger Manufacturing Company, an organization that makes extensive use of teams, in her statement that “leadership alone makes a world of difference” (Whalen, 1999).

### **OPEN AND NONDEFENSIVE COMMUNICATION**

Open, honest, and nondefensive communication is another feature of high performance teams. Thomas and Fisher found that regardless of the size or type of team they studied, “lack of shared information and easy access to relevant information was the number one roadblock to effective teamwork” (1996, 136). Leaders of superior performing teams created a climate that encouraged open, direct, and honest communication among members.

Information is a form of power, thus people may have a tendency to hoard rather than share it. Leaders of successful teams created a sense that sharing information would be in both the members’ and teams best interest. This is essential because, “holding out relevant data from others in a team environment damages credibility and kills trust” (Fisher and Thomas, 1996, 146).

Members of high performance teams engage in nondefensive communication. Nondefensive communications are honest, assertive, confident, balanced, and

open-minded. They demonstrate both “self-control and self-possession without rejecting the listener” (Nelson and Quick, 1997, 34). Nondefensive communication patterns produce trust, harmony and cooperation. Defensive communication, characterized by hostility, attacks, put downs, labeling, power plays, deception and sarcasm is antiethical to the development of a positive collaborative climate (Nelson and Quick, 1997; Wells, 1980). It produces misunderstandings, resentment, hurt feelings, frustration, alienation, and retaliatory behaviors. Such a climate and the behavior it produces impede goal attainment. This leads to additional defensive communication further impeding a team’s performance. Thus a vicious cycle develops.

Members of superior teams possess superb persuasive skills. Rather than “browbeating” others when trying to influence them they use other approaches. In addition to using logic and empirical data, they are adept at using anecdotes, metaphors, and examples in support of their position. Especially noteworthy is their ability to “read” the emotional states of others and gearing their tone to such (Conger, 1998). They are skillful at “being able to sense or even anticipate their audiences’ reaction to their message and can effectively carry everyone along toward an intended goal” (Goleman, 1998, 169). Effective communication entails empathy since “it is difficult to have a positive impact on others without first sensing how they feel and understanding their position” (Goleman, 1998, 170).

Members of high performance teams are able to get others to “buy into” their suggestions. They are able to “frame” their recommendations in a way that will be perceived as attractive by others (Conger, 1998). Such individuals have a keen understanding of what is important to others and couch their points accordingly (Conger, 1998).

Members of outstanding teams are also adept at using emotion to influence others. They do so in two ways. They convey a deeply felt commitment to their suggestions. Others see that their “commitment to a goal is not just in their mind but in their heart and gut as well” (Conger, 1998, 93). Emotions are “contagious,” thus members who convey their views positively and enthusiastically are likely to be successful in “selling” their ideas. As Goleman puts it, “the moods people catch from each other at work are crucial—yet often unnoticed ingredients in how *well* they work” (1998, 166, emphasis in original).

Don Winkler has developed a unique method to create positive moods coupled with a “can-do” mind-set among team members. It is part of his “Breakthrough Leadership” process, which emphasizes the types of words and phrases used by team members. Use of his “language tools” helps teams to be “more productive, forward looking and constructive” (Winkler, 1999). The tools are:

- (1) Using “Uptil Now” whenever someone says, “It can’t be done!”;
- (2) Changing the mutually exclusive word “But” to the mutually inclusive word “And”;
- (3) Switching perspective from the CVS (Current View of the Situation) To BVS (Better View of the Situation); and

- (4) Using “Failure as a Stepping Stone to Success” by remembering that
- (5) “People Don’t Fail, Events Fail.”

The key role that effective persuasion plays in the operation of high performance teams cannot be overestimated. It can be *the* determining factor that differentiates mediocre from superior teams. Goleman states it well in arguing that effective persuasion, “can pull people together, move ideas forward, galvanize change and forge constructive solutions. To do all that, however, people must understand persuasion for what it is—not convincing and selling but learning and negotiating” (1998, 95). Open, direct, candid, and nondefensive communication among team members creates trust—an indispensable ingredient if teams are to be effective. The critical role that open communication plays in creating extraordinary teams is reflected in a statement made by Fisher and Thomas, “it is amazing what sharing information can do. Part of the magic in teamwork comes from shared information. It removes blind spots and erodes facades” (1996, 148).

### MUTUAL ACCOUNTABILITY

Feelings of mutual accountability are a crucial component of high performance teams. Unless it is present, “social loafing” is apt to occur. Some members will let most of the work be done by others. This will generate feelings of inequity, resentment, anger, and frustration among members who do contribute their fair share. These emotions, obviously, will impede task accomplishment by creating a very negative climate. Mutual accountability exists when each team member realizes that everyone in the team bears responsibility for the team’s performance. Unless this realization has been deeply internalized by members, the “team is not a ‘real’ team.” Mutual accountability also implies that the team “polices” itself. The team has the motivation to do whatever is necessary to achieve high quality goals. It is not dependent on outsiders for motivation or solutions to its problems.

Mutual accountability cannot occur unless a high degree of trust exists among members. It involves a sincere promise members make to themselves, to each other and to outsiders that they will hold themselves and each other accountable for achieving the team’s goals. In so doing, members have the right to express their views about the team’s activities and to have such views receive a fair and serious hearing. Some contend that mutual accountability is incompatible with individual accountability.

Mutual accountability, like trust, cannot be forced—it emerges as the team becomes organized, focused, solves problems, and progresses toward goal attainment.

### EXTERNAL SUPPORT AND RECOGNITION

Teams are not isolated entities but part of a larger organization. Indeed, their very existence came about because of a decision made by someone in the larger

organization. Successful goal attainment benefits not just the team, but the larger organization too. All highly successful teams were given strong support and recognition from their organization (Larson and LaFasto, 1989, 109). The support was both tangible and intangible. Provision of adequate resources the team needs to achieve its goal would be an example of tangible support. Praise and other forms of symbolic recognition would exemplify the latter. External support and recognition are essential. When team members feel that their team is not sufficiently supported by the larger organization the following negative consequences are apt to develop: loss of morale, erosion of confidence, feelings of helplessness and despair, and lack of commitment to the team's goal.

Joe Sutter, leader of the Boeing 747 Project team, observed that the two teams that experienced severe and enduring difficulties were not supported by the top management. He notes, "they could sense that even upper management was not behind the project. There were a lot of guys in upper management who thought that the project was going to go 'belly up.' So the guys were working with the feeling, 'I'm working on something my boss isn't even interested in'" (Larson and LaFasto, 1989, 113).

Unsatisfactory support from the larger organization can initiate a self-fulfilling prophecy. If a team does not receive adequate tangible and intangible support, progress toward goal attainment will be poor. When top management perceives this they may interpret it as reinforcing their initial doubts about the team, leading to a decision to provide even less support.

Larson and LaFasto make the interesting point that "tangible support lags behind philosophical support" (1989, 113). Thus the gap between the philosophical—cognitive support for the team and its task—and tangible support must be closed if the team is to perform well.

The most important structural change that an organization can make to support a team is a change in the reward structure. Financial compensation was the factor that members of high performance teams were most likely to associate with external support (Larson and LaFasto, 1989, 114). It is crucial, however, that monetary rewards be linked to collective team success. However, this can meet with resistance given American culture's emphasis on individualism. Thus many employers and employees initially oppose changes in the organization's reward structure that are based on rewarding collective outcomes rather than individual ones. Yet, once accepted, such reward structures can have profoundly positive effects on teams. Larson and LaFasto comment that "we probably don't fully appreciate the levels of performance teams could reach if they were not only in pursuit of a worthwhile goal but also *rewarded as a team for behaving as a team*" (1989, 117).

Any modification in an organization's reward structure must be implemented gradually. The team must first "jell" and achieve some successes before team-based compensation criteria are implemented (Caudron, 1994). Before the reward structure is changed, team members need to develop feelings of trust and commitment to the team and to each other. Moreover, a strong sense of

identification with the team needs to occur (Caudron, 1994). Caudron suggests that one way to ease the transition from individual to team-based compensation criteria is to initially reward members on the basis of the skills they bring to the team. The advantage of this approach is that “employees continue to be recognized for their individuality yet they can begin to focus on their competencies and what they have to offer the team, instead of worrying about whether team members are carrying their weight” (Caudron, 1994, 42).

Having at least portions of team members’ pay dependent on team performance serves to enhance members’ identification with the team and with each other. This facilitates improved performance, which also reinforces identification with the team. Thus a positive cycle is created.

While employees may find it difficult having part of their pay dependent upon their team’s performance, this approach to compensation is essential. If pay continues to be solely a function of individual performance, team members may understandably ask themselves, “why they should become team players if they are still going to be reviewed and paid based on individual merit” (Caudron, 1994, 43). The larger organization must convey to team members its commitment to the team concept and the value they place on it. “Words, meetings, and pep talks are not enough to communicate this idea. The most effective form of communication must be used—the employee’s paycheck” (Caudron, 1994, 43).

The reward system should compensate team members for the *process* of teamwork and their inputs in addition to the outcomes of their efforts (Wilson, 1982). Moreover, members should be involved in the decision-making process regarding the basis upon which rewards will be allocated (Wilson, 1982).

An intangible but important manifestation of external support is trust by the organization toward the team. This is shown by a willingness on the part of the organization to view and treat team members as “business partners” (Bergel, 1997). Rather than being adversarial, the relationships between the organization and the team should be one of cooperation, trust, respect, and mutual support. The latter are conveyed to the team when the organization engages in free and open communication with it. When trust is increased the team is allowed access to information held by the larger organization. In addition to helping the team to attain its goal, trust also reflects confidence by the organization toward the team.

The willingness of the organization to empower the team in a meaningful manner constitutes another key aspect of external support (Manz, 1995). This involves providing teams with authority to make decisions plus relevant resources needed to achieve their objective. Teams that are not so empowered have little chance of being effective. Empowering teams leads to a heightened sense of self-efficacy, trust, and confidence, all of which contributes to superior performance.

### STANDARDS OF EXCELLENCE

High standards and expectations of excellence constitute yet another ingredient of high performance teams (Larson and LaFasto, 1989). While outsiders may set

such standards, team members must internalize them. When this occurs they serve as powerful motivators. Members are spurred on to do their very best. Also, standards function as measuring rods by which the team's work is judged. If it falls short of the standard, corrective steps can be taken. Don Winkler, of Finance One Corporation, also cites the importance of standards of excellence in contributing to superior team outcomes. He notes that "when the team compromises, the whole organization is compromised" (1999).

Successful teams continuously strive to do better than their best. They do not bask in the glory of previously successful performances. On the contrary, "they never become satisfied with how well they've done; they view each performance as an opportunity to discover ways of doing it better next time" (Larson and LaFasto, 1989, 108).

When Fran Flood became president and CEO of Gentner Communications she was determined to implement cultural and structural changes that would facilitate consistent sales and earnings increases. With each such increase she raised the "bar" of sales/earnings goals. She realizes that "it is not easy to keep pace." She and members of Gentner's management team let Gentner employees know that "it takes commitment, stamina, courage, and passion for success and perhaps a little lunacy to keep up the pace." However, she notes that for those who do, the "rewards are great, both professionally and personally." Flood's approach catalyzes her employees to realize their potential to the fullest; to be the best that they can be and in so doing make Gentner the best it could be. She observes, "Even the 'b' players that keep moving along the path grow incredibly." Flood puts it well by saying that, "Those who can change the tires on the race car as it moves quickly around the track will ultimately win the race."

Just because outstanding teams set and strive to meet standards of excellence does not mean that members do not have "fun" while helping the team achieve its goal. Indeed, fun and a sense of playfulness facilitate performance. Don Winkler regards a "playful spirit" as an important element of outstanding teams. He contends that "the team cannot accomplish anything unless it is having fun" (1999). At Gentner Communications, every time an associate closes a sale, such is broadcast over the company's loudspeaker system and all Gentner personnel let out a loud wolf howl. This is only one example of the sense of fun and playfulness that permeates Gentner's organizational culture. When coupled with high standards of excellence it is one of the key ingredients that have contributed to Gentner's outstanding performance.

A sense of playfulness serves to unleash members' creativity. Wilson (1982) observes that creativity is already present within individuals and the "right" kind of environment will release it. Fun, playfulness, trust, risk-taking, and acceptance, together, create an atmosphere that fosters creativity. In addition, members must be made to realize that both the team and the larger organization value creativity.

Many of the features of high performance teams that we have discussed produce an environment that encourages creativity. Shared leadership, unified commitment, realization of the significance of the task and feelings of empowerment

would be examples. The development of a climate that serves as a catalyst in releasing team members' creativity cannot be understated. As Fuji Film human resources manager, Takashi Kamiya, notes, "You can't just tell your employees, 'Be Creative!' You have to create an environment that caters more to the individual so that employees can learn how to draw their own ways for the company's future" (1993, 132).

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## **Linking Performance Appraisal to Organizational Strategic Planning: A Challenging Task in the New Century**

BEHROOZ KALANTARI

Performance appraisal is one of the most indispensable yet controversial functions of management. Performance evaluation is also considered one of the most difficult and uncomfortable managerial tasks in every organization and usually invokes an emotionally charged reaction from both employee and employer. Studies show that 90 percent of mid-size organizations use some form of performance appraisal to evaluate the performance of their employees (Longenecker and Fink, 1997). There are generally two main purposes for conducting performance appraisals. They include judgmental and/or developmental evaluations (Cummings and Schwab, 1973, 5).

The developmental approach generally considers employee deficiencies and attempts to improve them through further training and development (Williams, 1997). Although some argue against the effectiveness and efficiency of this approach (Lang, 1983), it can be a useful tool to assess the training needs of individual employees (Herbert and Doverspike, 1990). The second and more common purpose of an evaluation is judgmental and serves to assess employees for their contribution to the overall goals of the organization (Neal, 2000). In order to merge both purposes (developmental and judgmental), appraisal systems have to be highly objective and rely on employee-employer interaction to set the standards for evaluation (Mikkelsen, Ogaard, and Lovrich, 1997). It can be argued that most recent literature focuses on performance evaluation to increase performance and accountability rather than its use for

developmental purposes (Ammons, 1996; Greiner, 1996; Harris, 1995; Keehley et al. 1994; Walters, 1998).

The core difficulty with the evaluation task lies with the managers' inability to operationalize the theories of performance evaluation. In other words, "the transition from theory to application is disjointed, and the practices used to facilitate and support feedback are flawed" (McIntosh, 2001, 153). Therefore, it generally invokes a negative reaction from both sides of the evaluation process. However, if it is done properly, it can be extremely effective. The main cause of this disjoint between theory and practice relates to the fact that the evaluator's priorities are complex and varied and what is valued is not, in fact, performance. In addition, the methods that are used for performance evaluation are not specific and can be overshadowed and influenced by unrelated human factors. As a result, the evaluation environment turns into an unhealthy power struggle between the employers and employees. One of the common experiences with most evaluations is the amount of fear that is "created by uncertainty or vagueness regarding what the employee was supposed to accomplish and what the rewards would be" (Wing, 2000, 62).

At the present time, performance appraisal is primarily used by human resource managers to make critical decisions concerning promotion, layoff, fringe benefits, demotion, and discharge (Graham and Hays, 1993). In order for a performance evaluation system to be successful, it has to be established within a value system that rewards real performance. In addition, it must use the proper tools to execute the process. Therefore, both organizational values regarding performance appraisal, and the appraisal method are critical factors in determining its success or failure.

One important aspect of appraisals, which is often ignored, is that it facilitates and improves dialogue and encourages communication between the managers and the employees. It provides the opportunity for them to exchange views on both the status of the organization and how to achieve organizational goals. It is clear that the lack of proper performance appraisal can negatively influence employee morale and ultimately harm organizational productivity.

In most organizations major responsibility to design performance evaluation lies within the scope of the human resource director's job (Byars and Rue, 1994). An effective performance appraisal is a result of the number of efforts and processes that include the participation of the human resource manager, employees, and the chief executive officer.

### **PERFORMANCE APPRAISAL PROCESS**

Generally speaking, there are two types of performance evaluations: formal and informal. Formal evaluations are usually based on a set schedule (i.e., once or twice annually) and are utilized in making decisions about employees' performance, resulting in decisions pertaining to raises, promotions, and/or demotions. Therefore, because of the nature of formal performance evaluation, it can be very

difficult to conduct and is stressful for both employer and employees. To be successful, an evaluation must meet two criteria: (1) it should be based on the review of past performance and against previously set standards; and (2) the standards should be measurable and achievable.

Informal performance evaluations are different from formal performance evaluations because they are conducted without any clear structure. This kind of evaluation strengthens communication between the employee and employer and helps both understand one another and prepare for the formal evaluation. The major objective of informal performance evaluation is to facilitate formal evaluation and help reduce the stress and tension that might be generated by formal evaluation. Informal performance evaluation manifests itself in factors such as: frequency of evaluation, identification of areas that must be improved, as well as assisting employees to solve problems, and improve performance. This can be accomplished through frequent dialogue from the employer to encourage modification of employee behavior (Tucker, 1986).

In order for an evaluation process to be successful, the immediate supervisor has to provide an opportunity for the employee to express concern over the evaluation standards and understand the evaluation process. It is important that the evaluation process be composed of several factors including, knowledge of the job, quality of the work, promptness in completing assignments, cooperation with other personnel, initiative, attendance, judgment, and willingness to accept responsibility.

### PERFORMANCE APPRAISAL INSTRUMENTS

During the 1950s, the 1960s, and even the 1970s performance appraisal was based on generalized traits, such as loyalty to an organization, capacity for professional growth, work ethics, outlook on life, dependability, enthusiasm, initiatives, flexibility, sincerity, friendliness, and other difficult to measure factors (Fleenor and Scontrino, 1982; Riley, 1993). They generally focused on the “proxies of performance” that do not establish any relationship to actual performance and therefore, were practically irrelevant (Robbins, 1978, 217). The major deficiency of trait-based evaluation is that it has nothing to do with job performance. The criteria do not really measure the skills that are needed to accomplish organizational goals and heavily depends on the perception of the evaluator. Therefore, they were considered not to be valid and reliable factors (Fleenor and Sontrino, 1982). Major changes in performance appraisal standards came after the Pendleton Act of 1978, which tried to fix the problems with “trait oriented” performance appraisal. At the present time, several methods of performance evaluation have evolved. They include: BARS, Check list, Critical Incident, Essay, Graphic Rating Scale, Ranking, and Work Standards.

1. *Behaviorally Anchored Ratings Scales (BARS)*: This method of performance appraisal is designed to measure the successful behaviors that relate to the performance of

a job. In order to use this form of performance appraisal, managers and employees have to be familiar with the duties and responsibilities of every specific job in the organization. Based on that knowledge, managers and employees together write behavioral anchors for each task of a job to be accomplished. Each behavioral anchor is composed of a specific statement about the behaviors that have to be exhibited in performing a job. In the final analysis only those behaviors that contribute to the performance of the job are considered valid for evaluation.

2. *Check List*: This method of performance appraisal lists several different statements concerning the behaviors that contribute to the accomplishment of the job. The manager (rater) evaluates employees based on how their behavior affects the outcome of the organization using this checklist. This list is prepared in advance and used for all employees in the organization.
3. *Critical Incident Method*: The rater keeps a file on each critical incident that might have influenced the outcome of the organization either positively or negatively. At the end, he/she evaluates the employees based on the weight or significance of each incident in relation to organizational output. In this method, no employee input is used.
4. *Essay Method*: The rater is required to compose an essay on the past performance of the employee, indicating strengths and weaknesses for the purpose of performance appraisal. The essay should be directly related to the accomplishments of each employee and his/her contribution to achievement of organizational goals. This essay can also include employee comments.
5. *Graphic Rating Systems*: The rater is provided with a specific scale in each category under evaluation, and he/she is required to rate each employee in that category. Each category represents different levels of performance based on preset criterion.
6. *Ranking Methods*: In this method, the manager looks at the organization as a whole and ranks employees according to their contribution to the goals from best to worst. This assessment method lacks employee involvement.
7. *Work Standards*: Work standards are used in production organizations and establish an average product output for every individual employee in a particular segment of the organization. The ratings of employees are based on their relative average output for each position in that organization. Neither managers nor employees take part in establishment of the criteria. National industry standards are used to rate employees.

### **PITFALLS OF PERFORMANCE APPRAISAL METHODS**

As indicated earlier, performance appraisal is a powerful tool for achieving organizational goals. However, it is sometimes used by managers as a facade to hide behind and abuse their employees. Therefore, its success or failure depends on the way it is "used" or "abused" in any given organization. If it is used properly, it has great potential for success and helps managers and employees encounter one another in a healthy organizational climate (Lee and Cayer, 1994). However, due to the nature of performance appraisal, which involves human judgment, making errors in evaluating employees is inevitable. It is important for the evaluators to be aware of dangers related to their judgment regardless of the appropriateness

of the instrument. Adequate precautions should be taken to protect employees. In general, there are three most common categories of errors that might negatively influence the process. They include: "range errors," "personal biases," and "association" (Graham and Hays, 1993).

1. *Range Errors*. This kind of error deals directly with the evaluator's general style of rating and can be studied using the "normal bell curve" instrument. The error occurs when the evaluator rates all employees in one particular area of the normal curve. If the rater puts everyone in the positive area of the curve, it is called a "leniency error." This tendency is associated with the evaluator's feeling of discomfort associated with a negative appraisal (Prather, 1974). On the other hand, if the rater puts everyone in the central part of the "bell curve," it is called "central tendency error." Finally, if the majority of employees are concentrated at the negative area of the curve the "severity error" has occurred (Patten, 1982).
2. *Perceptual and Personal Biases*. Besides unintentional errors due to human nature, another major common error is the "personal prejudices and biases" of the rater in evaluating employees. In general, personal biases manifest themselves in two categories (halo effect and personal prejudices). The halo effect, or its opposite (the horn effect), contain a general positive (halo) or negative (horn) perception of the employees that colors the whole evaluation results (Landy and Farr, 1983). The personal prejudices are biases against individual employees based on sexual, racial, or other stereotypes that will corrupt the evaluation process (Gluek, 1978). Some studies show women and members of minority groups receive lower evaluations as compared to their white, male, counterparts (Schneider, 1978). In this type of error, social stereotypes are used by the raters to determine the evaluation results rather than the actual contribution of the employees to the organizational goals. Therefore, it is important that managers be conscious of their biases against certain employees and the danger that such perceptions can color their judgment regarding performance.
3. *Association Error*. The last category of common error is similar to "halo" and "horn" effects, because the "association" contains factors that are unrelated to the accomplishment of a job. Those factors include "recency error," "organizational politics," "groups versus individual focus," and "similar to me errors." The recency error occurs when the ratings are based on the employee's performance immediately preceding the appraisal date. In other words, the individual employee's recent accomplishment would color the rest of his/her performance. Therefore, the evaluation could be inflated or deflated depending on the employee's recent accomplishment. Organizational politics error occurs when the employee under study is a supporter of the supervisor's (evaluator's) agenda in the organization. This association causes a favorable attitude toward that particular employee during the evaluation period (Gomez-Mejia, Balkin, and Cardy, 1995). A group versus individual error, occurs when each employee in a group is rated the same based on the accomplishment of the entire group. This method ignores the individual employee's contribution to the outcome regardless of the group accomplishment (Fleenor and Scontrino, 1982). Finally, the "similar to me error" refers to the evaluator's use of his/her own characteristics as the standard by which each employee is evaluated. If characteristics such as, biographical background, attitude, or some other irrelevant factors

are similar to the rater, they are usually weighted in the evaluation process. For a performance evaluation to be conducted properly, evaluators have to be aware of the system's pitfalls and that human nature might interfere with the process. An effective and efficient performance appraisal has to revolve around several core functions on behalf of employees and managers. They include:

- Clarification of individual achievable and measurable function to be performed based on the overall organizational goals.
- Identification of proper skills and knowledge to accomplish the task based on the employees' present knowledge and skills.
- Clarification of specific rewards that employees expect to receive for accomplishing their task. Managers should be explicit about the rewards that follow from each level of performance in order to motivate employees to accomplish their task. (Wing, 2000, 63–64)

All things considered, even if the evaluation process is conducted according to the proper methods, there is no guarantee that it contributes to the overall organizational success. One more important factor is that, unfortunately, is usually often in establishing a performance evaluation standard is the missing link between the evaluation process and the specific goals of the organization. They do not follow a systematic process that relates organization and individual activities together through a strategic plan. This is due to the fact that evaluators cannot establish a proper link between the organizational objectives and employees' individual goals. In order to establish such a critical link, there has to be a systematic planning process to help all members of the organization come together and strive for the infusion of individual and organizational goals.

### **LINKING PERFORMANCE EVALUATION AND STRATEGIC PLANNING**

In order for performance evaluation to be successful, it has to become part of the overall organizational strategic planning process that leads the organization toward specific goals. According to Bryson and Roering (1999), the process of strategic planning involves eight basic elements. They include the following: (1) Initial agreement; (2) identifying the mission of an organization; (3) identifying the core values of an organization; (4) recognizing internal and external forces that impact the organization; (5) analyzing those forces to determine the effects they have on the organization's ability to accomplish its mission; (6) developing strategies for dealing with them, including a framework for improvement and restructuring of programs, management, participation, and evaluation; and (7) description of the organization in the future.

It is important to remember that strategic planning recognizes external environment as an important consideration of the planning process. Also, actions initiated to effect plans are based on an organization vision, external environment, organization capacity, planners, and community stakeholders (Marianne, Onofiro, and Jackson, 1998). It can be argued that one of the most practical instruments to

achieve proper balance between organizational objectives and personal goals was offered by Peter Drucker and was called *Management by Objectives* (1954). *Management by Objectives* is described as a “process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual’s major area of responsibility in terms of the results expected, and use these measures as guides for operating the unit and assessing the contribution of each of its members” (Odiorne, 1965, 55–56). Management by objective (MBO) or Management by results is one of the major methods to assure proper and effective performance evaluation. It is rooted in the idea that performance evaluation should be based on a contract between the employees and management (Swiss, 1991). MBO is a goal-setting approach to performance appraisal and measures employee performance through a formal process to determine each person’s contribution to the achievement of organizational goals. Setting objectives is a group activity starting at the top and moving down to include every employee in the organization (Byars and Rue, 1982). According to this method, each employee and manager participates in setting specific goals that are feasible, challenging, and measurable during a specific time span. The most significant aspect of this approach is its emphasis on communication between the employer and employees to assure understanding of organizational goals and objectives and guarantee support and commitment to accomplish them. Therefore, organizational goals (standards) become yardsticks against which the performance of employees will be measured (Harrison, 1987). These objectives should be reviewed and evaluated on a regular basis and employees must provide feedback on their progress in achieving those goals. One of the major features of MBO is the commitment of managers to help the employees relate their goals to the reality of the organization. Therefore, MBO is a superior tool for participative management (Patten, 1982). Due to the nature of MBO, which is an interactive and practical method, it is easier for the employees to accept criticism because of its interactive nature. MBO can become more useful in work settings that are more exposed to periodic evaluations, and those organizations or settings where employees are valued for their contribution and participation in the evaluation process (Palmer, 1991).

Management by Objectives technique provides an open approach in developing the strategic plan and can include constructive ideas that help managers design proper performance evaluation systems. Some argue that an effective and efficient performance appraisal has to revolve around several core functions on behalf of employees and managers. They can be itemized as follows (Wing, 2000, 63–64):

1. Clarification of individual employees’ achievable and measurable tasks to perform based on overall organizational goals and objectives and the infusion of individual objectives (what is important to the employees).
2. Identification of resources (monetary, human) in order to accomplish those tasks.
3. Identification of proper skills and knowledge to accomplish the tasks. In other words, it is necessary to assess employees’ needs and the type of training that is required to perform the job (training and development).

4. Clarification of specific rewards that individuals expect to receive for completing their task (being explicit about the rewards that follow each level of performance).
5. Regular face-to-face feedback, taking into consideration that the goal of evaluation should not be punishment but motivating and reinforcing good performance.

It is important to realize that the main objective of an effective evaluation is to help employees to accomplish both their goals and organizational goals. No measurement system is perfect in including major performance functions and those behaviors that contribute to organizational success. It is also important to pay close attention to the role of common sense and personal judgment and wisdom that make the system flexible enough to deal with future changes. One of the often forgotten aspects of mutual goal-setting is that it improves the dialogue between the employee and management. Therefore it “sets the stage for open and frequent dialogue between the manager and employee about the employee’s progress and any challenges that might get in the way of accomplishing those goals” (McCarty, 2000, 23).

It should be emphasized that each organization is unique and the human resource managers in each organization have to find the best evaluation method for their institution based on what works for that specific setting. The best predictor of the success of performance appraisal is to know if the evaluation process responds to both organizational and individual uniqueness in its development of goals and objectives, task requirements, required resources, and other factors that influence its outcome.

## CONCLUSION

Performance appraisal is one of the most complex and most emotionally difficult tasks to be conducted in every organization. It requires the cooperation of many participants and can be influenced by many human factors. However, some of these problems can be overcome by adequate resources and a motivated, confident, and capable human resource manager. It is the foremost responsibility of human resource executives to insure that the organization uses a performance evaluation that is reliable and valid to evaluate its employees’ performance. Also, each organization has to clearly define and set up performance standards for each position and identify factors that influence those standards. In addition, the organization must have very specific rating techniques that are developed in consultation and agreement with employees.

The major challenge for a successful evaluation process is to move the appraisal process from a person-based criteria toward a performance-based criteria. Therefore, performance appraisal becomes a tool to communicate objectives of the organization to employees. In order to increase the validity, as well as the reliability of the appraisal tool, the system should focus on job-related behaviors. The primary dilemma is that most organizations cannot transfer knowledge into action. Priorities are often not properly set and what is valued is not performance

but other unrelated factors such as: personal relationships, fear-based management, competition, and political games.

It is important to realize that there is no perfect performance evaluation system and that there are always factors such as emotions, needs, values, and attitudes that interfere with the system. The most important challenge is to minimize those factors. Major evaluation systems too often entangle personal issues with performance issues and most supervisors and managers are not trained for performance appraisal. It is important to conduct a performance appraisal, which is fair, objective, and job-related. Again, it is argued that to successfully operationalize the theoretical aspects of performance evaluation, organizations should link organizational priorities and objectives with individual employee goals. Therefore, the importance of strategic planning becomes apparent. This study commends the use of the Management by Objectives technique to fuse organizational and individual objectives and develop specific individual responsibilities based on mutual agreement between the employers and employees.

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## **Gown Goes to Town: On-Campus Commitment and Off-Campus Consulting by Public Administration and Affairs Faculty**

JAMES S. BOWMAN AND CAROLE L. JURKIEWICZ

### **BACKGROUND AND LITERATURE REVIEW**

It is traditionally acknowledged that faculty who apply their knowledge away from campus not only contribute value to clients but also to the university. In response to political and commercial pressures, ties between higher education and businesses have become commonplace, particularly since the passage of the 1980 Uniform Patent Act enabling colleges to own and patent discoveries from federally funded research.

Today academe-industry collaboration takes many forms: business- and government-funded research; personnel exchanges and industry-faculty partnerships; sale of intellectual property rights; corporate boards and directorships; industrial parks; patented research; consortia; joint ventures and laboratories; as well as more traditional fee-for-service work. Indeed, these activities have sparked debates over the costs and benefits of consultancies (Kenney, 1987). Summarily addressing these issues now will help frame the data presented later, thereby capitalizing on the positive aspects of consulting, while minimizing those that are negative.

### **Background**

Two conceptual frameworks, one positing scientific norms and one comparing academic and consulting worldviews, offer insight into controversies over

consulting. Robert K. Merton's (1942) classic formulation of scientific values (universalism, disinterestedness, organized skepticism, and communalism, a.k.a. communalism) warrant the claim that the relation of academicians to society is one of a servant-critic—that is, the products of peer-reviewed research are shared freely in exchange for independence from external influence. While the characterization of these norms—to say nothing of their operation—is not without dispute, most academicians likely conform to these values and, more importantly, are expected to adhere to them; accordingly, they are at the root of many of the arguments about off-campus engagements.

Separate from Merton's work, Ardrian Furnham and David Pendleton (1991) contrasted the needs of collegiate and consultancy work. In simplified but revealing form, these needs can vary substantially by:

- goal (insight/knowledge versus utility/action),
- degree of urgency,
- desired solution (elegant formulations vs. practical results),
- source of insight (own research/others' experiences versus others' research/own experience),
- level of complexity (high versus low),
- cost-benefit analysis (irrelevant versus crucial),
- means of persuasion (theory substantiated by data versus data supported by argument),
- presentation medium (written versus face-to-face), and
- attitude toward uncertainty (address statistically versus cope personally).

In short, while the aims and methods valued by scholars and consultants can intertwine, they are more often distinct; the former emphasizes precision, testability, logical consistency, and theory-building, while the latter focuses on applicability, feasibility, problem-solving, and salability. In Merton's terms, academic norms of universality, disinterestedness, skepticism, and communalism do not rest easily with business values such as proprietary information, special interests, and the authority of nonscientists; the two institutional roles imply different value systems.

Do these differences enrich or impoverish the academy? In a nutshell, advocates contend that faculty can wear "two hats," and salability off-campus involvement thereby can:

- improve teaching,
- provide serendipitous research opportunities,
- test theory,
- bolster community support (through, for example, opportunities for technology transfer, access to human capital, and student placement),
- enhance institutional prestige,
- contribute to professional development,
- enhance faculty competence, and
- offset modest salaries thereby assisting in faculty recruitment as well as retention.

Overall, entrepreneurial undertakings lead to an enlightened institutional and self-interest that is less cloistered and more engaged in the affairs of the world than would otherwise be the case.

Critics maintain, however, that such public virtues may turn into private vices when they:

- deflect time from teaching and research,
- interfere with objectivity and autonomy,
- sacrifice truth-seeking for profit-seeking,
- damage public confidence,
- detract from professional development by compromising the pursuit of knowledge,
- reinforce the political and organizational status quo,
- generate conflicts of interest,
- encourage a managerial, technocratic definition of professional work, or
- introduce unfair competition between university-supported scholar consultants and private consulting firms.

They worry that privatization of intellectual property jeopardizes scholarly values as an ambitious, “commercialized” faculty distort academic priorities to curry favor with business interests (Soley, 1995; Weissman, 1988). Outside ties not only affect traditional academic orientations, but also can restrict the pool of those providing objective criticisms of powerful societal institutions.

In brief, one side claims that extramural jobs cheapen the ideals and corrupt the purpose of higher education as a community of scholars that exists *pro bono publico*; while the other sees the potential for updating academic ideals by creating a community of entrepreneurs placing knowledge into human service whenever possible for institutional and personal gain. Many in both camps likely concur, nonetheless, that consulting can be defended on intellectual grounds provided that it is related to scholarly expertise, has a nonroutine character, and does not jeopardize the quality or quantity of campus performance. Work not so characterized may have no redeeming qualities for the academician.

## Literature Review

In contrast to substantial material on research and teaching, relatively little is available on faculty in service roles. The post-1980 corpus of knowledge (which effectively incorporates earlier work) is widely scattered and consists of three overlapping categories: learned commentaries, conceptual papers, and databased research.<sup>1</sup>

The initial category provides a context for the topic at hand; it generally explores the mission of higher education, the nature of scholarly endeavors, and current trends in the academy (Bok, 1982; Kennedy, 1997; Kerr, 1994). More specifically, selected contributors here develop these concerns, describe changing professional roles, review consulting policies, and discuss the public interest

and the extent to which it is served (e.g., Atwell and Beardsley, 1985, chapter 2; Blackburn and Lawrence, 1995, chapter 3; Bok, 1991; Bowen and Schuster, 1986; Bowie, 1990; Boyer and Hechinger, 1981; Burnett and Martin, 1991; Payne and Desman, 1987).

Relatively rigorous conceptual analyses, secondly, include: a taxonomy identifying types of professorial consultants (Roback, 1998), an ideological interpretation of consulting as the deskilling and “proletarianization” of academic labor (Trotman and Robertson, 1992), and an examination of consultancy conflicts of interest arising from the evolution of a public to a commercial model of the university (Fassin, 1991).

Last, databased investigations come in two forms: documentary and attitudinal studies. Teague (1982) content-analyzed 234 university consulting policies, circa 1977, and believed that they generally lacked sound guidelines. Dillon and Bane (1980) compiled 109 university policies and concluded that while these institutions are attentive to potential problems, they do not address issues of concern to skeptics (e.g., conflicts of interest, vague policies, enforcement concerns). More recently, Rhoades (1998) examined eighty-nine collective bargaining agreements on outside employment and intellectual property issues, and raised the specter that “commercial value, connection to external revenue sources, and connection to capital all bring . . . increased regulation . . .” (254).

Attitudinal databased studies include cross-disciplinary and field-specific investigations. Boyer and Lewis (1984), after supplying a useful review of early work (notably the 1969 and 1975 Carnegie Foundation studies), utilized National Research Council data ( $n$ = over 30,000 faculty) to challenge many commonly held views on the what, why, and when of consulting. They concluded that “institutional guidelines for faculty consulting ought to be permissive—but not promiscuous” (p. 657). Linnell (1982, 65) summarized a variety of empirical studies, and determined that dependence of most professors on multiple sources of supplementary income undermines commitment to academic priorities. Sampling three professional associations in management, communication, and psychology (total  $n$ =107), Glauser and Axley’s (1983) descriptive study reported the extent, type, and policies on consulting as well as client organizations contacted and type of interventions employed. Presenting faculty views ( $n$ =200 respondents) from two universities, Bird and Allen (1989) recommended that educational institutions need to rethink their conflict of interest policies. Etzkowitz (1989) conducted twenty-eight interviews in two departments at one research institution, and found that entrepreneurial science was transforming intellectual norms.

A variety of field-specific research projects were identified in sociology, education, business, and public administration. Weir, Baer, and Gorham’s (1994) national sample of sociologists ( $n$ =1185) revealed types of consulting activities, clients, use of school services, budgeting techniques, and perceived problems (few were indicated). A nationwide group of 205 industrial education professors was surveyed by Schoonmaker (1986) who discussed consulting frequency and types of training offered. Third, Bost and Haddad’s (1996) study of 255 academic

members of a financial management association explored consulting time devoted to finance subfields, various levels of consulting, and benefits of this work.

In public administration, finally, Whorton, Gibson, and Dunn (1986) polled directors of university government institutes, city, and county managers, as well as legislative and executive branch officials in the fifty states. The objective was to examine how college consultants compare to those in the private sector (*viz.*, while jurisdictions use higher education services, they disagree with them in the most appropriate way to deliver those services). Dunn, Gibson, and Whorton, Jr., (1985) queried university presidents on their priorities toward continuing education, applied research, and technical assistance to state and local government; they found that business and professional groups received greater emphasis than the public sector.

In summary, pertinent work exists on consulting activities in academe. Most of the commentary and analytical contributions are insightful and relatively recent; much of the empirical work, while certainly helpful, is dated and/or limited in scope. To separate rhetoric from reality and to permit reasonably robust conclusions about consulting activity, an empirical base is needed. The present effort contributes to the literature by conducting a national survey of the public affairs and administration professorate.

## METHODOLOGY

An electronic mail request was sent to each Master of Public Administration Program Director ( $n=271$ ) at accredited and unaccredited programs in the United States acquainting them with the upcoming survey and requesting a list of faculty E-mail addresses (two schools refused to participate); nonrespondents were contacted again via E-mail 2 weeks later, and residual nonrespondents were contacted via fax, mail, or telephone. For those institutions that did not reply to these requests ( $n = 187$ ), faculty lists were searched on the Internet. The resulting faculty list ( $n = 2,708$ ), a close approximation of the entire faculty corps, received electronic invitations to participate in October 2000 (239 were returned as undeliverable, thirty-seven individuals declined to participate, and seventeen were returned automatically as unopened within 3 months' time). Over 2,400 viable addresses ( $n = 2,415$ ) were then provided with an E-mail letter alerting the respondent that the survey was forthcoming, outlining its objective, and encouraging a reply. A week later, the questionnaire (accompanied by a letter explaining its purpose, assuring confidentiality, and urging response) was transmitted primarily by E-mail with some sent via fax or postal service at participants' request. A reminder notice that included the instrument and cover letter was delivered 1 week later via e-mail.<sup>2</sup>

Respondents were instructed to use their current place of employment as their frame of reference when responding to organizationally relevant items. As Table 17.1 shows, the thirty-one questions (consisting of agree-disagree, multiple choice, and open-ended essays, many of which were based on statements in the

**TABLE 17.1. Summary Findings from the P.A. Faculty Consulting Survey**

<i>To the statement . . .</i>	<i>The majority responded . . .</i>
Faculty rely on intuitive ethical guidelines when consulting	AGREE 75% (768)
Value inquiry without concern for social utility	DISAGREE 43% (440)
Universities respected because won't compromise values for money	AGREE 54% (553)
Consulting confuses values of business and academic community	DISAGREE 62% (635)
Consulting is a faculty privilege, not a right	DISAGREE 42% (430)
Consulting interferes with faculty teaching and research	DISAGREE 54% (553)
Faculty should be encouraged to engage in paid consulting	NEITHER AGREE/DISAGREE 40% (410)
Academic culture is indifferent to ethical problems in consulting	DISAGREE 66% (676)
Reluctant to discuss consulting activities with colleagues	DISAGREE 59% (604)
Faculty more interested in own careers than with department	AGREE 43% (440)
Consulting by some faculty has contributed to divisiveness in dept.	DISAGREE 62% (635)
Last 5 years consulting faced with more stringent accountability	AGREE 42% (430)
<i>To the question . . .</i>	<i>The majority responded . . .</i>
Does your institution have a policy regarding consulting?	YES 77% (788)
Does the policy have a mechanism for enforcement?	DON'T KNOW 33% (338)
Which association's code of ethics has an impact on consulting?	NONE 40% (410)
Consulting Misconduct is primarily a product of . . .?	INDIVIDUAL BEHAVIOR 92% (942)
Have you engaged in consulting during last 24 months?	YES 81% (829)
Last 5 years, amount of consulting activity has . . .?	REMAINED THE SAME 37% (379)
Most of consulting activity occurs . . .?	BOTH ACADEMIC YEAR/SUMMER 70% (717)
Pay for consulting is usually . . .?	AS INDEPENDENT CONTRACTOR 66% (676)
Engage in consulting activity because . . .?	TO EARN ADDITIONAL INCOME 59% (604)
Consulting opportunities occur as a result of . . .?	UNSOLICITED OFFERS 71% (727)
How many hours per week do you devote to paid consulting?	LESS THAN 5 65% (666)
How many hours per week do you devote to unpaid consulting?	LESS THAN 5 65% (666)

TABLE 17.1. *Continued*

<i>To the question . . .</i>	<i>The majority responded. . .</i>
With what types of organizations do you typically consult?	NONPROFIT ORGANIZATIONS 74% (758)
Consulting activity usually consists of . . .?	DATA ANALYSIS 52% (532)
Use course materials in consulting?	NO 54% (553)
Use consulting materials in class?	YES 73% (748)
Charge a standard rate or does it vary?	VARIES 66% (676)
Average hourly paid consulting fee?	\$50-\$100 48% (492)
Ever faced ethical dilemmas while consulting?	NO 66% (676)
N = 1024	

literature) addressed consulting practices of the professor, their organization's policies regarding consulting, and their views about the ethics of faculty consulting. Specifically, questions sought to assess the frequency, type, and nature of the consulting experience in the academy.<sup>3</sup> The survey instrument, which closely followed Dillman's (2000) protocols, was pretested in June 2000, with a random national sample of fifty faculty from accredited and nonaccredited programs (response rate: 64 percent). The questionnaire was modified in response to these respondents' comments.

Of the questionnaires distributed, 1,052 usable replies were received via electronic mail, postal mail, and fax—a 43 percent return rate.<sup>4</sup> The respondent profile generally paralleled that of the academic members of the American Society for Public Administration<sup>5</sup>; just over 80 percent of the sample indicated that they had engaged in consulting during the last 2 years (see “Incidence of Consulting” section below). While self-reported measures are subject to unknown biases, holding a mirror to the field is nonetheless revealing. Following Plato as well as Peter Berger and Thomas Luckmann (1967), socially constructed images are often significant in public life; if people define situations as real, then they are real in consequence. The results below explore perceptions on: (1) higher education values vis-à-vis consulting activities, (2) incidence of consulting, and (3) respondent views of university policies and departmental issues.<sup>6</sup>

### CONSULTING AND HIGHER EDUCATION

Several questions probed attitudes toward the social contract between collegiate education and society; the findings are provocative, substantively reflecting the turbulence in the profession noted earlier. In response to the statement, “Institutions of higher education attract the public's respect because they will not compromise certain values simply to gain immediate monetary reward” (Bok, 1991, 17), 54.3 percent of professors agree. However, 18.4 percent are uncertain and nearly a quarter (24.2 percent) disagree, which together represent a large plurality.

If society accepts academic freedom and tenure because it believes that the public will ultimately benefit, then such support is endangered when academicians themselves do not clearly value that support and fail to vigorously defend traditional standards. One professor indicated that this statement “would be true if so many institutions and programs had not sold themselves.” When outside funding occurs, “all the world can know is that the university has allowed another motive—the profit motive—to coexist with its desire to seek the truth . . .” (Bok, 1991, 17). If researchers have a direct financial interest in the outcome of their work, then the real or perceived loss of objectivity and ability to render disinterested judgments undermines citizen confidence in scholarly neutrality.

Fully 60 percent of the samples dispute the assertion that “paid consulting confuses the value system of the business world with that of the academic community” (17.5 are undecided; 19.6 agree). A plurality (41.5 percent) reject the position that, “paid consulting is a faculty privilege, not a right” (18.4 percent are undecided and 37.0 percent agree). Taken at face value, this view is contrary to the notion that faculties owe their primary allegiance to the university, and that consulting must benefit the intellectual community by contributing to education. Furnham and Pendleton’s scholar-consultant dichotomy discussed earlier does not seem persuasive to many of these respondents.

Surely consulting can coincide with sound academic practice and may encourage faculty to seek opportunities to turn discoveries into useful products (Bok, 1991), but this does not apply when profit conflicts with scholarly values (e.g., intercollegiate athletics). Reflecting this, 26.8 percent disagree that, “faculty should be encouraged to engage in paid consulting,” although a majority of the sample either is uncertain (39.8 percent) or agrees (29.3 percent). Perhaps, as Thorstein Veblen (Kerr, 1994) believed, academic norms never had a chance as the vocational role of education grew over the years; control of higher education shifted from religious institutions to government, and finally to expanding influence of business interests—from serving God, the state, and mammon. Most faculty (54.3 percent), however, disagree that, “paid consulting interferes with teaching and research” (22.1 percent are uncertain and 20.8 concur); a number of respondents indicated on the survey that whether a problem exists depends on such factors as an individual’s role conception, one’s workload, and/or when the consulting occurs.

### INCIDENCE OF CONSULTING

In the last 5 years, according to 31.9 percent of professors, the overall amount of consulting has increased, 37.0 percent are uncertain, and 14.3 percent say it has declined (16.9 percent did not answer). In response to the question, “Have you engaged in consulting activity during the last 24 months?” 81.2 percent replied affirmatively (18.2 percent negatively with the balance not responding). Most report devoting less than 5 hours per week to paid and unpaid (65 percent in

each category) consulting; with 10.9 percent stating that no consulting was done during that period (14.1 percent did not respond).

Similar proportions between paid and unpaid consulting hold at higher levels of activity for those reporting consulting activity: 17 percent spend 6–10 hours a week in paid work, 4 percent 11–15 hours, 1.4 percent 16–20 hours, and 1 percent over 20 hours; for unpaid work, the results are 16 percent, 3 percent, 0.4 percent, and 0.1 percent respectively. The single most common hourly fee for those responding is between \$50–100 (48 percent of the sample), with \$101–150, \$151–200, and \$201–250 charged by 24, 11, and 8 percent respectively; another 9 percent levy over \$250 an hour. Several faculty noted that they work for less than \$50 per hour.

Activities, in rank order of the top three choices by those who responded, are undertaken to (respondents could list multiple reasons):

- earn additional income (59 percent),
- gather research data (45 percent),
- fulfill service commitments (41 percent),
- make community contacts (37 percent),
- because it is encouraged by their institution (28 percent),
- achieve “other” goals (25 percent, e.g., “to provide a public service,” “to stay in touch with what is going on in the field,” “to make a difference,” “to work on interesting problems,” “because I enjoy using my skills for useful social purposes,” “motivation varies with type of assignment”), or
- fulfill a grant contract (10 percent).

Opportunities to consult occur, in descending order of significance of those responding, as a result of: unsolicited offers (71 percent); client referrals (52 percent); former students (34 percent); faculty referrals (33 percent); personal solicitation (22 percent); current students (12 percent); and “other” (11 percent—including community work, responses to requests for proposals, result of conference presentations, or publications).

Whereas earlier reports found that incidence of consulting ranged from one-third of all faculty to 50 percent in professional fields (Patton, 1980, 182), and to as high as 70 percent among “research-productive” professors (Bird and Allen, 1989, 589), today there is much higher frequency at least among the respondents in the present study. While consulting for public administrationists may not be as lucrative or glamorous as in other fields, there is no lack of activity.

Of those respondents reporting consulting activity, most are paid by external sources as independent contractors (66 percent), with just 19 percent funded as principal investigators under university contracts and grants regulations; only 2 percent is supported as a part of regular salary and 15 percent perform as pro bono volunteer consultants (cf., Roback, 1998); notably 17.7 percent of females who consult did not respond. In descending order of frequency, consulting occurs with nonprofit organizations (74 percent), local government (55 percent),

state jurisdictions (45 percent), for-profit proprietary firms (36 percent), and the federal government (31 percent) (respondents could list multiple reasons).

In brief, while much of this activity is unsolicited (recall that just 22 percent of the work is the result of marketing), entrepreneurialism is solidly entrenched. Where extensive extramural activity was once seen as a liability, it might now be an asset to an academic career. Not only is the principal investigator role with university sponsorship (a mentality unlike that of the entrepreneur) relatively modest, but also considerable faculty effort occurs on behalf of nonprofit organizations; how this is linked to professional development on behalf of public administration remains a topic for future research.

### UNIVERSITY POLICIES AND DEPARTMENTAL ISSUES

No tenet of academe is more enduring than the commitment to knowledge for the sake of knowledge. Yet respondents are divided over the statement that “you value inquiry for its own sake without pretense to social utility,” as 43.4 percent disagree, 20.6 percent are undecided and 32.9 percent agree, although a quarter of the sample is undecided and 15.6 percent disagree. Seeking knowledge for its intrinsic good—denying self-interest in the pursuit of truth—may no longer be a cardinal norm. It is, of course, difficult to know if academic standards are compromised for pecuniary reasons, but this result implies that the profit motive may coexist with the search for truth for a plurality and perhaps most of the respondents.

In doing their work, the majority (75.2 percent) believe that “faculty generally rely on intuitive ethical guidelines when consulting” (most of the remainder are undecided); such guidelines likely include values like impartial study of society, intellectual honesty, and avoidance of conflicts of interest. This emphasis on scholarly intuition, in part, may be because some do not know if their institutions have a relevant policy (15.3 percent) or that no such policy exists (6.9 percent).<sup>7</sup>

Among those schools with a policy (77.3 percent), most faculty indicate that either their institutions do not have a mechanism for monitoring and enforcement (22.4 percent of the subsample) or they are unaware if it does (33.1 percent of the subsample; 14.7 did not respond). No doubt some find the policy to be ambiguous. Standards are often not identified and when they are (e.g., the prevailing one day a week rule), awkward questions arise about how such calculations are made (to include weekends and vacations?) and who decides if outside employment interferes with institutional assignments. One study of two institutions (Bird and Allen, 1989) found that equal proportions of faculty believed that policies were supportive, restrictive, and of no effect. In any case, the costs of intervention are potentially high as “surveillance is impractical and objectionable” (Rosovsky, 1990, 168).

Many policies, in short, leave much unsaid; universities typically adopt a permissive, passive posture (Kennedy, 1997; Rebne, 1989; Rhoades, 1998) and enforcement is “academic” since most institutions either ignore their policies or

lack adequate ones (Linnell, 1982). Aaron Wildavsky explains why this is so: “[F]aculty are judged by the results of their teaching and research. The emphasis is on results both because results are what the university wishes to achieve and because no one understands how to program creativity” (1978, 13). It could be suggested that consulting activity might be better regulated by specifying output expectations for faculty in their off-campus responsibilities. Unexpectedly, 65.7 percent of the faculty dispute the statement that, “Generally speaking, academic culture is indifferent to ethical problems in consulting” (12.2 percent are undecided; 19.5 percent agree).

It follows that a majority (59.4 percent) reject the claim that, “You are reluctant to discuss your own or others’ consulting activities with your colleagues” (16.0 percent are undecided; 16.0 agree). The taboo represented by this statement (Etzkowitz, 1989) stems from the divergent academic and business values discussed earlier, and the ethical issues that arise from them such as competing loyalties and a form of double dipping (selling the same expertise twice, once to the university, once to the client). This “moral muteness” (Bird and Waters, 1989), common in many workplaces, apparently does not exist in collegial professional programs like public administration.

Still, the professoriate is split over whether, “Faculty are more interested in furthering their careers than with the well-being of the department as a whole” (42.5 percent agree; 30.1 percent disagree; 25.3 are uncertain with 3.4 not responding). If society defines value in economic terms, depends upon specialized competence, and assumes that pursuit of self-interest justifies all activity (Schurr, 1982), then it should come as no surprise that higher education is seen by some as an instrument of individual career advancement without regard for the university as a self-governing community devoted to advancing learning (Bellah et al., 1985).

Nonetheless, 62.2 percent disagree that “outside paid consulting by some faculty has contributed to divisiveness in your department” (19.2 percent agree and 13.9 percent are undecided; 4.0 percent did not reply). The growing class division (Bellah, 1997) within the academy—the large and growing adjunct underclass, the shrinking tenure track/tenured “anxious” class, and the small superstar over class—likely is exacerbated by consulting as many of the most distinguished academicians serve as corporate and government consultants (see, e.g., Boyer, and Lewis, 1984). In contrast to Merton’s (1942) scientific norms, individual rights may supercede collegial obligations in the view of some survey participants.

Approximately one-third of those respondents who report engaging in consulting activity (34 percent) state they have faced ethical dilemmas in consulting.<sup>8</sup> Most problems focus on either clients or role conflicts; underlying them is Furnham and Pendleton’s (1992) distinction between scholarly and consulting activities (especially differences regarding goals, desired solution, complexity level, means of persuasion, and attitude toward uncertainty).

In the first category, frequent concern dealt with demands to manipulate data and confidentiality issues with sponsors desiring to: tamper with the findings,

have information conform to predetermined positions, control recommendations, rule on information disclosure, and learn the identity of respondents. Such matters call into question the role of the academic consultant as an independent contractor. Several professors dealt with this issue in the following ways:

- (I have had requests) to sign off on government-preferred conclusions, even if not justified by the data and analysis. I have had to disagree with employers and thus sacrifice future contracts as a result. This however is the advantage of (having) an academic base.
- I was asked to produce a new employee evaluation instrument by an agency manager. He clearly wanted to bias the instrument to ensure that any questions concerning unit management were not used. I stopped the consulting when he would not budge.
- Often clients want to spin findings to meet their perceived interests rather than those of their constituents and the general public. Since I try to maintain enough independence to speak publicly, I have had a pretty good track record on these sorts of confrontations. But this does raise the issue of my ethical standards vis-à-vis any contracts or understandings I have with clients. Since I have repeat customers, I guess my record is good in spite of this issue.

Being an academic consultant, in short, entails some disadvantages, but holding firm to key values when consulting may pay off in the long run.

While the second category overlaps with the first, these concerns frequently emphasize issues of a personal nature. These include:

- conflicts of interest (e.g., ex-students asking for favorable treatment of their agencies in grant proposals or consulting for a nonprofit organization when the professor is on its board),
- being used for political purposes and/or being coopted,
- project purpose and design issues (determining the goals were not honest and contributory to the public good; taking short cuts in survey construction and analysis),
- the nature of expert court testimony (how far one should go to support badly needed community services when the evidence is not as robust as it might be),
- time commitments (e.g., using a substitute instructor to permit fulfillment of a consulting obligation), and
- conflicting policy and academic roles (presentation of controversial material when it will definitely affect election results).

Several cases along these lines included:

- (I was requested) to consult for the CIA (and) decided that we would be better off with well-grounded U.S. foreign policy, even if I had qualms about the client.
- (In) consulting with a court regarding the trial of a child as an adult, my personal feelings led me to hope for statistical results that would lead the court to let the youthful offender be tried as a juvenile. The results were inconclusive; I provided accurate, unbiased testimony.

- (In) leading a 2-month strategic planning consulting process for a city council, it went very well with buy-in and commitment among all members. Midway through the process, a conflict developed between the council chair and three of the seven members. It resulted from an unexpected personal issue and had nothing to do with substance. The three members began to boycott every initiative of the chair. Going forward meant . . . a charade . . . and devalue systematic reflection on directions and issues. However to score political points, the chair insisted on proceeding including meetings without the three members. The chair was the officer who contracted my services. Do you go forward with an obvious public charade or do you say no to a person with whom you have made a commitment?

How faculty deal with concerns like these clearly is important for the type of moral example set for colleagues and students. Indeed, 92 percent of those responding to the question believe that consulting problems are primarily the result of individual behavior—not departmental (18 percent) or campus culture (14 percent), or client demands (27 percent). Less than one of ten respondents (8 percent) chose “other” and indicated problems could stem from a lack of awareness, the commercial climate of America, and/or the absence of institutional monitoring.

Institutional culture or policies (where they exist or are known, as noted above) are of little help in navigating through such obstacles. Professional association ethics codes may be of greater assistance as some two-thirds of the sample chose them when presented with a list of selected associations that “have an impact on faculty consulting.” Of those who responded to this question, the American Society for Public Administration (36 percent) was selected most often, followed by the American Association of University Professors (25 percent), “other” (22 percent, including, *inter alia*, the American Evaluation Association, International City/County Management Association, American Psychological Association, American Sociological Association), and the American Political Science Association (9 percent).

Of particular note, however, is that 40 percent of the professors responding chose the “none” option in this multiple-choice question. There may be several reasons for this, but some professional societies many wish to revisit their codes in light of the contemporary environment noted earlier that confronts faculty. A sound code can be put to good use as one respondent wrote, “I share ethical codes with the funder before the project begins to avoid (problems) and to use as protection (see new directions for program evaluation, number 66, 1995 for a description of the guiding principles; these are available in brochure form for use with clients.” While codes are rarely panaceas, this does not justify doing nothing; to do so lets expediency prevail and calls into question the whole idea that professions can be relied upon to define and enforce norms of conduct. A profession, after all, is only as good as its ethics.

To summarize the results of this national survey, public administration faculty seem to doubt the basis of the traditional social contract between town and gown, and do not think that consulting confounds the values of business and academe.

A plurality also believes that consulting is a right, not a privilege. The professors “agree to disagree” on whether it should be encouraged, but a majority disagrees that it interferes with on-campus responsibilities.<sup>9</sup> Not only has consulting apparently increased in the last 5 years, but many survey participants also engage in it to earn supplemental income. Most opportunities derive from unsolicited offers, client, and faculty referrals, and many earn these monies as independent contractors to nonprofit organizations, although the frequency of work for public jurisdictions is not insignificant.

Faculty, further, are divided on whether they value knowledge for its own sake. Most rely on intuitive ethical guidelines when they consult. This reliance is likely the result of ambiguous institutional policies, ignorance of them, or their complete absence. Since many universities have weak monitoring and enforcement systems, policies that do exist are often disregarded except when scandals erupt. In any case, respondents reject the notion that academic culture is typically indifferent to consulting problems. Consulting is discussed among colleagues, yet most believe that it is done for reasons of personal interest at the expense of their department. Salient concerns in consulting include those derived from clients and self; in dealing with these problems, the universities and professional associations could be more helpful.

### CONCLUSION

The nation’s faculties, particularly those in professional schools, occupy a privileged position since they train the leadership of society. As the economy evolves toward intense entrepreneurialism, “academic capitalism” has diversified the service role; expectations for faculty grantsmanship and contracts have increased; indeed, such activity is often required today. There is every reason to expect that these trends will continue. The advantages to the university and industry are fairly obvious (Bowie, 1990, 195), although their relative magnitude may not be: business has been widely criticized for meager private research and development, but gains ready access to research facilities and human capital when collaborating with academe; in the worst case, higher education becomes a publicly subsidized corporate profit center.

Rather than ignore or deny these tensions, or believe that commercial activities will not affect traditional values, a better response is to ask, “whether the purposes to which the university is put are the ones that disinterested intellectuals would autonomously choose” (Bellah, 1997, 26). Stated differently, “integrity of mission is at risk when, in the view of the Carnegie Foundation, there is an apparent inability of higher education to clarify its own mission and define for itself the role it best can play . . .” (Boyer and Hechinger, 1981, 7).

The faculty role has long provided for service, but in contemporary times this function arouses suspicion of conflict of interest and loss of objectivity. There has been a shift from social trustee professionalism (characterized by civic-minded appeals, circumscribed technical knowledge, alliance with the regulatory state)

to expert professionalism (characterized by instrumental knowledge in service to the market, accompanied by modest regard for collegial concerns and the larger public interest). This shift has occurred both in society as a whole (Brint, 1994) as well as in the views of the sample reported here. At the center of the consulting controversy, professional schools in particular can play a leadership role by confirming the legitimacy and importance of the debate and seeking ways to address the attendant issues.

The results of this exploratory study suggest a number of policy and research needs. First, meaningful university consulting policies should be based on empirical evidence. Until additional data is gathered (including the use of in-depth personal interviews and focus groups), attempts to revise or formulate guidelines are premature. Since many existing regulations are piecemeal and lack sound consistent provisions (Teague, 1982), a possible model for the form, if not the content, of a consulting code could be derived from another area of public policy. In sexual harassment prevention, for instance, elements of an effective approach include: (a) a brief, but forthright, declaration; (b) a full definition of the phenomenon (with representative examples); (c) rights and obligations (including sanctions); (d) reporting mechanisms; and (e) training (Bowman and Zigmond, 1996).

Second, and to develop the content of a policy, more information is needed on existing strategies as pertinent studies are based on decades-old data. In the last generation, significant legal (the 1980 Uniform Patents Act), political (privatization), and economic (supply side approaches) events have changed the context of academic consulting. O'Harrow (2000) reports, for example, the number of patents universities received prior to enactment was about 250 per year; by the mid-1990s, that number had expanded by a factor of ten. Accordingly, schools are finding that past guidelines may no longer be adequate.

Third, how has consulting been received by sponsors? The troubling findings reported some 15 years ago in public administration (Dunn, Gibson, and Whorton, Jr., 1985; Whorton, Gibson, and Dunn, 1986) regarding public sector services and priorities need replication. Finally, additional material on consulting time commitments would be helpful. Does the time-scarcity, conflict of commitment, zero-sum thesis hold (that commitment to outside consulting comes at the expense of institutional work) or does the complementary role, non-zero sum thesis obtain (that teaching, research, and service reinforce each other)? Is consulting a brain drain or brain gain?

Finally, and more broadly, the utilization of these findings is attested to by the vigorous expressions of some survey recipients concerned that administrators (and legislators) would use the data against the professoriate. By offering previously unexplored insights into the changing nature of the faculty experience, this report does provide useful information to understand faculty work. Indeed, the findings may be helpful to those seeking to craft policies to protect the integrity of the faculty and academe as a whole. Additionally, those who engage in consulting will find aspects of the material here to be of interest in placing their own

experiences into context. Overall, the results provide baseline data from which future studies can evolve.

To conclude, there are many things to learn about the increasingly prominent and controversial scholar-consultant role. In general, consulting is a proper and worthwhile activity, but that is not always the case. "Universities are a place of extraordinary privilege and freedom, created by a tolerant public and supported by private and public beneficence," yet, as former Cornell president Frank Rhodes (1997, 166) reminds us, they "are weakened every time when practices betray their rhetoric." The greatest perils are not dangers from without, but those from within. In the end, the responsibility of a professional is to use specialized knowledge to protect the public, not to maximize profit. When those wearing the gown go to town, it is vital to recall that professional imperative.

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### NOTES

1. Not included here are consulting handbooks (e.g., Golembiewski, 2000; Shein, 1987), guides (Block, 2000; Hale, 2000), business books (Biech, 2000). Also excluded are the numerous inflammatory attacks on higher education from early 1990s with titles like *How Professors Play the Cat Guarding the Cream*, *The Hollow Men*, *Imposters in the Temple*, which curiously ignored professorial consulting (Anderson, 1992; Huber, 1992; Sykes, 1990, respectively). Also, reports from the field (e.g., Huddleston, 1999) are not examined.

2. The procedure provoked over several dozen unsolicited comments. Most supported the investigation ("very interesting," "happy to participate," "terrific idea"). Others offered technical advice. One person, for instance, recommended pdf formatting (it was not employed because a significant number of respondents, based on past work, cannot readily open the file or download Adobe Acrobat Reader. The approach used was the most accessible to this population). A relatively large group requested additional confidentiality assurances. In addition, twelve people sent copies of their institution's consulting policy and a similar number recommended that their university's Web site be examined. A few participants were, however, truly angry and contacted the authors by E-mail and telephone. One argued that we were destroying the academy and that administrators and legislators would use the findings against the faculty. Another person stated that it "was nobody's damn business" what others make consulting. A third believed, despite efforts at a balanced set of questions, that "it's pretty clear that you don't approve of consulting," and others perceived that the authors favored consulting. Responses to the first mailing were compared to those of the second to test for nonresponse bias (Oppenheim, 1966), and no differences were found.

3. The deliberately general operational definition of consulting used in the cover letter, "a planned activity in which you provide others with the benefit of your professional skills beyond what is expected of you in performing your normal academic duties," elicited

a number of interesting comments that reinforced the need for this exploratory study; different definitions and models exist. For example, one person stated that traditional disciplines equated applied research with consulting activities; another said that doing grants and contract work through the university was not consulting; a third indicated that paid consulting is not a service, but a business. This project's catholic definition is consistent with the view that the compensation issue "is not germane to a definition of professional service, to its evaluation, or to faculty advancement . . . (Its) intellectual value . . . does not depend on whether or not the faculty member received an honorarium as a consultant (Lynton, 1995, 20).

4. Despite the availability of technical assistance, adherence to Dillman's protocols (2000), as well as use of a pilot study and trial runs, this process was not flawless. Some respondents received the questionnaire in quadruplicate, others indicated that the questionnaire was misaligned by their server, and a number of colleagues were irritated by the reminder message. While amends were made in every known case, these mishaps likely affected the response rate. In addition, some faculty returned uncompleted surveys ( $n=24$ ) indicating that they do no consulting, questionnaire directions notwithstanding; in each instance, the person was contacted and encouraged to complete the instrument, some said they would do so and others did not reply. Finally, participation may have been impacted by the use of strict confidentiality, not anonymity, as most surveys returned via E-mail identified the sender's institution. Anonymity, however, could be achieved by fax (blocking the originating number), E-mail (using a different account), or regular mail (without a return address).

5. Specifically, 61 percent are males; 55 percent are between the ages of 41 and 57; 71 percent are tenured.

6. A number of cross tabulations revealed significant differences between respondents' answers to some questions based upon gender, age cohort, and rank. Given space limitations and the complexity of those data, the findings will be separately reported in a forthcoming manuscript.

7. Most university policies, seeking to strike a balance between interference and accountability, try to ensure that consulting does not compromise the academic mission. This often includes provisions for approval of and time limits on outside activities.

8. A handful of professors indicated that they would rather not reply or said that their cases were "too complicated" or too sensitive to disclose. One person indicated that he had faced ethical choices, but they "did not rise to the level of a 'dilemma.'" Another simply said, "no, thank you!"

9. A major state university on the Atlantic seaboard provides its public administration faculty with 11-month contracts on the premise that each person receives 2 months' salary as payment for state consulting. Based on a service-learning concept, this work is seen as an integral part of the professorial role as faculty are expected to engage in professional practice as a way to provide service and as a way of learning. This approach is relatively unusual at present.

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\_\_\_\_\_ PART IV \_\_\_\_\_

**ISSUES AND TRENDS IN PUBLIC PERSONNEL  
ADMINISTRATION**



## Equal Opportunity, Affirmative Action, and the Constitution: New Challenges Facing Public Human Resource Management

JACK P. DESARIO AND JAMES D. SLACK

For more than a generation, the policy strategy referred to as affirmative action has retained its status as one of the most controversial issues confronting our society.<sup>1</sup> It has been, as Norma M. Riccucci points out, “pummeled by attacks from the citizenry, scholars, and even individual lawmakers and jurists.”<sup>2</sup> But the attacks have actually come from both the left and the right side of the political spectrum, with liberals demanding a more quickened pace to affirmative action programs and conservatives demanding an end to those same programs. This debate seems to have escalated significantly in recent years, especially in areas like California, Michigan, and Texas where diversity has been woven into the pattern of life. We anticipate that the discussion over equal opportunity and affirmative action will continue to intensify during this first decade of the new century.

Advocates of affirmative action point to lingering differences between the races in regard to employment, earnings, and poverty as providing the justification for claims that only by taking into account one's race can disparities be eliminated.<sup>3</sup> In general they make three arguments to support both the maintenance and expansion of affirmative action programs: (1) the need for some kind of compensation for the victims of past injustices; (2) an effective method of addressing current social and economic inequalities; and (3) an effective approach to achieving equal employment opportunity, or nondiscrimination, in the workplace.

Those who question the usefulness of affirmative action strategies contend that it is counterproductive, divisive, and ineffective.<sup>4</sup> Some stress that affirmative action is discriminatory, fails to reward merit, denigrates individuals as a result of

stereotyping, and leads to enduring racism.<sup>5</sup> It is also pointed out that diversity in the work force, a growing reality for the American workplace, can be advanced more effectively through internal and service-oriented incentives rather than by externally imposed affirmative action-based requirements.<sup>6</sup>

Needless-to-say, the future of affirmative action has significant implications for the public and private sectors. Its status will define or redefine procedures pertinent to a wide variety of issues: job recruitment; promotion, retention, and termination; awarding of governmental contracts; the design and development of workplace training programs; and educational opportunities and matriculation.

The basic premise of this analysis is that the debate about the moral and ethical legitimacy of affirmative action may soon be made irrelevant by the impending legal imperative of affirmative action. Affirmative action policies require legal legitimacy before they can be considered as viable programmatic options. While the legal environment of affirmative action has been uncertain since its inception, a series of recent court cases suggest an inexorable resolution to the debate. The U.S. Supreme Court seems to have developed a cohesive and compelling majority perspective in regard to this issue.

Our objective here is to provide a legal analysis of affirmative action. The ultimate goal is to suggest the types of programs that are permissible within the context of these constitutional and statutory mandates. The first section provides the social and legal context for past and current efforts to address issues of discrimination and segregation. The second section defines the complex concept of affirmative action and reviews its origins and evolution. The third section provides a detailed analysis of *Regents of the University of California v. Bakke* because this case represents the Supreme Court's first attempt to resolve the legal complexities of affirmative action. The Court's holdings in *Bakke* have shaped the debate for over 25 years. The fourth section reviews current affirmative action case law. Close attention is paid to emerging legal distinctions essential to an accurate application of affirmative action principles in the future. The final section reviews the status of contemporary affirmative action programs and suggests policy strategies to address diversity issues within the context of existing and anticipated legal parameters.

### THE SOCIAL AND LEGAL CONTEXT

Supreme Court Justice Thurgood Marshall provides perhaps the most powerful legal and historical treatise on the legacy of racial discrimination in America. The first African-American Supreme Court justice, Mr. Marshall rose to prominence as a civil rights lawyer and advocate for the National Association for the Advancement of Colored People (NAACP) prior to his appointment to the Court. In the important affirmative action case of *University of California v. Bakke*, Marshall wrote about the unique historical circumstances of racial discrimination in the United States:

Three hundred and fifty years ago, the Negro was dragged to this country in chains to be sold into slavery. Uprooted from his homeland and thrust into bondage for forced labor, the slave was deprived of all legal rights. It was unlawful to teach him to read; he could be sold away from his family and friends at the whim of his master; and killing or maiming him was not a crime.<sup>7</sup>

The discriminatory treatment afforded to slaves was explicitly recognized in the U.S. Constitution. According to Article I Section 2 of the Constitution, a slave counted as only three-fifths of a person for representation and taxation purposes. No political or legal rights were recognized for this group. In fact, the Constitution specified that if a slave escaped to another state he must be returned on demand and, furthermore, that slavery could not be prohibited by Congress until 1808.<sup>8</sup>

Despite public protests, the legal status of slaves was confirmed in 1857 in *Dred Scott v. Sandford*. In this case a Missouri slave, Dred Scott, filed a lawsuit seeking to establish his emancipation. Scott maintained that he was a free man because he had been taken to Illinois where slavery was outlawed. The Supreme Court contended that the major question in this case was whether a Negro whose ancestors were imported into this country and sold as slaves could become a citizen. The Court answered this inquiry by stating:

We think they are not, and that they are not included, and were not intended to be included, under the word "citizens" in the Constitution and can, therefore, claim none of the rights and privileges which that instrument provides for and secures to citizens of the United States. On the contrary, they were at that time considered as a subordinate and inferior class of beings, who had been subjugated by the dominant race and whether emancipated or not, yet remain subject to their authority. . . .<sup>9</sup>

With the conclusion of the Civil War, the Thirteenth, Fourteenth, and Fifteenth Amendments were passed in an effort to secure freedom and equal protection of the law for African-American citizens. These so-called Civil War Amendments outlawed slavery, provided for voting rights for all citizens regardless of race or previous condition of servitude, and required the equal protection of the law.

While the Civil War Amendments were passed in response to the issue of slavery, the intent of Congress was that these changes to the Constitution would naturally apply to all citizens of the United States. This is especially true of the Fourteenth Amendment, which calls for equal protection under the law. Douglas Kmiec presents a summary of the supporting statements made by members of the Thirty-ninth Congress who had drafted and enacted the Amendment:

Senator Howard in 1866 reflected that Congress intended to "abolish all class legislation . . . and do away with the injustice of subjecting one cast of persons to a code not applicable to another." Similarly, Senator Stevens commented that "no distinction would be tolerated in this purified republic but what arose from merit or conduct." Finally, Senator Wilson pointedly stated "[W]e mean that the poorest

man, be he black or white . . . is as much entitled to the protection of the law as the richest. . . . We have advocated the rights of the black man because the black man was the most oppressed.”<sup>10</sup>

Despite these pronouncements, the fight for equality and against discrimination had not come to a legal conclusion. In response to the Civil War Amendments, federal and state governments reestablished discriminatory policies. State legislatures passed Black Codes, poll taxes, white-only primaries, grandfather clauses, and laws requiring the racial separation of public facilities. At issue here were two fundamental questions: (1) what did the Constitution mean by “equality” and (2) how could the concept of “equality” be administered.

Despite what seemed to be a clear constitutional mandate the Supreme Court, reacting to political considerations, legitimized the discriminatory actions of the states. Commenting on this development, Justice Marshall asserts that the ultimate blow to the Civil War Amendments and the equality of African-Americans came in *Plessy v. Ferguson*. It was in this 1896 case that the Court upheld the separate but equal standard of a Louisiana law covering railway accommodations. As noted by Justice Marshall, the Court held that the Fourteenth Amendment was not intended to abolish distinctions based upon color, or to enforce social, distinguished from political equality, or a co-mingling of the two races . . .”<sup>11</sup>

The separate-but-equal doctrine of *Plessy* was clearly inconsistent with the legislative history of the Fourteenth Amendment and the plain language of the Amendment. Out of the *Plessy* decision, therefore, came justification for the contemporary civil rights movement in America. Writing the dissenting opinion in *Plessy*, Justice Harlan provided the most powerful articulation for the movement. Harlan wrote:

. . . in view of the constitution, in the eye of the law, there is in this country no superior, dominant, ruling class of citizens. There is no caste here. Our constitution is color-blind, and neither knows nor tolerates classes among citizens. In respect of civil rights, all citizens are equal before the law.<sup>12</sup>

Harlan’s call for a color-blind society would be ignored for over 50 years. President Roosevelt’s Executive Order 8587, coupled with the passage of the Hatch Act in 1939 and the Ramspect Act in 1940, began the slow process of dismantling racial segregation. President Truman continued this process in 1948 when he banned racial segregation in the military and outlawed racial discrimination in the federal government.<sup>13</sup>

While these efforts were important, they lacked the wide sweeping impact of Supreme Court pronouncements. In a series of cases throughout the 1950s and 1960s, including *Brown v. Board of Education*, the Supreme Court finally recognized and reversed the legal standing of the separate-but-equal doctrine.<sup>14</sup> Despite political opposition,<sup>15</sup> the Court was not deterred in its effort to eliminate racial discrimination. Even with threats of impeachment, the Court ordered actions to insure integration with “all deliberate speed.”<sup>16</sup>

Although discriminatory laws were invalidated, the judiciary alone could not insure desegregation. State resistance and federal reluctance frustrated legal enforcement, and the civil rights movement exposed these injustices. President Kennedy responded by committing his administration to the passage of comprehensive civil rights legislation. After Kennedy's assassination Lyndon Johnson seized the opportunity to enact this plan. In his first address to Congress, President Johnson called for "the earliest possible passage of the civil rights bill for which he [Kennedy] fought so long."<sup>17</sup> The Civil Rights Act of 1964 outlawed discrimination in public accommodations, voting, education, employment, and the utilization of public funds. An Equal Employment Opportunity Commission was established to enforce Title VII, the employment section of the Act, and the Office of Federal Contract Compliance was created to enforce the nondiscrimination requirements applied to government contractors.

In essence, the 1964 Civil Rights Act sought to establish a color-blind society, and to do so in the spirit of the Fourteenth Amendment. This is apparent when one looks at the legislative intent. Responding to a question about the motives of Title VII of the Act, Senate floor leader Hubert Humphrey argued:

Contrary to the allegations of some of the opponents of this title there is nothing in it that will give any power to the Commission or to any court to require hiring, firing, or promotion of employees in order to meet a racial "quota" or to achieve a certain racial balance. That bugaboo has been brought up a dozen times; but it is nonexistent. In fact the opposite is true, Title VII prohibits discrimination. In effect, it says that race, religion and national origin are not to be used as the basis for hiring and firing. Title VII is designed to encourage hiring on the basis of ability and qualifications not race or religion.<sup>18</sup>

Senator Joseph Clark, the floor manager for Title VII was even more explicit on the issue of color:

Any deliberate attempt to maintain a given balance would almost certainly run afoul of Title VII because it would involve the failure or refusal to hire some individual because of his race, color, religion, sex, or national origin. What Title VII seeks to accomplish is equal treatment for all.<sup>19</sup>

The House of Representatives also embraced the same legislative intent. Congressman Emmanuel Celler, floor manager for the 1964 Civil Rights Act, argued that a "court could not order that any preference be given to any particular race, religion, or other group but would be limited to ordering an end to discrimination."<sup>20</sup>

Ultimately the intent of Congress was reflected in the language of the 1964 Civil Rights Act. The language reads:

Nothing contained in this title shall be interpreted to require any employer . . . to grant preferential treatment to any individual or group on account of an imbalance which may exist with respect to the total number or percentage of persons of any

race ... employed by any employer ... in comparison with the total number or percentage of persons of such race ... in any community ... or in the available workforce in any community.

Hence, the purpose of the 1964 Civil Rights Act was to provide equality of opportunity and to do so in a manner that ensures a color-blind society. But the question became whether this accomplishment was sufficient. The dilemma for civil rights advocates was whether to rejoice in the hard-fought victory for color-blind laws or to pursue new goals. For many, the optimism which followed the passage of the 1964 Civil Rights Act "quickly dissipated."<sup>21</sup> Social realities illustrated that equality of opportunity did not insure adequate living conditions and health care, higher incomes, more meaningful employment, and a better education for minority citizens. These disparities were as apparent after the passage of the Act as they were before, and they led to the worst urban riots in our nation's history.

### AFFIRMATIVE ACTION

It is within this context that the concept of "affirmative action" emerged, and it evolved along with the civil rights movement. Originally, the term was utilized to express aggressive nondiscrimination or a strong commitment to equality of opportunity for all regardless of race or ethnicity. Following the intent of the Fourteenth Amendment, affirmative action meant "public policies that afforded individuals opportunity without discrimination."<sup>22</sup>

President Truman established the precursor to affirmative action, called a constructive action, through Executive Order 9980. By taking "constructive action," federal agencies were directed to (1) initiate relations with relevant minority organizations in order to facilitate a larger pool of minority job applicants, (2) conduct periodic surveys to assess the number of minority employees working in each agency, (3) develop and adopt new recruitment strategies designed to facilitate equal employment opportunities for members of minority groups, and (4) develop training programs for all lower-level employees, where the majority of minority members were to be found, so that they might receive the prerequisite skills for promotions.<sup>23</sup>

As a strategy to ensure equal employment opportunity, constructive action seemed an ideal strategy. But the politics of the time, particularly the fact that President Truman needed southern support to win election, meant that enforcement of Executive Order 9980 was slack. Its failure to produce change was one more catalyst for the civil rights movement as discussed above.

President Kennedy was the first public official to use the term "affirmative action" in the context of racial discrimination when he signed Executive Order 10925 in 1961. Similar to the Truman concept of constructive action, Kennedy's idea of affirmative action was to advocate equality of opportunity by directing

public contractors to adopt nondiscriminatory employment practices. Executive Order 10925 states:

The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, or national origin.

Kennedy's "affirmative action" was as much in the spirit of the Fourteenth Amendment as was Truman's "constructive action." Both sought to ensure equal protection for all persons in the American work force. However, Executive Order 10925 had a similar, negligible impact on changing social and workplace relations as did Executive Order 9980. As social unrest and dissatisfaction increased during the 1960s, governmental leaders searched for viable political alternatives that would have more "teeth" in changing these relationships.

The result was a new definition of affirmative action, which President Johnson embraced as central to his agenda. In a speech given at Howard University, President Johnson argued that

[F]reedom is not enough. You do not wipe away the scars of centuries by saying: Now you are free to go where you want and do as you desire, and choose the leaders you please. . . . This is the next and the more profound stage of the battle for civil rights. We seek not just freedom but opportunity. We seek not just legal equality but human ability, not just equality as a right and a theory but equality as a fact and equality as a result. . . . To this end equal opportunity is essential, but not enough, not enough.<sup>24</sup>

Hence, affirmative action evolved to represent all measures "beyond simple termination of a discriminatory practice, adopted to correct or compensate for past or present discrimination. . . ." <sup>25</sup> This approach would promote special or preferential consideration for members of targeted groups that have been collectively the victims of discrimination. Consequently, the goal of affirmative action would shift from equality of opportunity to equality of outcome.

Beginning with the Johnson administration, federal agencies assumed a prominent role in the promulgation of the new affirmative action programs. The Equal Employment Opportunity Commission assiduously wrote "guidelines, not indeed to achieve equality of opportunity but equality of result"; in the hands of the Office of Federal Contract Compliance "affirmative action became a thinly disguised code for racial quotas and goals."<sup>26</sup> David O'Brien notes how the Department of Labor in 1967 "adopted a policy of preferential hiring for minorities and women and the Department of Health, Education and Welfare (HEW) assumed responsibility for affirmative action in education."<sup>27</sup> By the 1970s, O'Brien notes that "HEW issued guidelines and threatened to withhold funds from colleges and universities that failed to meet its hiring and admissions goals for blacks, women, and

other minorities.”<sup>28</sup> The end result was that federal administrative agencies produced numerous affirmative action regulations and standards, and they imposed them upon both the public and private sectors. Because they were produced in piecemeal fashion, furthermore, little general guidance was provided to those who were expected to comply.

As the social implications of these new affirmative action programs became apparent, members of Congress and the general public began to question their legitimacy. How could students with higher grade point averages and standardized test scores be denied admission into undergraduate colleges and professional schools while students with lower scores are admitted? How could employees with more seniority be laid off while those with less seniority are retained? How could government reject the lowest bidder in favor of a more expensive competitor? Why is a poor Vietnamese-American less deserving of special consideration than an affluent African-American? These difficult questions lead many to challenge the legal, moral, and ethical assumptions of affirmative action.

### ***REGENTS OF THE UNIVERSITY OF CALIFORNIA v. BAKKE***

The debate over the constitutionality of affirmative action continued throughout the 1960s and 1970s. Citizens turned to the courts as the appropriate forum to resolve the legal dispute and provide a clear and uniform direction. Issues such as affirmative action are difficult for the Supreme Court because they are embroiled in political controversy, pose significant legal and moral dilemmas, and are cases of first impression. By the late 1970s, the Court could no longer avoid the issue.

Allan Bakke, a white male applied to the University of California-Davis Medical School in 1973 and 1974. Both times he was denied admission. Bakke discovered that the Medical School operated two separate admissions programs. A special admissions program reserved 16 of the 100 entering slots for disadvantaged members of targeted minority groups. A comparison of Bakke's qualifications with students matriculated through the special admissions program revealed significant disparities. Bakke's grade point average was 3.46 compared to the average of the 1973 special admittees of 2.88, and 2.62 for the 1974 special admittees. A comparison of standardized MCAT scores revealed similar differences. Bakke's percentiles were 96 percent for the verbal versus 46 percent for the 1973 admittees and 24 percent for the 1974 admittees, 94 percent for the quantitative versus 24 percent for the 1973 admittees and 30 percent for the 1974 admittees, 97 percent for science versus 35 percent and 37 percent, and for general information 72 percent versus 33 percent and 18 percent.<sup>29</sup>

Believing that he had been discriminated against because of his race, Bakke sued the Regents of the University of California in a state trial court. Among the legal causes of action, he alleged a violation of his constitutional rights pursuant to the equal protection clause of the Fourteenth Amendment and his statutory rights under Title VI of the Civil Rights Act. The state trial court held that the

medical school's special admissions program constituted a racial quota that did violate Bakke's constitutional and civil rights. On appeal the Supreme Court of California affirmed the trial courts holdings. The Regents of the University of California then appealed this case to the U.S. Supreme Court which agreed to hear it.

The decision of the U.S. Supreme Court was awaited with great anticipation because it marked the first time the Court addressed the legalities of affirmative action. Its holding would determine the boundaries of acceptable applications of this strategy, if any, and would impact numerous programs and individuals in our society. The Court announced its sharply divided decision on June 28, 1978. All of the major issues were decided by a tenuous 5:4 vote. The holding contained three distinct opinions, with none of the opinions garnering majority support in regard to the major issues. Substantively, five members of the Court agreed that (1) the medical school's admission program was illegal, (2) Bakke must be admitted, and (3) race could be considered as one element to be weighed fairly against others in the selection process.

To comprehend the practical and legal implications of the *Bakke* decision, it is essential to understand the three factions that formed. The Brennan-White-Marshall-Blackmun group concluded that the Regents of California's admissions process was constitutional because the Fourteenth Amendment is not "color-blind" and Title VI doesn't prohibit preferential treatment. Chief Justice Burger and Associate Justices Stevens, Stewart, and Rehnquist, relying solely on Title VI, argued that the admissions program was illegal because it violated the color-blind standard of the statute and, therefore, it was unnecessary to even consider the alleged constitutional violation. Justice Powell issued his own opinion, but his holdings were the most influential because he constituted the deciding fifth vote in regard to the outcomes of all the significant issues. Powell aligned with Chief Justice Burger's faction to hold Bakke must be admitted and that the medical school's admissions program was illegal (Powell contending it violated the Constitution as well as Title VI). However, Powell aligned with the Brennan group when holding that race could be a factor in an admissions process.

For these reasons, it is important to understand the logic of Powell's holding which has been relied upon by many public and private institutions as providing the bottom-line guidance required for acceptable race conscious affirmative action programs. Powell's opinion has been referred to as the "cornerstone of affirmative action."<sup>30</sup> It must be reemphasized, however, that although there were majority holdings in *Regents of California v. Bakke*, there was not a majority opinion for any of the significant issues. In other words, from a legal perspective the justices could not agree as to the underlying legal justifications for their decisions.

Justice Powell announced the judgment of the Court holding: Bakke must be admitted, the medical school's special admissions program was unlawful, but that race could be considered in an admissions program. In reaching these judgments Powell developed important distinctions and reached significant

conclusions. While addressing the constitutional issue raised in this case, he finds that the Fourteenth Amendment of the U.S. Constitution is explicit in its language: "No state shall deny to any person within its jurisdiction the equal protection of the laws." Based upon this language Powell reasons:

It is settled beyond question that the rights created by the first section of the Fourteenth Amendment are, by its terms guaranteed to the individual. The rights established are personal rights. The guarantee of equal protection cannot mean one thing when applied to one individual and something else when applied to a person of another color. If both are not afforded the same protection then it is not equal. . . .

Racial and ethnic distinctions of any sort are inherently suspect and thus call for the most exacting judicial examination. . . .

It is far too late to argue that the guarantees of equal protection to all persons permit the recognition of special wards entitled to a degree of protection greater than that accorded others.<sup>31</sup>

Although Powell believes the Constitution is intended to treat all equally, he does not interpret this perspective to be an absolute bar to all racial classifications. For a program that considers race to pass constitutional scrutiny, however, he believes the state must have a substantial interest that is legitimately served by this classification. For Powell, this must of course exist within the context of preserving individual equal protection. In applying this standard to the facts of this case, Powell argues that the "fatal flaw" in the Regents of California's admission program is its "disregard of individual rights as guaranteed by the Fourteenth Amendment."<sup>32</sup> A public program based upon these standards can never pass constitutional muster when it summarily rejects any group of people based solely upon their race or ethnicity. This logic leads to the inevitable conclusion that all quotas are illegal.

Powell accepts the argument offered by the Regents of California, that a "diverse student body" may be a constitutionally permissible goal for an institution of higher learning. But he cautions that this goal can only be embraced to the extent that it does not violate individual rights. Powell warns:

Ethnic diversity, however, is only one element in a range of factors a university properly may consider in attaining the goal of a heterogeneous student body. Although a university must have wide discretion in making the sensitive judgments as to who should be admitted, constitutional limitations protecting individual rights may not be disregarded.<sup>33</sup>

Based upon this reasoning, the problem with the medical school's admission program is that it focused exclusively on racial and ethnic diversity insulating the applicants from comparison with all other candidates for admission. Powell suggests that programs which take diversity into account will only survive constitutional scrutiny if "race or ethnic background is simply one element—to be weighed fairly against other elements—in the selection process."<sup>34</sup> Applicants

cannot be excluded from the admissions process based upon their ethnicity or not belonging to a particular ethnic group. This reasoning does not afford preferential treatment a large role, although unlike Chief Burger's group, it doesn't completely dismiss it either.

In contrast to the Powell opinion, the Brennan faction argued that the affirmative action program of the medical school was constitutional. Government may use race-conscious programs as long as they do not "demean or insult any racial group, but remedy disadvantages cast on minorities by past racial prejudice. . . ." <sup>35</sup> The constitutional basis for their holding is the conclusion that the Fourteenth Amendment is not "color-blind." The most intriguing articulation of this argument was provided by Thurgood Marshall who reasons:

. . . had the Court been willing in 1896, in *Plessy v. Ferguson*, to hold that the Equal Protection Clause forbids differences in treatment based on race, we would not be faced with this dilemma in 1978. We must remember however, that the principle that the "Constitution is colorblind" appeared only in the opinion of the lone dissenter. . . . It is because of a legacy of unequal treatment that we now must permit the institutions of this society to give consideration to race in making decisions about who will hold the positions of influence, affluence, and prestige in America. <sup>36</sup>

In addition, the Brennan group suggests that the purpose of Title VI is to make sure that federal finances were not used to support racial discrimination, and it was not intended as a ban on all race conscious efforts. As further support for this perspective the opinion documents the promulgation of affirmative action regulations by federal agencies.

Marshall's interpretation of the Constitution seems fraught with contradictions. Clearly, the Court erred in 1898 when it imposed the "separate but equal" doctrine. However, it is hard to justify legally the argument that, because a tragic mistake was made (most probably motivated by political considerations), we must perpetuate a race-based interpretation of the Constitution. Marshall also must believe that the proper reading of the Fourteenth Amendment is that it is color-blind or he would not be able to argue logically if not for *Plessy* we would not be faced with our current dilemma. It is also important to remember that it was Marshall who, on behalf of the NAACP, argued in *Brown v. Board of Education* that the Constitution does not recognize race distinctions. The ultimate problem with the rejection of the "color-blind" perspective is that it justifies a perpetuation of a political imperative over the legal imperative.

In regard to the Brennan group's reading of Title VI, it is not contradictory to argue that even if a clear purpose of that section was to insure funds were not being distributed in a discriminatory manner which required race consciousness, this objective does not sanction affirmative action. Ensuring that all individuals receive their fair share of a benefit program regardless of race is very different than instituting an affirmative action program that denies individuals an opportunity to be considered solely because of their race. Last, as the Burger faction argues,

the Brennan group's legislative history ignores explicit statements embracing the "color-blind" rationale.

The opinion of Chief Justice Burger's group is by far the shortest, most succinct, and least encompassing. In essence they maintain that the plain language of Title VI, as supported by its extensive legislative history, is dispositive of this issue. Therefore, it is unnecessary to even consider constitutional arguments. The following passages capture the essence of their opinion:

In the words of the House Report, Title VI stands for the "general principle that no person . . . be excluded from participation . . . on the ground of race, color, or national origin under any program or activity receiving Federal financial assistance. This same broad view of Title VI . . . was echoed throughout the congressional debate and was stressed by every one of the major spokesmen for the Act. . . . The language of the section is perfectly clear: the words that follow "exclude from" do not modify or qualify the explicit outlawing of any exclusion on the stated grounds . . . the proponents of the legislation gave repeated assurance that the Act would be "colorblind" in its application. . . . The meaning of the Title VI ban on exclusion is crystal clear: Race cannot be the basis of excluding anyone from participation in a federally funded program.<sup>37</sup>

Many insights can be drawn from the *Bakke* decision. From a legal perspective, if this holding is the "cornerstone" of affirmative action, then the status of this policy is fragile at best. Owing to the fact that it was a 5:4 decision and devoid of a majority opinion it is surprising that it has managed to endure for over 20 years. Its staying power is probably the result of many things: the lack of a new consensus, the desire to avoid further potential controversy, and judicial respect for the doctrine of *stare decisis*. Based upon the *Bakke* decision, it is difficult for public and private institutions to develop programs that address issues of race or ethnicity. The holding provides little direction and the often-quoted guiding principle it does posit, that "race is but one element to be weighted fairly against other elements," is vague and represents the opinion of Justice Powell alone. Finally, the constitutionality of affirmative action is still to be determined, as the majority of the Court did not address this issue. Powell and chief Justice Burger's group were able to come to a legal conclusion based solely on Title VI considerations.

### CURRENT DEVELOPMENTS REGARDING AFFIRMATIVE ACTION

Throughout the 1970s and 1980s, the Burger Court remained sharply divided when addressing affirmative action programs. However, the Supreme Court in recent years has reexamined and redefined affirmative action in a number of important contexts. Among some of the more important holdings of the Court are the adoption of a more rigorous level of scrutiny—"strict scrutiny"—that all race conscious programs must now survive in order to satisfy constitutional dictates, the rejection of claims of societal discrimination as a justification for racial

classifications, and the elimination of its deferential standard toward congressional affirmative action programs.

These developments have seemed to inspire the lower federal courts and state courts to make even more fundamental challenges to affirmative action, even holding more restrictive opinions than what is required by the Supreme Court. Spurred by these actions, state legislatures—most notably California and Proposition 209—have acted to eliminate all race and ethnic classifications from the public domain through state constitutional amendments requiring a “color-blind” application of the law. These legal dynamics have led many analysts to question the future of affirmative action.<sup>38</sup>

### Recent Supreme Court Interpretations

This review of current developments in regard to affirmative action programs starts with an analysis of recent Supreme Court decisions. These decisions assume primacy because they are the most authoritative source of constitutional principle. Supreme Court holdings in regard to the Constitution are binding on all federal and state courts. It is important to understand the Court’s perspective before juxtaposing the actions of other judicial bodies.

Two of the most significant race classification cases decided by the Court are the *City of Richmond v. J.A. Croson* and *Adarand Constructors Inc. v. Peña*. J.A. Croson Company was an Ohio plumbing contractor that had bid on a city contract to install toilets in the jail. Richmond had enacted an ordinance that required nonminority building contractors to subcontract 30 percent of all city awarded projects to minority-owned business enterprises (MBE). Croson was awarded the contract as the only bidder despite failing to attract any MBEs. Croson was finally able to subcontract to an MBE but at a price \$7,000 higher than it had estimated. Richmond refused to adjust the contract price and instead reopened bidding. Croson sued Richmond alleging that the ordinance violated its constitutional rights.

The *Croson* case produced a number of important developments. The Richmond MBE standard was patterned after a federal program that the Burger Court upheld, by a 6:3 vote, in the 1980 case of *Fullilove v. Klutznick*. When the Rehnquist Court held by a vote of 6:3 that the Richmond program was unconstitutional, this was viewed by many as representing a significant shift in jurisprudence. A review of the opinion and the number of justices supporting the judgment does suggest a change in judicial philosophy. Writing for the majority, O’Connor attacked the presumptions of the Richmond program:

As this court has noted in the past, the “rights created by the first section of the Fourteenth Amendment are, by its terms, guaranteed to the individual.” The rights established are personal rights. The Richmond Plan denies certain citizens the opportunity to compete for a fixed percentage of public contracts based solely upon their race. To whatever racial group these citizens belong, their personal right to be

treated with equal dignity and respect are implicated by a rigid rule erecting race as the sole criterion in an aspect of public decisionmaking.<sup>39</sup>

In contrast to prior decisions, a clear majority also rejected the idea that claims of “societal discrimination” or “past discrimination” would survive constitutional scrutiny. The court held that these concepts are deficient because they provide “no guidance for a legislative body to determine the precise scope of the injury it seeks to remedy. It has no logical stopping point.”<sup>40</sup> In other words, these types of claims do not point to a specific alleged legal harm, which makes it impossible to determine when a remedy is achieved.

Most importantly, this case is noteworthy because for the first time the majority of the court embraced the strict scrutiny standard for all Equal Protection Clause violations, including benign racial preferences. In adopting the strict scrutiny test, the court argues that this approach will

“smoke out” illegitimate uses of race by assuring that the legislative body is pursuing a goal important enough to warrant use of a highly suspect tool. The test also insures that the means chosen “fit” this compelling goal so closely that there is little or no possibility the motive for the classification was illegitimate racial prejudice or stereotype. Classifications based on race carry a danger of stigmatic harm. Unless they are strictly reserved for remedial settings, they may in fact promote inferiority and lead to a politics of racial hostility.<sup>41</sup>

This more exacting scrutiny clearly reflects a judicial desire to reserve race-based classifications for the most deserving purposes, such as to rectify specific instances of discrimination. Broad remedial programs designed to address general claims of discrimination clearly will not be considered constitutional. The court’s disdain for preferential programs is further highlighted by dicta, which suggests that Richmond should have first considered race neutral policies, such as providing financing for the development of small firms to increase minority business participation.

While this case challenges many of the central holdings previously maintained by *Fullilove*, it was not considered a repudiation of similar programs enacted by Congress. The Supreme Court had applied a less rigorous standard of scrutiny—intermediate—in the *Fullilove* case in deference to federal legislative efforts. In response to claims by Richmond that its determinations deserved deference similar to those afforded to Congress, the Rehnquist Court in *Fullilove* explained that only Congress was specifically authorized under Section 2 of the Fourteenth Amendment to enforce its dictates.<sup>42</sup>

The deference afforded to Congressional programs by the Supreme Court lasted for only another 5 years. In the *Adarand v. Peña* decision, the Court explicitly overruled *Fullilove* and a subsequent case that relied on its logic—*Metro Broadcasting v. FCC* that upheld the Federal Communication Commission’s policy of preferring minority applicants for radio and television licenses. *Adarand*

Constructors Inc. was a Colorado-based company that specialized in the construction of highway guardrails. The nonminority company had submitted the lowest bid to serve as a subcontractor for Mountain Gravel, which was the recipient of a Department of Transportation construction contract. Despite this bid, Mountain Gravel subcontracted with Gonzales Construction Co.—a Hispanic-American company—because under the terms of the contract they received additional compensation from the federal government for hiring subcontractors certified as “socially and economically disadvantaged individuals.” This provision was included pursuant to requirements of the Small Business Act and the Surface Transportation and Uniform Relocation Assistance Act.

Adarand filed suit claiming these federal incentives violated his equal protection rights as provided by the Fifth Amendment that applies to federal actions. Justice O’Connor, writing for the majority, agreed and added that “all racial classifications imposed by whatever federal, state, or local government actor, must be analyzed by a reviewing court under strict scrutiny.”<sup>43</sup> In imposing a uniform standard on all governmental actions, O’Connor rationalized this holding by stating:

Metro Broadcasting’s untenable distinction between state and federal racial classifications lacks support in our precedent, and undermines the fundamental principle of equal protection as a personal right. In this case, as between the principle and “its later misapplication,” the principle must prevail.<sup>44</sup>

This holding resulted in the application of the heightened standard of strict scrutiny to all governmental actions without exception. As a result of this development, the major legal issues left to be resolved in the affirmative action debate evolve from the application of the two prongs of the strict scrutiny test. Specifically the questions become: What constitutes a “compelling interest”? Can non-remedial objectives, such as promoting diversity, ever constitute a compelling interest? What is a “narrowly tailored program”? The answer to these questions will shape the future of preferential programs in regard to their scope, content, and number.

The broad application of the equal protection clause from the workplace setting to educational admissions and to issues of voting and political representation has yielded some uniform standards. The Court has held that claims of discrimination can provide a compelling interest only if the program is predicated upon specifically identified discrimination versus claims of society-wide or past discrimination. Critics of this approach believe this standard makes it impossible to devise a viable race-based program that will survive the inquiry. In response to this charge, Justice O’Connor argued in *Adarand* that she wished to dispel the notion that strict scrutiny is “strict in theory, but fatal in fact.”<sup>45</sup> Within this context she cited the 1987 case of *United States v. Paradise* in which the court found a history of 40 years of discrimination that resulted in a workforce where none of Alabama’s 232 state troopers with a rank of corporal or higher were black. Based

upon this information, the court agreed that a narrowly tailored race-based remedy was justified. Ironically, O'Connor cast a dissenting vote in this case arguing that, although there was a compelling interest, the remedy—that 50 percent of all promotions go to African-Americans—was not narrowly tailored.

This finding raises the question of what does a narrowly tailored program to address a compelling interest look like? Clearly, the court disdains quotas while it has recommended race neutral remedies. The exact composition of narrowly tailored programs still remains to be determined. The Supreme Court's imposition of strict scrutiny, the difficulty of providing a compelling interest in race-based programs, and the need for narrowly tailored programs—all suggest that it will be difficult for a number of programs to satisfy constitutional analysis.

### ***Taxman v. Board of Education of the Township of Piscataway***

The changing directives of the Supreme Court have inspired the lower courts to address affirmative action issues in a more speculative manner. *Taxman v. Board of Education of the Township of Piscataway* was an example of an important case decided by a lower court that has significant implications for the affirmative action debate. This case specifically considered the legality of a nonremedial justification—racial diversity—for racial preferences. It also illustrates the political dynamics of the issue.

In May of 1989 the Board of Education of the Township of Piscataway decided to reduce the teaching staff in their Business Department at the high school by one. The two least senior members of the department had an identical tenure record of 9 years. In light of this fact, the board turned to its affirmative action plan and, consistent with its stated policies, considered the race of the teachers to assist in the termination decision. Based upon this consideration, it decided to lay off Sharon Taxman, who was white, and retain Debra Williams who was African-American. The board conceded that its affirmative action plan did not have a remedial purpose—there was not any prior discrimination that they were attempting to remedy. In fact, the employment statistics revealed that the percentage of black employees in the teaching category exceeded the percentage of blacks in the available work force. The board instead indicated that the sole purpose of the affirmative action policy was to promote “racial diversity.”<sup>46</sup>

Sharon Taxman filed suit against the Piscataway Board of Education alleging reverse discrimination in violation of Title VII of the 1964 Civil Rights Act. The trial court based upon the facts of the case and its interpretation of the law granted a summary judgment to Taxman. The Board of Education appealed this decision to the U.S. Court of Appeals for the Third Circuit. The court of appeals was confronted with having to determine whether a nonremedial purpose, such as racial diversity, can be the basis for a compelling state interest. The Third Circuit provided a broad application in affirming the holding of the trial court:

Given the clear antidiscrimination mandate of Title VII a non-remedial affirmative action plan, even one with a laudable purpose cannot pass muster. Although we

applaud the goal of racial diversity, we cannot agree that Title VII permits an employer to advance that goal through non-remedial discriminatory measures.<sup>47</sup>

Instead of just dismissing the idea of “racial diversity,” this holding indicates that the only justifiable state interest in the area of public race programs is to remedy past discrimination. This conclusion extends the logic of the Supreme Court further than necessary. Piscataway appealed this decision to the Supreme Court, which agreed to hear the case.

At this point the politics swirling around the *Taxman v. Board of Education* case became intriguing. The Justice Department of the Bush administration aligned with Taxman and argued that a desire to promote racial diversity could not justify racial discrimination and racial preference. When the Clinton administration assumed power, the new solicitor general, Walter Dellinger, voiced support for the Piscataway School Board’s policy. However, in a dramatic development the Clinton administration changed its position and Solicitor General Dellinger actually filed a brief with the Supreme Court in support of Sharon Taxman. As concern mounted about the possible outcome of this case, the NAACP and other black civil rights groups financed a surprise out-of-court settlement with Taxman, estimated at over \$400,000. Commenting on this development, the editors of the *National Law Journal* claimed that it is “rare for any case to be settled once the Supreme Court has agreed to hear the dispute, and virtually unheard of for third parties to direct the settlement.”<sup>48</sup> Sensing that the Supreme Court was on the verge of announcing a precedent setting ruling, which would have severely limited the application of affirmative action, it is thought that the civil rights community was pursuing a strategy of delay in the hope that the prevailing legal perspective would change.

The legal status which resulted from all this maneuvering is that the states in the Third Circuit are bound by the *Taxman* holding while the rest of the nation is still free to develop their own interpretation of Title VII and subsequent Supreme Court rulings. In other words, the constitutionality of race programs can vary from state to state. This case also demonstrated how the lower courts influenced the legal agenda.

### ***Hopwood v. Texas, the University of Michigan Cases, and the U.S. Supreme Court***

A series of cases decided from the mid-1990s through 2003 provided for a fundamental reassessment of the legal standing of the seminal *Bakke* case. Specifically, these cases debated whether the notion of a racial diversity could be utilized as a legal justification for a compelling state interest. All of these decisions addressed the issue of whether college admissions programs could embrace affirmative action programs to promote student diversity. Consistent with the development of affirmative action law in other substantive areas, judicial politics lead to some divergent and intriguing applications of *Bakke*.

*Hopwood v. State of Texas* decided by the U.S. Court of Appeals for the Fifth Circuit in 1996 was an important case because it provided an evaluation of the evolution of affirmative action law since the *Bakke* decision in 1978. The facts of this case were similar to those of *Bakke*. The *Hopwood* case involved a legal challenge to the admissions program of the University of Texas School of Law by nonminority applicants. Upon receiving an application for admission, the law school calculated the Texas Index (TI), which was a composite of undergraduate grade point average (GPA) and standardized law school admission test scores (LSAT). Based upon their composite, applicants were assigned to one of three categories: presumptive admit, presumptive deny, and a discretionary zone.

This procedure was applied to African-Americans and Mexican-Americans in a different and more preferential manner than it was applied to applicants of other ethnicities. As the court of appeals noted:

In March 1992, for example, the presumptive TI admission score for resident whites and non-preferred minorities was 199. Mexican-Americans and blacks needed a TI of only 189 to be presumptively admitted. The difference in the presumptive deny ranges is even more striking. The presumptive denial score for "non-minorities" was 192; the same score for blacks and Mexican-Americans was 179.<sup>49</sup>

Based upon these standards, a TI of 190 would place a minority applicant in the presumptive admit category, but the same score would place a nonminority applicant in the presumptive deny category. Aside from different admissions standards, the law school also established a segregated evaluation process that consisted of different committees with different admissions personnel, as well as segregated waiting lists.

Cheryl Hopwood, a white applicant, applied for admission to the law school in 1992. Despite a GPA of 3.8 and a LSAT score of 39, resulting in a TI of 199, she was denied admission. Hopwood and three other white applicants who also were denied admission, noted the separate admissions procedures, sued the law school alleging that the school's affirmative action program violated their rights as protected by the Equal Protection Clause of the Fourteenth Amendment.

In reviewing this action, the court of appeals reconstructed *Bakke*. The majority opinion of the Fifth Circuit did not just extend *Bakke* it actually invalidated some of its major assumptions. In framing the constitutional issues addressed by this case, the court recited a number of familiar principles:

The central purpose of the Equal Protection Clause "is to prevent the State from purposefully discriminating between individuals on the basis of race." It seeks ultimately to render the issue of race irrelevant in governmental decision making. . . . In order to preserve these principles, the Supreme Court recently required that any governmental action that expressly distinguishes between persons on the basis of race be held to the most exacting scrutiny. . . . Under strict scrutiny analysis we ask two questions: (1) Does the racial classification serve a compelling government interest and (2) is it narrowly tailored to the achievement of that goal?<sup>50</sup>

According to the court, the two most significant justifications that the law school offered to legitimize these racial classifications was the need for diversity in regard to a student body and overcoming the effects of past discrimination. To determine whether these reasons satisfied the rigors of a “compelling government interest,” the court of appeals reevaluated *Bakke* in light of recent developments. The Fifth Circuit acknowledged that Justice Powell’s opinion in *Bakke* provided the original justification for recognizing “diversity” as a compelling state interest in education. But while reviewing the origins of the diversity rationale, the court of appeals decided to reject entirely the legitimacy of Powell’s opinion:

We argue with the plaintiffs that any consideration of race or ethnicity by the law school for the purpose of achieving a diverse student body is not a compelling interest under the Fourteenth Amendment. Justice Powell’s argument in *Bakke* has never represented the view of the majority of the court. . . . Moreover, subsequent Supreme Court decisions regarding education state that non-remedial state interests will never justify racial classifications.<sup>51</sup>

These assertions shocked many in the legal community because the Powell opinion had been widely relied upon by many lawyers as an essential guide for the development of affirmative action programs.<sup>52</sup>

In regard to the issue of recognizing past discrimination as a basis for a compelling government objective, the court suggested that this standard can only be derived from the actions of the law school, not the education system in general. Based upon these premises, the court of appeals held that the University of Texas School of Law’s admissions program was unconstitutional.

The conclusion of the court in this case is not as significant as the process utilized to reach this conclusion. The court of appeals could have just as easily concluded that this program was unconstitutional by applying the logic of *Bakke*. Clearly by the standards of *Bakke*, the law school had instituted an impermissible quota that rejected individuals on the basis of race and was therefore not narrowly tailored. Rather than embracing the reasoning of *Bakke*, the Fifth Circuit rejected *Bakke* and suggested an alternative method of constitutional inquiry. This approach is particularly profound because it is generally understood that only the Supreme Court can overturn or redefine its binding precedent. The practical effect of *Hopwood* was to challenge the constitutionality of numerous admissions programs throughout the nation. Many colleges and universities “relied upon the Powell opinion in *Bakke* as the blueprint for designing and operating a constitutionally acceptable affirmative action admissions process . . .”<sup>53</sup> In response to *Hopwood* many Texas universities “adopted expanded admission criteria that are aimed at achieving diversity through race-neutral facts such as the socioeconomic history of applicants and the level of education of applicant’s parents.”<sup>54</sup>

The precarious legal status of the *Hopwood* holding by the Fifth Circuit of Appeals was almost immediately challenged and rejected by the Sixth Circuit Court of Appeals in the case of *Grutter v. Bollinger*.<sup>55</sup> The facts of this case were very

similar to those of *Hopwood*. Barbara Grutter was a Michigan resident who applied to the University of Michigan Law School (Law School) in 1996. Despite a 3.8 GPA and 161 LSAT score she was denied admission. After conducting some research and examining the admissions policies of the Law School, Grutter filed suit in The U.S. District Court for the Eastern District of Michigan alleging that she was discriminated against on the basis of race in violation of the Fourteenth Amendment and Title VI of the Civil Rights Act of 1964.

A review of the admissions process utilized by the Law School reveals that admission officials were required to evaluate each applicant on all the information available in their file including undergraduate grade point average (GPA), Law School Admissions Test (LSAT), a personal statement, letters of recommendation, and an essay describing the ways in which the applicant will contribute to the life and diversity of the Law School.<sup>56</sup> This approach was adopted to achieve that diversity which has the potential to enrich everyone's education and thus make a law school class stronger than the sum of its parts.<sup>57</sup> While this policy did not restrict the types of diversity eligible for a substantial weight, the Law School reaffirmed its longstanding commitment to one particular type of diversity—that is, racial and ethnic diversity with special reference to the inclusion of students from groups which have been historically discriminated against, like African-Americans, Hispanics, and Native Americans, who without this commitment might not be represented in our student body in meaningful numbers.<sup>58</sup>

After a 15-day bench trial, the District Court held that the Law School's use of race as a factor in admissions decisions was unlawful. Applying strict scrutiny, the District Court determined that the Law School's asserted interest in assembling a diverse student body was not compelling because "the attainment of a racially diverse class . . . was not recognized as such by *Bakke* and is not a remedy for past discrimination."<sup>59</sup>

The Sixth Circuit Court of Appeals, however, after reviewing this case held that justice Powell's opinion in *Bakke* was binding precedent establishing diversity as a compelling state interest. Furthermore, this appellate court held that the Law School's use of race was narrowly tailored because race was merely a potential plus factor and because the Law School's program was virtually identical to the Harvard admission program described approvingly by Justice Powell and appended to his *Bakke* opinion.<sup>60</sup>

As exemplified by these decisions the U.S. legal system had produced two divergent interpretations of the *Bakke* case. In some regions of the country admissions programs designed to produce racial diversity were deemed to be constitutional while in other regions these same programs were unconstitutional and therefore banned. In recognition of this legal contradiction the U.S. Supreme Court granted certiorari in this case to resolve the disagreement among the Courts of Appeals on a question of national importance: whether diversity is a compelling interest that can justify the narrowly tailored use of race in selecting applicants for admission to public universities.<sup>61</sup>

On June 23, 2003, the Supreme Court announced its opinion in a now familiar division of 5:4 decision. Justice O'Connor, writing for the majority, argued that since the courts splintered decision in *Bakke*, Justice Powell's opinion announcing the judgment of the court has served as the touchstone for constitutional analysis of race-conscious admissions policies.<sup>62</sup> Based upon this perspective, Justice O'Connor provided a detailed analysis of Powell's holding. Following this review she asserted, "today we endorse Justice Powell's view that student body diversity is a compelling state interest that can justify the use of race in university admissions."<sup>63</sup>

The finding that "student body diversity" is a compelling state interest is a significant conclusion that resolved, at least temporarily, the legal status of this important concept. However, this assertion alone does not provide a resolution to this dispute. As the court clarified, once a race-based action is taken to further a compelling government interest, that action must be found to be narrowly tailored or it will not withstand constitutional scrutiny. Therefore, the context of the action taken to satisfy the diversity interest becomes of paramount importance. As the Court explains, to be "narrowly tailored a race-conscious admission program cannot use a quota system. . . . Instead, a university may consider race or ethnicity only as a 'plus' in a particular applicant's file without insulating the individual from comparison with all other candidates for the available seats."<sup>64</sup>

In applying these guidelines to the University of Michigan's Law School's admissions program, the Court concluded that this program did bear the hallmarks of a narrowly tailored plan.<sup>65</sup> The court reaches this conclusion by noting that the Law School engages in a "highly individualized holistic review of each applicant's file, giving serious consideration to all ways an applicant may contribute to a diverse educational environment. The Law School affords this individualized consideration to applicants of all races. There is no policy, either de jure or de facto of automatic acceptance or rejection based on any single 'soft' viable."<sup>66</sup>

While embracing this affirmative action plan, the Court warns we "are mindful, however, that a 'core purpose of the Fourteenth Amendment was to do away with all governmentally imposed discrimination based on race.' Accordingly race conscious admissions policies must be limited in time. . . . We see no reason to exempt race-conscious admission programs from the requirement that all governmental use of race must have a logical end point. It has been 25 years since Justice Powell first approved the use of race to further an interest in student body diversity in the context of public higher education. . . . We expect that 25 years from now, the use of racial preferences will no longer be necessary to further the interest approved today."<sup>67</sup>

The case of *Grutter v. Bollinger* provides a number of important legal mandates for affirmative action. *Grutter* recognizes a diverse student body as a compelling governmental interest but it then states that this interest will cease to be compelling in 25 years. The policy implications of these expectations are not altogether clear. It is also important to note that on the same day that the Supreme Court upheld the race-based admissions program of the University of Michigan

Law School, it found the race-based admissions program of the University of Michigan's College of Literature, Science, and Arts undergraduate program to be unconstitutional. The significant factual difference between these programs was that the undergraduate policy awarded 20 points to applicants based solely upon their membership in an underrepresented racial or ethnic minority group. In the case of *Gratz v. Bollinger* the Court held we find that the "University's policy which automatically distributes 20 points, or one-fifth of the points needed to guarantee admission, to every single 'underrepresented minority' applicant solely because of race, is not narrowly tailored to achieve the interest in educational diversity that respondent claims justifies their program. . . . The admission program Justice Powell described, however, did not contemplate that any single characteristic automatically ensured a specific and identifiable contribution to a university's diversity."<sup>68</sup>

While all of these directives are important, their salience can be minimized by state initiatives to amend their constitutions in regard to affirmative action.

### **California Proposition 209**

The single-most important development in regard to affirmative action programs was the 1996 passage of Proposition 209 in California. This development could signal the end of most preferential programs based upon race and ethnic background regardless of future Supreme Court holdings. Proposition 209 was a state initiative to amend the California Constitution, which stated that:

the state shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, and national origin in the operation of public employment, public education, or public contracting.<sup>69</sup>

This initiative provoked an intense and emotional campaign debate. On November 5, 1996, it was approved by a vote of 54.3 percent to 45.7 percent. White males favored the Proposition by 66 percent to 34 percent; white females favored it 56 percent to 44 percent. African-Americans voted against the Proposition 73 percent to 27 percent, Hispanics opposed it by 70 percent to 30 percent, and Asians by 56 percent to 44 percent.<sup>70</sup> The day after the election, several groups opposed to Proposition 209 filed a complaint with the district court seeking a permanent injunction which would bar the State from implementing the amendment. The legal basis of this complaint was that Proposition 209 denied racial minorities and women the equal protection of the law guaranteed by the Fourteenth Amendment, and that it is void because it conflicts with Titles VI and VII of the Civil Rights Act of 1964. The district court granted the injunction but it was vacated on appeal to the U.S. Court of Appeals for the Ninth Circuit. While reviewing the legal arguments in opposition to Proposition 209, the Ninth Circuit Court expressed their contempt for these equal protection challenges:

As a matter of “conventional” equal protection analysis, there is simply no doubt that Proposition 209 is constitutional. . . . The ultimate goal of the equal protection clause is “to do away with all government imposed discrimination based on race.” . . . Proposition 209 amends the California Constitution simply to prohibit state discrimination against or preferential treatment to any person on account of race or gender. Plaintiffs charge that this ban on unequal treatment denies members of certain races and one gender equal protection of the laws. If merely stating this alleged equal protection violation does not suffice to refute it, the central tenet of the Equal Protection Clause teeters on the brink of incoherence.<sup>71</sup>

The holding of the Ninth Circuit is filled with language that rejects equal protection and Civil Rights challenges to Proposition 209. For example, the Court emphasizes that individuals do not possess a constitutional right to preferential treatment based upon race or gender and impediments to “preferential treatment do not deny equal protection.”<sup>72</sup> In another statement filled with sarcasm, the court reminds us that the “Fourteenth Amendment, lest we lose sight of the forest for the trees does not require what it barely permits.”<sup>73</sup> This resounding defense of the constitutionality of Proposition 209 emphasizes the importance of understanding its policy implications. This amendment will probably remain in effect for many years.

Eugene Volokh’s extensive review of the practical implications of this initiative stresses that it applies only to the public sector (state and local governments, agencies, and instrumentalities) and that private sector actions are not affected. Therefore, all public sector preferential programs in regard to employment, contracting, recruiting, and education are illegal:

It doesn’t matter whether a prohibited criterion is the only factor, or one of many factors. It doesn’t matter whether the program refers to “quotas” or “plus factors”. . . . It doesn’t matter whether its an admissions program, training program, or mentoring program. Any government program that treats people different based on the prohibited criteria is forbidden.<sup>74</sup>

It must be emphasized that Proposition 209 does not prohibit programs that are implemented in response to identified past discrimination. Actions that remediate constitutional violations of antidiscrimination law are permissible. Furthermore, this California Amendment does not invalidate any program that provides assistance or preferential treatment to individuals based upon nonsuspect criteria such as income, educational opportunities, and single-parent household.

### **STRATEGIES FOR EQUAL OPPORTUNITY AND DIVERSITY IN THE PUBLIC WORKPLACE**

The above analysis demonstrates that the public workplace has had to sort out a rather nebulous meaning of affirmative action; a meaning fraught with attempts to be both politically correct and constitutionally sound. Consequently, the public

personnel administrator has been in the unenviable position of having to be both color/gender-conscious and color/gender-blind. From the perspective of the personnel function, and as reflected in the court cases discussed above, the workplace concept of merit has had to compete with the politicized concept of affirmative action. It is easy to see how the constitutional ideals of equal opportunity and equal protection might well get lost in the political shuffle.

We seem to be heading full circle in the evolution of how public organizations, educational and workplace settings alike, are expected to ensure equal opportunity for all Americans, including women and members of previously targeted minority groups.<sup>75</sup> That is, we seem to be returning to a more straightforward reading of the Fourteenth Amendment and the 1964 Civil Rights Act.<sup>76</sup> The reading is this: all Americans must be treated equally in selection and promotion processes—regardless of race, color, or gender (as per *Taxman*). These processes must be based on the concept of merit as the primary mechanism to ensure equal opportunity and equal protection (as per *Hopwood*). Race, color, and gender may be taken into consideration, but only as part of a multitude of other factors that can be shown to enhance the expertise and experience of the particular organization (as per *Bakke* and *Grutter*). Affirmative action, defined as preferential treatment, is still permissible but only under the strict scrutiny standard: there must be a compelling public interest of sufficient magnitude to warrant the suspension of the Fourteenth Amendment in a particular setting, and the proposed preferential strategy must be narrowly tailored to address only the specific circumstances of that setting (as per *Croson*, *Adarand*, and *Paradise*). In general, however, the concept of workplace merit should neither be tainted nor flattered by issues of color or gender.

Yet public sector human resource management remains entrusted with the arduous task of building a “representative bureaucracy,”<sup>77</sup> one that encompasses all groups and colors as well as both genders. This is the essence of the equal protection clause of the Fourteenth Amendment, as well as the 1964 Civil Rights Act. Members of all groups must have an equal opportunity to enter into, and advance in, public sector careers. Furthermore, there is always a telling correlation between the health of a democracy and the composition of its public service. The theory of democracy, after all, calls for reaffirming evidence of its existence in all spheres of social interaction, including the workplace. For both constitutional and philosophical reasons, therefore, the public’s workplace must reflect the public’s diversity.

Consequently, public personnel directors must increasingly strive to build a representative bureaucracy in ways which are not based on the principle of preferential treatment for members of certain groups and do not result in discriminatory practices against members of other groups. The vast and growing layering of diversity in the American society, including ethnic (see Table 18.1) and linguistic (see Table 18.2) complexities, reminds us that many groups can lay claim to histories of discrimination even though some of those histories may be more perceptual than real. This fact alone brings to bear the need to match the moral

**TABLE 18.1. Selected Ancestry Groups in the United States, 2000**

Nation	Population
Acadian/Cajun	85,000
African-American	25,000,000
American Indian	10,000,000
Armenian	386,000
Australian	78,000
Austrian	735,000
Basque	57,000
Belgian	306,000
Bulgarian	55,000
Canadian (English)	648,000
Celtic	65,000
Chinese	2,500,000
Cuban	1,000,000
Czech	1,262,000
English	24,515,000
Estonian	25,000
French Canadian	2,400,000
German	43,000,000
Greek	1,153,000
Hungarian	1,400,000
Iraqi	38,000
Irish	31,000,000
Lebanese	440,000
Luxemburger	38,000
Japanese	1,500,000
Macedonian	40,000
Mexican	13,000,000
Nigerian	165,000
Polish	9,000,000
Portuguese	1,177,000
Russian	2,653,000
Scottish-Irish	4,300,000
Scottish	4,900,000
Slovak	800,000
Swedish	4,000,000
Turkish	117,000
Ukrainian	900,000
Welsh	1,754,000
Yugoslavian	328,500

Source: U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States, 2000, Census 2000 Summary File 3(SF3).

**TABLE 18.2. Persons Five Years Old and Over Speaking a Language other than English at Home, by Selected Languages, 2000**

Language	Population
<i>Total Speaking other than English</i>	47,000,000
<i>Total Speaking only English</i>	215,424,000
African Languages	419,000
Arabic	614,000
Armenian	203,000
Chinese	2,000,000
French	10,018,000
French Creole	453,000
German	1,400,000
Greek	365,000
Gujarathi	236,000
Hebrew	196,000
Hungarian	117,000
Hindi	317,000
Italian	1,008,000
Japanese	478,000
Persian	312,000
Polish	668,000
Navajo	178,000
Spanish/Spanish Creole	28,100,000
Tagalog	1,225,000
Thai	121,000
Urdu	263,000
Yiddish	178,000

*Source:* U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States, 2000, Census 2000 Summary File 3 Table PCT 10.

imperative of treating everyone fairly with the constitutional imperative of treating everyone equally. The task of bridging these two imperatives is the new challenge facing public sector human resource management.

What types of workplace strategies are permissible within the current legal context? What approaches to human resource management will satisfy both the imperative of equal opportunity and the imperative of diversity? While we are a nation of laws based on the principle of precedence, the courts will nevertheless adjudicate issues pertaining to these kinds of questions only on a case-by-case basis. As David Rosenbloom reminds us, each public manager must be aware of the Constitution, laws, and court decisions that affect the public workplace.<sup>78</sup> To this we add that each public personnel manager must also become aware of the demographics of the specific work force, as well as that of the local community which serves as the base for the job pool. An understanding of both sets of

demographics is needed in order to gain a clearer picture of the strengths and weaknesses of workplace diversity. Armed with a knowledge of the law and an understanding of local demographics, the public personnel manager must devise a plan that (1) encourages both equal treatment and diversity and (2) prevents both discrimination and preferential treatment.

While the particulars of any “equal opportunity and diversity” plan will differ on a case-by-case basis, there seems to be three fundamental principles that should be taken into consideration. First, the plan must be built on a clear understanding of the meaning of “equal opportunity employer.” Supreme Court decisions and lower court opinions give every indication that this term no longer is a signal for preferential treatment. Rather, the phrase should reflect sincere efforts to open as many doors as possible for as many different people, and to do so in nondiscriminatory ways. Being an equal opportunity employer now means devising strategies that will result in having the greatest number and greatest diversity of qualified individuals in the pool of job applicants or promotion candidates. Fundamentally the courts have signaled a return to the basic substance of President Kennedy’s Executive Order 10925: to take affirmative action in ensuring that discrimination is not a part of the recruitment process.

Second, public organizations should revisit the spirit of President Truman’s Executive Order 9980, and especially its concept of “constructive action.” This is important, not from a legal perspective, but as a set of useful techniques designed to acquire a clearer understanding about the demographics of the organization and surrounding community. Every public workplace should establish and maintain relations with relevant community groups—minority leaders, professional women’s organizations, churches in predominantly minority neighborhoods, Jewish and Muslim communities—and keep these groups informed about job openings and career opportunities within the organization. Along with these “special-target” groups, more general groups—such as service clubs like Rotary and the Lion’s Club, as well as and the local chapter of the American Society for Public Administration (ASPA)—should also be included in order to jointly ensure equal employment opportunity and the largest possible pool of qualified applicants. Consistent with the concept of constructive action, the public personnel function should also include an annual assessment of workplace demographics, as well as the development of training programs to assure equal opportunity to promotion paths for all employees. The cost of pursuing “constructive action” is minimal, especially when compared to the cost of litigation arising from EEO grievances and discrimination law suits.

The third, and perhaps the most important, principle to building an “equal opportunity and diversity” plan deals with recruitment procedures. Public personnel managers must separate the process of searching for merit (being color/gender-blind) from the process of searching for diversity (being color/gender-mindful).<sup>79</sup> In too many instances in the past, not making this critical distinction was the root of the failure of affirmative action programs in terms of constitutional compliance as well as workplace morale.

This third fundamental principle requires a recognition that each of the five steps in the recruitment process—(1) job description, (2) job advertisement, (3) application review, (4) interviewing finalists, and (5) hiring the best applicant—has one of two specific foci: merit or diversity. Organizations tend to err, often resulting in either litigation or workplace morale problems, when they intermix these two foci.<sup>80</sup>

Merit is the exclusive focus in step 1—the job description. Here all discussions must center on delineating the competencies and skills needed in the specific position. Any discussion about diversity at this stage, even informal comments as in “this will be our first opportunity to hire a . . .,” bastardizes the purpose of this step. Such comments lend ammunition to both sides of the politics of preferential treatment, with one side claiming “tokenism,” and the other side making accusations of “racism” or “sexism.” The end result is that discussions about diversity will only detract from much-needed discussion about the kinds of technical merit required by the organization.

In step 2—the job advertisement—diversity becomes the sole focus. The difference between a focus on diversity and a focus on affirmative action is one of scope and inclusiveness; diversity follows the spirit of the Fourteenth Amendment in that it includes all groups in the diversity equation. At this step, the public agency should take aggressive action in securing the largest pool of qualified candidates from as many groups as possible in the local community. Defining diversity in the broadest terms, from European-American males to Native American women, means that the position should be aggressively communicated to all segments of the community via the widest variety of mechanisms: advertisements in the main local newspaper, advertisements in local outlets geared to various ethnic and religious groups; notification to local women’s groups, civic groups, and neighborhood groups. If the position requires national recruiting, then advertisement should be placed in the *PA Times* as well as the newsletters for ASPA’s subsections dealing with women, minorities, and young professionals. The goal of step 2 is “diversity within merit”—to acquire meritorious applicants (based on step 1) from every demographic group in order to create the biggest pool from which to choose the finalists.

In step 3—the application review—the focus shifts back to merit. The question here is which applicants, at least on paper, best fit the needs of the organization as outlined in the job description. That is, who has technical merit? Prohibiting concerns about diversity from entering the decision-making process lessens the chance of violating the Fourteenth Amendment. It also ensures that the finalists truly possess technical merit and, thereby, reduces accusations and rumors about “tokenism” that too often pervade workplaces adhering to affirmative action strategies.

In step 4—interviewing the finalists—the focus returns to the issue of diversity. It is at this step that the periodic demographic assessments, conducted through a strategy of “constructive action,” help determine how this position might assist in filling the representative or diversity weaknesses of the organization. In addition,

other factors might be considered to strengthen the organization: foreign language skills, socioeconomic background, interpersonal skills, written and oral communication skills, or team-playing abilities.

Merit is not the focus of step 4 because the organization successfully dealt with this issue in step 3. That is, each finalist is already deemed meritorious of the position, or else each would not be invited for an interview. While there is always a chance that a particular applicant will prove not to be as meritorious as outlined in resume, step 4 still permits the search committee to explore other factors which, deemed acceptable by the courts, might also enhance the capabilities of the organization.

In step 5—hiring the best person—the focus remains on diversity because the organization was successful in determining merit (step 1) and evaluating merit (step 3). The issue of equal opportunity was addressed in step 2. The person hired will necessarily have technical merit and can fill some of the voids found in the organization. Whether these voids concern the issues of race or gender, or whether these voids concern issues of interpersonal communication or social background—will be determined on a case-by-case basis. In all cases, however, the organization has made an effort to comply with the Constitution and court decisions.

### **CONCLUSIONS: THE IMPORTANCE OF LEADERSHIP**

In summary, the court action indicates a simpler reading of the Fourteenth Amendment and the 1964 Civil Rights Act. Public agencies therefore should neither develop nor practice affirmative action strategies, ones that give preferential treatment to one or more groups, unless there is a compelling public interest to do so and the strategy is narrowly tailored to address the specific situation. Public agencies should consider adopting and implementing plans that strive toward two nonconflictual goals: (1) providing equal opportunity for all groups and (2) strengthening the diversity of the workplace. We offer a set of three principles to guide the public agency in developing its own strategy.

However, no plan of action works without strong leadership. This is especially apparent in the case of a federal system like ours, where the intent of policy makers can easily be misinterpreted—deliberately or mistakenly—by state and local public managers far away from Washington, D.C. The history of civil rights legislation and affirmative action make it painfully clear that controversial public policies may not be implemented effectively when local implementors are not supportive in the first place.<sup>81</sup> In fact, failures to ensure equal employment opportunity in the public sector first opened the door to the politics of affirmative action. And while there are certainly success stories,<sup>82</sup> many affirmative action strategies have failed as much from the excessive zealotry of supporters as from the landmines laid by those in opposition.<sup>83</sup>

The lesson to be learned is that leadership counts, but it must be leadership grounded firmly on the Constitution and not politics. Gary Wamsley reminds us

that it is the responsibility of the public servant to uphold the Constitution on a daily basis.<sup>84</sup> This is especially true for public servants in the area of human resource management. As trustees of the constitutional order,<sup>85</sup> human resource specialists must be role models for all public servants as well as the community at large. It is their leadership that will determine the fate of strategies designed to protect equal opportunity and advance diversity. This, it seems, is the real challenge for the public human resource manager in the 21st century.

## NOTES

1. Some of the statements and analysis in the first four sections of this chapter are derived from the work published by Jack DeSario in *The Future of Affirmative Action: The Legal Imperative Nationally and the Ohio Experience*, *Cleveland State Law Review*, 46(4), 1998.

2. Norma M. Riccucci, Will Affirmative Action Survive into the Twenty-First Century? in Carolyn Ban and Norma M. Riccucci (eds.), *Public Personnel Management: Current Concerns and Future Challenges* (New York: Longman, 1997), p. 57.

3. See Barbara Bergman, *In Defense of Affirmative Action* (New York: Basic Books, 1997) and Deborah Ballam, Affirmative Action: Purveyor of Preferential Treatment or Guarantor of Equal Opportunity? *Berkeley Journal of Employment and Labor Law*, 18(1), 1997.

4. For instance, see James D. Slack, From Affirmative Action to Full Spectrum Diversity in the American Workplace: Shifting the Organizational Paradigm, *Review of Public Personnel Administration*, XVII(4): 75–87, Fall 1997.

5. See Roger Clegg, Beyond Quotas: A Color-Blind Vision for Affirmative Action, *Policy Review May/June 1998*. Also see Paul Sniderman and Thomas Piazza, *The Scar of Race* (Cambridge, MA: Harvard University Press, 1995).

6. See Slack, op cit.

7. *University of California Regents v. Bakke*, 438 US 265 (1978) at 387–388.

8. See U.S. Constitution Article I Section 9 and Article IV Section 2.

9. *Dred Scott v. Sandford*, How 393 (1857).

10. Douglas Kmiec, Forward: The Abolition of Public Racial Preference—An Invitation to Private Racial Sensitivity, *Notre Dame Journal of Law, Ethics, and Public Policy*, 11: 5, 1997; David M. O'Brien, *Constitutional Law and Politics: Civil Rights and Civil Liberties*, 3rd ed. (New York: W.W. Norton Company, 1997), p. 1222.

11. As quoted in *University of California Regents v. Bakke*, 438 US (1978) 265 438 us 265 (1978) at 392.

12. *Plessy v. Ferguson*, 163 US 537 at (1896) 559.

13. See J. Edward Kellough, *Federal Equal Employment Opportunity Policy and Numerical Goals and Timetables: An Impact Assessment* (New York: Praeger, 1989), pp. 13–26.

14. See *Brown v. Board of Education*, 347 US 283 (1954); *Heart of Atlanta Motel, Inc. v. United States*, 379 US 241 (1964); *Katzenback v. McClung*, 379 US 294 (1964); *Loving v. Virginia*, 388 US 1 (1967).

15. For instance, nineteen U.S. Senators and eighty-two members of the House of Representatives denounced Brown in 1965 as unconstitutional in a Southern Manifesto.

16. *Brown v. Board of Education*, 349 US 294 (1954).

17. As reported in Paul Johnson et al., *American Government: People, Institutions, and Policies*, 3rd ed. (Boston: Houghton Mifflin, 1994), p. 159.

18. As reported in John David Skrentney, p. 3.
19. As reported in Edward Erler, p. 26.
20. See Eugene Volokh, *The California Civil Rights Initiative: An Interpretive Guide*, *UCLA Law Review*, 44: 1345, 1997.
21. Erler, op cit., p. 26.
22. See Anthony Platt, *The Rise and Fall of Affirmative Action*, *Notre Dame Journal of Law, Ethics and Public Policy*, 11: 67, 1997.
23. See Kellough, op cit., p. 17.
24. As quoted in Erler, op cit., pp. 26–27.
25. Platt, op cit., p. 72.
26. See O'Brien, op cit., p. 1316.
27. *Ibid.*, pp. 29–30.
28. O'Brien, op cit., p. 1316.
29. *University of California v. Bakke*, 438 US 265 (1978) at 277.
30. Lackland Bloom, Jr., *Hopwood, Bakke and the Future of Diversity Justification*. *Texas Tech Law Review*, 239(1): 7.
31. *University of California Regents v. Bakke*, pp. 289–291 (1978).
32. *Ibid.*, p. 329.
33. *Ibid.*, p. 314.
34. *Ibid.*, p. 318.
35. *Ibid.*, p. 325.
36. *Ibid.*, p. 401.
37. *Ibid.*, p. 401.
38. See Paula Alexander Becker, *Affirmative Action and Reverse Discrimination: Does Taxman v. Board of Education of the Township of Piscataway Define the Outer Limits of Lawful Voluntary Race-Conscious Affirmative Action?* *Seton Hall Constitutional Law Journal*, 8: 13–15, 1997.
39. *City of Richmond v. J.A. Croson*, 488 US 469 (1989) at 493.
40. *Ibid.*, p. 498.
41. *Ibid.*, p. 493.
42. *Ibid.*, p. 491 and 504.
43. *Adarand Constructors Inc. v. Pena*, 515 US 200 (1995) at 227.
44. *Ibid.*, p. 235.
45. *Ibid.*, p. 237.
46. *Taxman v. Board of Education of the Township of Piscataway*, 91 F. 3d 1547 (3rd Cir. 1997).
47. *Ibid.*, p. 1550.
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69. 1996 California ballot.
70. Erler, *op cit.*, p. 15.
71. Ibid.
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73. Ibid.
74. Volokh, *op cit.*
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## The Human Resources Perspective on Workplace Violence

LLOYD G. NIGRO AND WILLIAM L. WAUGH, JR.

Workplace violence (WPV) is becoming an all too common phenomenon in public as well as private organizations. According to the National Institute of Occupational Safety and Health (NIOSH), twenty workers are murdered and 18,000 are assaulted in American workplaces on average each week (1996, 3). U.S. Department of Justice statistics (1994) indicate that roughly 1 million Americans are victims of workplace violence each year, roughly 160,000 are seriously injured, and public employees as a group are roughly twice as likely to become victims of such violence as their private sector counterparts. The data and the anecdotal evidence indicate that WPV poses a significant problem for public employees and employers. However, it is not certain just how serious the problem is for most public agencies. The media and the public have tended to focus on the most dramatic (and rare) incidences of WPV, particularly those acts perpetrated by “posties” or “disgruntled” postal workers and by students against teachers and school administrators, which has likely exaggerated the risk of WPV to most public employees. Despite the highly publicized cases, homicidal violence among postal workers is not extraordinarily high for an agency with over 800,000 employees. Similarly, despite the recent violence against public school teachers, a relatively small percentage of the hundreds of thousands of teachers in public school systems nationwide have experienced violent attack and an even smaller percentage have faced attackers intent on murder.

Since the World Trade Center and Pentagon attacks, considerable attention has been drawn to the potential for terrorist violence, particularly violence involving

so-called “weapons of mass destruction.” But, except for the anthrax attacks that affected postal facilities and government offices later in 2001 and 2002, terrorists have affected few public workplaces directly. Nonetheless, new federal facilities are being designed to withstand bomb blasts and hardened to reduce their vulnerability to intruders. Detection devices to identify biological, chemical, and radiological agents have also been deployed in mass transit systems and other public facilities (Waugh, 2006). The 9/11 attacks have also encouraged greater attention to business continuity planning, leadership succession, continuity of operations, predisaster recovery planning, and other actions to make public agencies more resilient in the aftermath of attacks. Unfortunately, anti- and counterterrorism programs are still considered distinctly different from programs to deal with other kinds of workplace violence. Security precautions designed to prevent terrorist attacks have become familiar to those working in or visiting public facilities since 2001, but little has changed in terms of preparing public workplaces to deal with terrorism at an organizational level—except in those agencies that might be targeted by terrorists. It is common now to locate potential “target agencies” away from central facilities that afford broad public access.

Although the risk of death may be relatively slight for most public employees, violence is common in their workplaces and may be having a serious psychological impact. They pass through security checks to enter their workplaces and are often monitored by security cameras and guards as they work. While the precautions may be reassuring, they do serve to remind employees of the danger. Perhaps most importantly, many public employees have personally experienced violent events and fear that they will become victims of such violence. The extent of personal experience with violence was evident in a recent national survey of city and county human resource managers. Over 25 percent of the managers indicated that they had felt in immediate personal danger in their workplaces, almost 32 percent had been threatened with violence in the workplace, and over 55 percent knew of someone who was attacked or threatened in their agency or building (Nigro and Waugh, 1998a, 1998b, and 1998c). Whatever the nature of the personal experience, public employees fear violent attack, and that fear, whether justified or not, is likely affecting their psychological well-being and their productivity.

The risk of WPV is high enough for public health officials to warn employers to address the problem. WPV was identified as a major health hazard by then U.S. Surgeon General Joycelyn Elders in 1993 and since by the National Institute of Occupational Safety and Health (1993a, 5), the Occupational Safety and Health Administration (OSHA) (1996), and other public and private organizations. OSHA has issued violence prevention guidelines for health care and social service workers and indicated that it intends to issue guidelines for other occupational categories in the near future. The Office of Personnel Management (OPM) (1998) has reiterated the NIOSH/HHS recommendations and offered specific guidelines for agency planning. OPM suggests that agencies adopt comprehensive WPV programs, using the human resource office as a focal point and developing linkages

among internal units and with outside agencies having skills in law enforcement, mental health, conflict management and dispute resolution training, and other competencies that may be needed to address the precipitants of conflict and violence, the incidences themselves, and the effects.

Public employers should be getting the message concerning the need for WPV programs (Swoboda, 1994, E8; NIOSH, 1993a, 5). They should also be getting the message that comprehensive approaches are necessary to assure that the problem is addressed adequately (OPM, 1998). Public employers cannot ignore the current level of risk or, as the Oklahoma City bombing demonstrated, the potential for even greater risk. At the same time, they should not focus on antigovernment terrorists, or angry spouses, or disturbed students, and ignore the far more common problems of coworkers and clients who may scare workers through violent language, physical intimidation, and other aggressive or bullying behaviors. WPV has become an organizational problem, rather than simply an external threat or the intrusion of a social problem into the workplace, and employers have a responsibility to act to reduce the hazard. That responsibility was summed up by OSHA's head, Joseph Dear, in his statement that: "We recognize that employers cannot prevent every possible violent act, but they can reduce the risk of death or injury to their employees by modifying the workplace and instituting appropriate administrative controls" (OSHA, 1996a, 2).

### WPV RISK FACTORS

Beyond those few studies using combinations of available data to produce quantitative analyses, treatments of WPV in the professional management and security literature do not attempt to assess risk in any overall or aggregate sense. The data needed for such statistical analyses do not presently exist, so risk factors are identified from more or less careful searches for common factors among individual cases of WPV (Nigro and Waugh, 1996). Although case studies have well-known limitations, the fine detail they provide has generated a wealth of potentially significant factors in WPV that are not reliably captured by death certificates, workers' compensation claims, victims' compensation claims, police reports, and other currently available criminal justice statistics. Indeed, the guidance provided by the Federal Protective Service (1996) and OPM (1998) relies heavily on case studies to illustrate the variety of behaviors that might be addressed by WPV programs and, indeed, the FPS guidelines provide a lengthy list of cases to use as training aids.

Reacting to potentially violent situations is not enough, however. As NIOSH has acknowledged in its analysis of risk factors: "Although no definitive strategy will ever be appropriate for all workplaces, we must begin to change the way work is done in certain settings to minimize or remove the risk of workplace violence" (1996). The agency went on to recommend a preventive, rather than a reactionary, approach and a broadened view of the problem that can accommodate the variety of forms the violence or threat of violence may take.

In some cases, employers have simply neglected to deal with physical security problems, such as inadequate lighting and alarm systems, but many of the factors identified as contributing to WPV are social and psychological in nature, including working conditions and management policies. S. L. Smith (1993), for example, points to stress as an underlying factor in many cases of WPV involving employees. Employee feelings of loss of control in high-demand jobs, family problems, substance abuse, loss of a job, and low job satisfaction regularly surface as factors in such WPV cases. The insecurity of employees during reductions-in-force, salary freezes and cuts, and reorganizations is having a serious impact. The general decline in the quality of worklife in many agencies as employees are corralled in cubicles with minimal privacy and thrown together in impermanent workgroups may also be contributing to the stress and increasing the potential for conflict and violence.

Other contributing factors seem to be authoritarian or punishment-centered management styles, personnel policies that are indifferent to personal needs, low levels of supervisory support for workers, and cultural conflicts (Overman, 1993, 48). Smith notes that sales clerks, assembly line workers, and postal employees often feel these kinds of pressures (Smith, 1993, 31–33). For example, a 1990 survey of postal workers revealed that “most felt the postal service was insensitive to individual needs or concerns. Fairness of supervisors was rated substantially lower than in other service organizations . . .” (Smith, 1993, 32). Subsequent studies by the U.S. General Accounting Office have generally reached the same conclusion: that the work environment encourages conflict among postal employees and their supervisors (GAO, 1994) and that little has been done to make that environment more sensitive to employee needs and concerns or to reduce labor-management conflict (GAO, 1997).

In general terms, discussions of WPV directed at managers and policy makers urge them to recognize conditions and situations that may expose the organization and its employees to a significant risk of violence by coworkers, customers or clients, and outsiders (Stockdale and Phillips, 1989, 214–215). The professional literature routinely identifies disciplinary and termination actions against workers as potentially high-risk situations. In many cases, as a steady stream of newspaper reports testifies, homicides and assaults on supervisors and human resources personnel take place in the context of processes of these kinds. Situations involving labor-management conflict are also potentially explosive, and plant closures and reductions in force are fertile grounds for WPV (Herman, 1992, 34). Substance abuse (alcohol and drugs) is often cited as a major contributing factor, as well (Walton, 1993, 81–84).

The bombing of the Murrah Federal Office Building in Oklahoma City, as well as potentially disastrous attacks on other government facilities, has focused federal attention on the threats of domestic and international terrorism. The FBI and other law enforcement agencies have programs to address the risk to government and civilian personnel and facilities from small-scale, “low intensity” violence. The Defense against Weapons of Mass Destruction Act of 1996 provides

for federal-state-local efforts to assess and reduce risk and to prepare for possible large-scale attacks. The concern about attacks on government and civilian facilities and communities using “weapons of mass destruction” is encouraging attention to the identification of possible targets and the design of programs to prevent such attacks and to manage their consequences. As with other forms of WPV, the risk of politically motivated violence can be assessed in terms of its likely perpetrators, probability, severity, and form. Risk assessments are generally qualitative and training is based on case studies and possible scenarios, rather than on hard data (GAO, 1998; also see U.S. Department of Energy, 1997). The Federal Emergency Management Agency, for example, has run local government officials through exercises dealing with nuclear, biological, and chemical attack scenarios (FEMA, 1996). Making federal resources available to local agencies presents political and administrative difficulties. While the national security, law enforcement, and public health aspects of the antiterrorism programs are getting the most attention, implementation will require appropriate attention to human resource needs, including training for local emergency responders and potential victims, psychological counseling, critical incident stress debriefing, and simply administering the programs. The FPS guidelines (1996) include recommendations to sensitize employees to the possibility of attack by terrorists at the workplace, at their homes, and during travel and advise on how to reduce the danger of attack. Integrating the antiterrorism programs into the regular emergency management, facilities security, and human resource management programs will be a difficult task, but a necessary one if the programs are to be effectively implemented and maintained (Waugh, 2001).

Clearly, the human resource office should be sensitive to the variety of risk factors that may exist in a particular agency, as well as those that may exist in workplaces in general, and have the wherewithal to educate management about the hazards. As well as participating in the assessment of risk, the human resource office should offer training so that workers can understand the warning signs, assess the risk, prevent or reduce conflict before it results in violence, counsel workers who may become violent, and provide effective recruitment and selection mechanisms that can identify potentially violent applicants and assure that they are not hired.

#### **AVAILABLE GUIDANCE FOR WPV RISK REDUCTION**

NIOSH (1993a, 4–5) and others have recommended that employers with high risk factors for homicide take the following measures, as appropriate:

- 1 Make high-risk areas visible to more people;
- 2 Install good external lighting;
- 3 Use drop safes (boxes) to minimize cash on hand;
- 4 Carry small amounts of cash;
- 5 Install silent alarms;
- 6 Install surveillance cameras;

- 7 Increase the number of staff on duty;
- 8 Provide training in conflict resolution and nonviolent response;
- 9 Avoid resistance during a robbery;
- 10 Provide bulletproof barriers or enclosures;
- 11 Have police check on workers routinely; and
- 12 Close establishments during high-risk hours (late at night and early in the morning).

Several of these protective measures generally follow the approach called Crime Prevention Through Environmental Design (CPTED). This method stresses dealing with the environments in which violent crimes take place, and it focuses on the direct control of behavior. CPTED seeks to establish control over the environment “through the use of four elements: (1) natural surveillance; (2) access control; (3) territoriality; and (4) activity support” (Thomas, 1992, 29). Natural surveillance means designing and operating work places in such a manner as to maximize visibility for employees as well as law enforcement personnel. Access control involves the use of physical and psychological barriers in order to channel the flow of people in the workplace, including employees. Public school systems, for example, are increasingly controlling access to facilities by requiring visitors to sign in, closing campus during periods when students are free (e.g., during lunch), and posting security guards to prevent unauthorized movement in and out of buildings by students and visitors (U.S. Dept. of Education, 1998). For other kinds of public workplaces, access may be controlled in ways other than by using security guards. Access can be controlled by structuring the work process (e.g., interaction with clients) to limit opportunities for violence. The principle of territoriality means choosing locations and facility designs that emphasize the employees’ control over the workplace. Finally, activity support refers to work flow and other practices intended to increase the number of legitimate users available to be part of the natural surveillance strategy. The balance of NIOSH’s recommendations address what Thomas calls administrative controls. These include staffing policies, training, cash management, signage, and plans for handling dangerous situations (Thomas, 1992, p. 30).

WPV prevention strategies and techniques for workplaces where homicide rates are known to be relatively high and established risk factors exist emphasize the need to improve the physical security of workers. These kinds of employer investments (e.g., better lighting, surveillance equipment, protective facility layouts, bulletproof partitions, alarms, security guards, etc.) promise relatively large and immediate payoffs, at least in psychological terms, for workers. Likewise, training employees to anticipate, avoid, and actually deal with violent attacks is consistent with working conditions they face on a day-to-day basis.

NIOSH has issued general guidelines for community workers (1996), such as health and social service workers who visit homes, probation officers, utility workers, and letter carriers. The guidelines call for safety education programs for employees, an effective communication system, clear policies not to enter locations where the workers feel unsafe and not to carry valuables that may encourage robberies, monitoring of the workers’ whereabouts, proper maintenance of

official vehicles, and personal alarm devices. Employees, in turn, are encouraged to learn how to recognize potentially violent situations, alert supervisors when there are concerns about safety, know exactly where they are going (e.g., the location of the client's home and available parking), and report all incidents to supervisors. Reporting and documenting incidents, providing appropriate medical attention, using the incidents to inform and instruct employees, and providing critical stress debriefing and post-trauma counseling when needed are also recommended.

The situation is much less clear in terms of workplaces and occupations where there is relatively little threat of political violence or terrorism. In those cases, there is little data to indicate the potential for homicide, rape or injury and there are few documented cases to substantiate a risk. For this category of workplace, the literature generally focuses on irrational motives for violent acts by employees and their clients. The literature is directed to human resource managers and points out the need for management to implement personnel policies and management processes that improve capacities to identify and neutralize potentially violent employees, customers, and clients (Manigan, 1994).

Through their human resources offices, employers are encouraged to examine their hiring procedures to assure that there are screening processes, such as background and reference checks, to reduce the likelihood of hiring someone who may be violence-prone or provoked to violence by some aspect of the job or work environment. A policy of "zero tolerance" for verbal threats, as well as physical threats, is recommended. The culture of the organization should be evaluated to assure that it does not encourage violence or threats of any kind. All threats should be reported and investigated. Mandatory drug testing and strong policies banning sexual and other forms of harassment are also advised (Fitzgerald, 1993). Training employees to recognize and report situations that are violent or potentially may become violence is recommended by most studies. Threats should be reported before they escalate to violence and workers should be trained to manage conflict (Walton, 1993, pp. 82–83; Stuart, 1992, p. 74). The range of options available to employers should be clear so that interventions can be implemented quickly and effectively (Cawood, 1991).

OPM (1998) provides guidance for establishing comprehensive WPV programs. It starts with the development of a planning group and includes step-by-step directions for writing the policy statement, identifying warning signs of violence and training employees to recognize potentially violent individuals in pre-employment interviews and other situations, providing security, defusing situations through Alternative Dispute Resolution techniques, conducting fact finding and incident investigation, and assessing threats. For human resource managers, the OPM planning guide specifically addresses questions such as: (1) how to keep problem employees away from the worksite, (2) dealing with disciplinary actions, (3) handling employees using disabilities as an excuse for misconduct, (4) using psychiatric examinations to help individuals deal with their own violent tendencies and to identify employees likely to use violence, (5) using disability

retirement to remove employees with serious problems, and (6) responding to appeals by workers of disciplinary actions.

Employee assistance programs (EAPs) provide vehicles for violence prevention, training, counseling, response/intervention, and critical incident stress debriefings. However, given the need to maintain confidentiality in EAPs to assure employee trust and to comply with Privacy Act requirements, such offices are not usually given principal responsibility for WPV programs. But, EAPs are certainly resources for the management of conflict and violence. The report goes on to suggest appropriate security measures to prevent violence and to respond to incidences when they do occur. It underscores the need for critical incident stress debriefing following an episode of WPV and the need to establish links with law enforcement, emergency response, mental health, and other agencies with needed expertise as part of the initial planning process.

### **SHORT-TERM IMPLICATIONS FOR PUBLIC SECTOR EMPLOYERS**

The logical starting point is for public employers to recognize that WPV, like accidents, is a significant threat to the lives and health of their employees and clients. Public employees are at risk from the same kinds of street crime, family violence, interpersonal conflict, substance abuse-related violence, psychiatric problem-related violence, and sexual violence as private sector employees are. Most of the risk factors identified by NIOSH and other agencies relating to physical security, isolation and hours, and unsecured cash and other valuables, are found in some or all public workplaces and should be obvious concerns in any risk assessment.

The major differences between public and private sector workplaces may be in the exposure to street crime and workplace, but not work-related, violence and the risk of political violence. Government offices are often used to anchor economic development projects in inner cities, exposing public employees to greater risk of street crime in and around the facilities. Law enforcement officers, forest rangers, public health workers, social workers, teachers, and military personnel, for example, are often stationed in remote, isolated locales. Particular clientele groups, such as prisoners and psychiatric patients, may pose extraordinary risks to service providers, as well.

Conditions within the organization itself may increase the likelihood of WPV and even precipitate violence. Programming and staffing cuts reduce organizational capacities and may seriously affect the delivery of services. As services are cut or slowed, clients are understandably angered and employees are frustrated. The quality of the contact with clients is affected when human and physical resources are reduced. As pointed out earlier, poor management, real and threatened reductions-in-force, cuts and freezes in salaries and benefits, reduced opportunities for training, shrinking opportunities for advancement, and other factors related to the quality of work life have been identified as risk factors (Stockdale and Philips, 1989). Indeed, recent studies of the violence in postal facilities

concluded that poor management accounted for much of the conflict and violence, that is, overly stringent fiscal management practices were encouraging insensitive personnel policies (GAO, 1994).

Public employees are also more frequent targets of political violence. The evidence is largely anecdotal, but there are clear indications that regulatory and law enforcement agencies and personnel are particular targets of verbal and physical attacks. Journalistic accounts of threats to and attacks on forest rangers, law enforcement officers, judges, tax collectors, and others in similar jobs are all too familiar (Taylor, 1995). While the Oklahoma City tragedy has focused attention on the security of large government facilities, individual public employees working in the field have expressed concerns about wearing identifying uniforms and driving government vehicles. Weapons for self-defense have also become an issue for forest rangers working in isolated areas in the West.

Given the risk of WPV, what should public employers do? There are several strategies that may be effective, including those recommended by NIOSH and other agencies concerning physical security, personnel training, and environmental design. NIOSH also recommends attention to "administrative controls," including staffing plans and work practices, as well as an effective WPV program. A broad emergency management approach with the human resource office having lead responsibility for coordinating efforts with other offices and external agencies has also been suggested (Waugh and Nigro, 1996). Such an approach can assure effective communication and cooperation with law enforcement, emergency medical services, and other response agencies which may be needed in an emergency and can facilitate the development of broad strategies to address the potential for violence. A comprehensive approach can also expand the expertise and resources available for such programs (OPM, 1998).

Leadership begins at the top and public executives must recognize the seriousness of the problem and commit organizational resources to reduce the hazard. They must also recognize the implications of their own actions and train their managers to be sensitive to the needs of their workers and their clients, as well as to working conditions. Public managers must recognize that WPV is an *organizational problem* that should be addressed through well-informed policies and appropriate procedures. A proactive approach that can minimize the potential for violence and, if violence occurs, assure an effective response and a quick recovery is preferable to a reactive approach that may well fail to do either.

It is also clear that the human resources management systems of public agencies should have a strong policy emphasis on developing increased supervisory awareness of the early warning signs of WPV on the individual as well as organizational levels. Prevention and mitigation also require EAPs to help workers deal with the psychological causes and results of violence. Traditional areas of personnel administration, such as selection, performance evaluation, promotion, and compensation should be evaluated from a risk and prevention standpoint. The balance of this analysis outlines major elements of a human resources approach to WPV, as suggested by OSHA's 1996 guidelines.

### THE HUMAN RESOURCES APPROACH

OSHA's guidelines state that a "workplace violence prevention program should include the elements of any good safety and health program: management commitment and employee involvement, worksite analysis, hazard prevention and control and training and education. Each program also should include record-keeping and evaluation" (1996b, p. 2). This language clearly indicates that the human resources offices of public agencies must be effective contributors if the overall prevention effort is to succeed.

OSHA's guidelines encourage employers to identify risk factors associated with the normal working conditions of workers. In the particular case of health care and social service workers, several risk factors are related to personnel policies and practices of agencies. These include dangerously low staffing levels during periods of high activity, such as visiting hours and when staff are transporting potentially violent patients. Likewise, isolated work with patients, solo work in remote locations, and inadequate training of staff to recognize and manage conflict and assaultive behavior are identified as risk factors connected to agencies' human resources programs.

In OSHA's words, an effective safety and health program depends on management commitment and employee involvement, and "management and front-line employees must work together, perhaps through a team or committee approach" (OSHA, 1996b, p. 4). On the management commitment side of the equation, OSHA makes several recommendations with human resources implications:

- 1 Management should demonstrate concern for the physical and emotional safety and health of agency employees;
- 2 There should be a "comprehensive program of medical and psychological counseling and debriefing for employees experiencing or witnessing assaults and other violent incidents"; and
- 3 Management should make a public commitment to support and implement appropriate recommendations from safety and health committees.

Employee involvement relates to policies and practices which allow "workers to develop and express their own commitment to safety and health and provide useful information to design and implement the [prevention] program" (OSHA, 1996b, p. 4). Here, the human resources office plays a central role in areas such as:

1. Assuring that employees know how to comply with and support a violence prevention program;
2. Creating an employee complaint or suggestion procedure related to safety and security concerns;
3. Developing a timely and accurate reporting system that workers can use;
4. Supporting the establishment of safety and health teams or committees along TQM lines; and

5. Developing and delivering a continuing education program “that covers techniques to recognize escalating agitation, assaultive behavior, or criminal intent, and discusses appropriate responses” (OSHA, 1996b, p. 5).

OSHA notes that agencies need written prevention programs that have clear goals and objectives and are effectively communicated to all members of the organization. These programs should accomplish the following:

- 1 Establish a climate of zero-tolerance for violence, threats, and other forms of WPV;
- 2 Assure that employees who report WPV or threats do not suffer reprisals from co-workers or supervisors;
- 3 Encourage workers to report incidents promptly;
- 4 Establish a record-keeping and analysis function in the agency;
- 5 Set forth a comprehensive plan for maintaining work place security;
- 6 Assign responsibility and authority for the program to trained individuals and groups who have the required skills;
- 7 Affirm management’s commitment to a safe and supportive environment for workers of all kinds; and
- 8 Implement an agency briefing “as part of an initial effort to address such issues as preserving safety, supporting affected employees, and facilitating recovery” (OSHA, 1996a, p. 5).

With regard to an evaluation of existing or potential hazards in the workplace, OSHA recommends that the human resources staff be part of a “threat assessment team” that includes representatives from “senior management, operations, employee assistance, security, occupational safety and health, and legal [staff]. . . .” Among this team’s many responsibilities are the following that are likely to fall within the human resources office’s domain:

- 1 Records analysis and tracking, which includes reviewing medical, safety, workers’ compensation and insurance records to identify cases of WPV in terms of physical location, organizational unit, job titles, and time of day;
- 2 Surveying employees to identify areas of concern and safety-security needs that may be overlooked by managers and others not closely associated with the day-to-day work place;
- 3 A periodic work place security study that covers areas like characteristics of assailants and victims, accounts of events leading up to incidents and what happened in their aftermath, and relevant details of the situation; and
- 4 Identification of jobs or job sites with the highest rates of violence, as well as processes or procedures that put workers at risk of WPV.

In the area of administrative and work practice prevention and control, OSHA makes several relevant suggestions, including:

- 1 Stating clearly to clients and employees that violence of any kind is not permitted or tolerated;
- 2 Establishing strong liaison with local law enforcement agencies and briefing them on the agency and its facilities, including known risk factors;

- 3 Requiring employees to report all assaults or threats to supervisors or designated managers;
- 4 Making sure all employees know how to contact security and law enforcement according to agency procedures;
- 5 Taking responsibility for appropriate training of workers exposed to various levels of risk; and
- 6 Ensuring adequate and qualified staff coverage at all times, especially when levels of risk are highest.

Post-incident response is an important issue, since it can not be expected that any prevention program will be entirely successful. OSHA is quite clear on this topic:

Post-incident response and evaluation are essential to an effective violence prevention program. All workplace violence programs should provide comprehensive treatment for victimized employees and employees who may be traumatized by witnessing a workplace violence incident. Injured staff should receive prompt treatment and psychological evaluation whenever an assault takes place, regardless of severity. (1996a, p. 9)

This kind of assistance often requires the services of psychologists, nurses, counselors, and employee assistance offices. All should be well-trained and have a good understanding of the causes and consequences of violent behavior in the work place.

Training and education is a major area of responsibility for offices of human resources, either through direct provision or by supporting training efforts of agency departments. The central goal of such training and education is to guarantee that all staff understand the hazards they face and “know how to protect themselves and their co-workers through established policies and procedures.” Highlights of the guidelines regarding training and education include:

- 1 Training for all employees on a regular basis, including refresher training;
- 2 Relevant policies that recognize and deal appropriately with violence or the potential for violence;
- 3 Sensitivity to work place diversity issues;
- 4 A standard response action plan for violent situations;
- 5 The location of and operation of safety devices such as alarms;
- 6 Policies and procedures for reporting and record keeping; and
- 7 Policies and procedures for getting medical care, counseling, workers' compensation, and legal assistance.

The evaluation guidelines set forth by OSHA require the collection and analysis of detailed personnel and other records, many of which are normally the responsibility of personnel and human resources offices. It is therefore, predictable that the human resources staff will be asked to provide much of the expertise needed to collect, organize, and manage the information required to evaluate existing

prevention policies and procedures. Meeting this challenge will require human resources specialists to develop a strong understanding of WPV in general, as well as how it relates to a specific agency or unit of that agency. It will also require human resources offices to develop strong partnerships with outside agencies having needed skills, resources, and perspectives on the problem to assure a comprehensive WPV program.

WPV is an unavoidable hazard, but one that can be managed. Public employees are subject to the same kinds of social and organizational conflicts as their private sector counterparts. However, the nature of public service jobs and a sociopolitical climate that is often hostile to public agencies increase the risks to public employees. Indeed, one of the major risk factors for WPV identified by NIOSH is contact with the public. As long as public facilities are open and public employees are accessible, there will be an increased risk of violence. Finally, while human resource managers should take steps needed to make sure employers and workers understand and address the broad range of causes and sources, it is important to recognize that the potential for terrorist attacks on workplaces of many kinds must now be given very high priority. The World Trade Towers were workplaces, as were the aircraft hijacked and used to destroy them and over 3,000 people on September 11, 2001. Hopefully, WPV on such a scale will be very rare, but human resources managers should be expected to contribute to the development and maintenance of plans for immediate as well as long-term organizational responses.

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## Framing Gender, Framing Work: The Disparate Impact of Traditional HRM Practices

MARY E. GUY AND JENNIFER A. KILLINGSWORTH

An organization is nothing more than a group of people who join together to pursue a mission that no one, acting singly, could achieve. Prescribed roles, processes, and procedures guide how members of the organization interact and perform their part of the work. An agency's success is rooted in the effectiveness with which everyone's efforts contribute to achieving the mission.

With capable leadership, a motivated workforce that is committed to the goals of the organization can achieve far beyond expectations. A workforce demoralized by inequities, double standards, and hypocrisy, however, will shut down the most sophisticated, technologically advanced service delivery process. Thus, the capacity of an agency to achieve its mission rises or falls on the human resource management (HRM) function.

HRM influences all those who join the agency, how their skills are developed and focused, and how fair the agency is with its employees. Presented in terms of *organizational justice*, we discuss the difference that gender makes in job opportunities and pay scales. We identify how women and men are affected differently by practices that are assumed to be gender neutral and encourage readers to question the fairness of traditional practices.

We believe that by thinking strategically, human resource (HR) managers can integrate classification and compensation schemes with worker needs and organizational goals in a way that extends fairness and a sense of equity to women as well as men. This approach, in which HR practices become consonant with the

**TABLE 20.1. Summary of Merit Principles**

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1. Recruitment should be from qualified individuals representing all segments of society; selection and advancement should be based on ability, knowledge, and skills in open competition in which every applicant has equal opportunity.
  2. All employees and applicants be treated equitably, without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for privacy and constitutional rights.
  3. Equal pay should be provided for work of equal value; appropriate incentives should be provided for excellence.
  4. All employees should maintain high standards of integrity, conduct, and concern for the public interest.
  5. Employees should be retained on the basis of their performance; employees who cannot or will not improve their performance to meet standards should be separated.
  6. Employees should be protected against arbitrary action, personal favoritism, or partisan coercion.
- 

workforce and the workplace, inserts the HR function into the lifeblood of the agency rather than leaving it as a loosely connected appendage (Condrey, 1998).

HRM should expedite rather than stymie productivity. This means that the values and practices of the HR system should reflect the values and purpose of the organization and that classification and compensation schemes should match the mission and needs of the organization. Herein lies the difference between the public and private sectors: Public organizations are created to serve the civic interest while businesses exist to create wealth. These are important but different purposes. Since public organizations are arms of government, they should be representative of citizens. In fact, the language of merit principles insists on this. As enumerated in Title 5 of the U.S. Code at Section 2301, the summary of merit principles in Table 20.1 highlights the importance of representativeness, skills-based hiring, and fair treatment irrespective of gender, race, ethnicity, or any other type of otherness (U.S. Merit Systems Protection Board, 1997).

Although ideal in all work settings, representativeness is doubly important in public work. The meaning of the word is fluid, however, expanding as our appreciation for human rights expands. Rita Kelly (1998) contrasts the meaning of representativeness at the founding of this country compared to its current meaning. She reminds us that at the time the Constitution was drafted, it was thought acceptable to exclude men who did not own property, slaves, and women from those who had full civil, economic, and political rights. Now 200 years later, we are clear that it is not acceptable to practice slavery or to discriminate on the basis of race and it is not acceptable to preclude men who do not own property from full rights of representation. Judging from the status of women in most workplaces, however, many still struggle with where women fit into this picture.

### THE WORKPLACE AS CULTURAL MIRROR

The workplace is a microcosm of the culture at large. Assumptions about women's and men's roles are a constituent part of organizational culture and practice. Each office reflects the community of which it is a part and those who staff it reflect regional mores. Nowhere is this more obvious than in job classification and compensation patterns. Examining the status of women in the workplace illuminates the irony of a culture that touts fairness and representativeness while pursuing less for 51 percent of the population. Just as they frame relations in the family, gender considerations, though mostly subliminal, frame all work processes.

Gender is a plastic concept, used to frame beliefs about the types of jobs women can perform better than men and vice versa. It is used to organize, accomplish, and explain preferred arrangements. Classification and compensation schemes presume a division of labor that assumes maleness and produces systematic advantages for men over women. For example, the gender-free worker sought in job ads is anything free. If workers *should* be free of gestation, breast-feeding, home/child-care responsibilities, and constraints on travel, long hours, overtime, and night shifts, those who *are* free of them—most men—enjoy advantages over those who less readily are, that is, women (Martin, 1997, p. 4).

#### On a Pedestal but Locked in a Cage

From a series of studies, sociologist Patricia Martin (1996) reports that men evaluate women positively but still favor men for promotion over women. Civil service data support this assertion. Gregory Lewis (1997) sought to find the relationship between performance appraisals and promotion records. He hypothesized that if performance appraisals have a major impact on promotions, then gender differences in ratings could help to explain why women remain substantially underrepresented at the top levels of federal civil service and why they earn substantially less than white males even when they have comparable levels of education and experience. But as Lewis compared agencies, he found that performance ratings varied shockingly by agency. For example, army employees were six times more likely than agriculture employees to receive outstanding ratings. Despite differences between agencies, he found that, across agencies, *higher percentages of women than men received outstanding ratings at every grade level*. Moreover, at the same grade levels and in the same agencies, supervisors rated the performance of women (especially white women) superior to that of white males. After presenting these findings, Lewis takes issue with opponents of affirmative action who argue that unqualified women are promoted over qualified men. The ratings indicate that women are more productive than their male peers and that they are being held to levels below their abilities.

Using the concept of gender framing, Lewis' findings suggest that women are framed as better producers for their organizations while men are framed as better

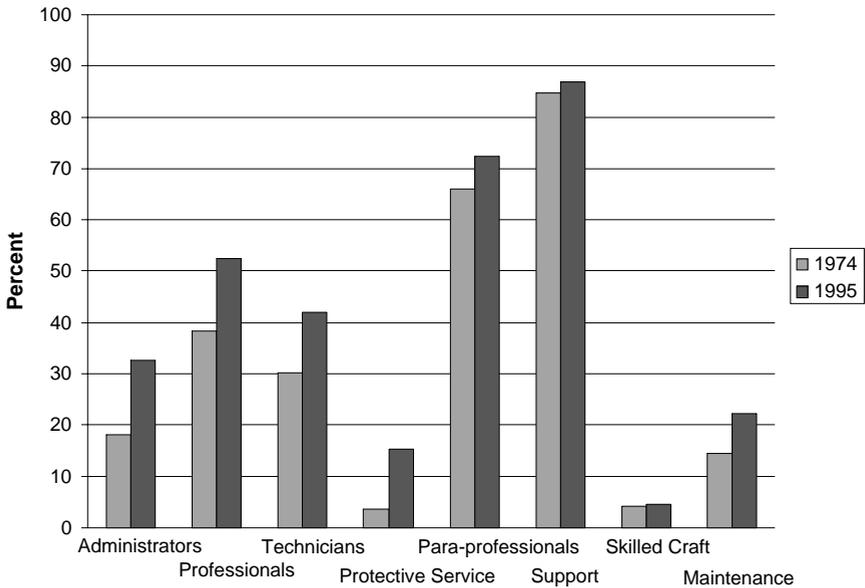


FIGURE 20.1.

Source: U.S. Equal Employment Opportunity Commission (1997). *Indicators of Equal Employment Opportunity—Status and Trends*. Washington, DC: Author. p. A6.

leaders—despite performance evidence to the contrary. Organizations, along with classification and compensation schemes that both reflect and drive their employment practices, develop their own distinctive frames or cognitive schemata through which generally agreed upon interpretations develop and meanings are assigned to roles, events, and positions. Such frames define appropriate behaviors and specify actions for particular jobs. In other words, they create the rules and routines that everyone is to follow and they shape supervisors' evaluations of worker performance and whom they promote.

Gender *frames* create the understandings for those jobs where women are better at this sort of work or that women are more comfortable doing menial tasks than men or that men can do this job better or that constituents will be more comfortable with a man in this job. Gender frames then affect compensation for the job. On average, jobs for which men are thought more capable typically pay about 24 percent more than jobs for which women are thought more capable, regardless of the actual knowledge, skills, and abilities required (The Wage Gap, 1998). Moreover, gender *frames* result in sex segregation on the job even in higher-level positions. In the federal civil service today, over half of all white-collar employees work in occupations where at least 75 percent of their coworkers are of a single sex (Lewis, 1997). Occupational segregation is similar in state and local governments, as Figure 20.1 shows. About 87 percent of all support staff in 1995 were women, up from about 85 percent in 1974.

How did the workplace come to be like this? A closer look at occupational segregation reveals the power and persistence of gender framing. Traditional classification systems devalue the work reserved for women. For example, over the course of the past century, clerical positions have moved from being a man's position to a woman's. In the transition, they have lost status and are at the bottom of white-collar pay scales.

At the turn of the 20th century, a secretary was the trusted confidant of high-level executives, charged with a diverse set of duties requiring vast knowledge of the organization and communication channels. As firms grew to require greater clerical support, organizations began to divide the labor in a manner similar to that which had occurred in manufacturing. The new division of labor created entry-level positions that required little skill and few, if any, promotional opportunities. The job of secretary switched rapidly from a man's job to a woman's job because it was assumed that women would lose interest in work after marriage. The myth that women's careers are temporary, hinging on marriage and child rearing, served as justification to bar women from jobs that provided career advancement (Goldin, 1990). The stage was set early for separate career tracks that segregated women into dead-end occupations at lower pay.

Despite the importance of knowledge workers, our classification systems devalue the worth of secretarial employees and ignore the level of skill required to keep offices functioning smoothly. Devoid of autonomy, status, and privacy, secretarial positions are encased in glass walls, crippling their incumbents from future advancement. As women develop more job choices, classification and compensation systems must awake to a new reality—one which demands that skills be compensated fairly. Until these jobs are retooled to compensate the skills required, employers will find themselves stumped by rapid turnover and inadequately prepared workers. Using old practices to produce new work results in a double whammy: It dampens motivation and deprives managers of competent staff. We turn now to a more detailed look at how traditional HR practices are ingrained in organizational architecture and stymie economic parity.

### **The Difference That Gender Makes**

Like a carefully guarded fort, the workplace opens its doors to women ever so slowly. Once inside, women find barriers to their advancement woven like a steel thread throughout the organization and its processes. These come in the form of glass walls, glass ceilings, sticky floors, and trap doors (Guy, 1994).

*Glass walls* is a metaphor for work units that keep women out of the mainstream of the organization. After working for several years in a staff function, for example, women find that they are rejected for promotion because they have been working as a budget analyst rather than as an operations manager, or working as a clerk rather than in the warehouse. Men's jobs are those that are more likely to provide a stepping stone to advancement while women's jobs are those that

give the appearance of having advancement potential, yet stop short of providing meaningful promotion opportunities.

*Glass ceilings* refers to the illusion of advancement potential. Agencies often boost the proportion of women in management by placing them on peripheral routes to the top, routes that stop short of department head. Managers of support units for large agencies provide an example. Although they have broad-based responsibilities and supervisory authority, their work is supportive, rather than central, to the mission of the agency. When in head-to-head competition for promotion with managers from operations units (usually men), the latter (usually women) lose because of the gender-neutral expectation that promotion will come from operations units.

*Sticky floors* refers to the invisible, low-paying, unglamorous jobs that are supportive to someone else (usually a *he*) whose work has been made to look good by the secretary (usually a *she*). These jobs offer little prestige and limited opportunity for promotion. For women these are secretarial and public relations posts designed to expedite and promote the work of the *he*.

*Trap doors* reflect the gender ethos of an organization's culture. Gender ethos reflects the attitudes of those in control, shapes how women and men interact with one another, and dictates how women are to choreograph their actions to gain acceptance without drawing attention to their differentness. Sexual harassment is probably the most frequent trap door that opens up and swallows women. It is a career stopper. If women are harassed and file a complaint, they are labeled as troublemakers. If they fail to complain, they continue to be intimidated and reminded of their second-class status. If they confront the harasser, they are described as overly sensitive. If they tolerate the harassment, they will be accused of misleading the harasser and sending double messages. If they serve as a witness to a sexual harassment complaint, they are likely to be marginalized because they are no longer one of the team. One misstep and women fall through the trap door, left to start the climb to advancement once again but now as a woman with a past.

Until recently, office romances presented another example of trap doors. In 1983, a *Harvard Business Review* article advised executives to intervene in office liaisons and persuade the person least essential to the company—the subordinate who is in almost all cases a woman—to leave. Moreover, the article warned, love between managers is dangerous because it challenges and can break down the organizational structure. Now, the *Wall Street Journal* reports that thinking has changed, at least at IBM. The corporation has changed its code of conduct for managers, allowing them to become romantically involved with a subordinate as long as they stop supervising them. Romances are viewed as interactions to be managed rather than interactions to be banned and the partner who carries the burden of responsibility is not automatically the woman (Hymowitz and Pollock, 1998).

Jobs that encase women in glass ceilings and walls, glue them to sticky floors, and threaten them with trap doors deny them significant line experience, exclude them from the formal and informal networks that are essential for advancement,

and subtly keep them in their place. Limited opportunities for advancement result in turnover, reduced career aspirations, and productivity losses. As Ragins, Townsend, and Mattis (1998) report after comparing the views of male CEOs and female subordinates, most CEOs do not understand the experience of minority status in their organization because they themselves have always been in the majority. What is obvious to women of the organization is invisible to men.

Strategies that can bridge the gender gap include diversity training, focus groups, inclusion of gender and diversity issues in executive education, tracking women into direct line positions, and making managers responsible for the career development of all employees, not just men. Modified job classifications, compensation based on knowledge, skills, and abilities rather than gender-biased tradition, and flexible job designs help to erase workplace inequities. The effect of these changes is reflected in the gradual integration of women into the workplace and into the economic mainstream.

### GRADUAL INTEGRATION

Women's entry into the labor force began a shift of power dynamics that perturbs the advantaged status that men have enjoyed. As Claudia Goldin notes in *Understanding the Gender Gap*, change in the workplace has both helped women and served to widen gender difference (1990, p. 3). Indelible changes in the economy that now require women's participation in the paid workforce, along with fierce competition for plus jobs, are reflected in contentious debates about issues such as affirmative action, family care giving, full-time versus part-time employment, and pay equity. As women get closer to economic parity, the stakes grow larger and competition is heated. Successful women attribute their gains to hard work while men who lose to them attribute women's success to affirmative action and favoritism.

In the 1800s it was rare for women to seek employment with the civil service. The first jobs held by women in the federal government were as postmistresses in small towns or as female clerks within agencies such as the Treasury Department (Van Riper, 1958). It was routinely assumed that women should be paid less than men since the latter were supporting their families and it was considered morally questionable for a woman to work outside the home, a debate that continues to this day, albeit with a smaller audience. When the first wage legislation passed in 1864 to address women's salaries, it set the salary of female clerks to \$600 a year, about half that of men for similar work, and was considered positive social policy for preserving the traditional family unit (Van Riper, 1958, p. 159).

A more substantial rise in female entry into the civil service occurred after the passage of the Pendleton Act in 1883, which established a merit system for employment based on competitive exams, tenure, and political neutrality. While women benefited from the institution of a merit system, the rise in women's employment can be attributed more to the invention of the typewriter than the law, since there was no legal requirement that appointing officers accept women

**TABLE 20.2. Proportion of Public Workforce That Is Female**

<b>Federal</b>	<b>Women</b>
1982	38%
1996	44%
<b>State and Local</b>	<b>Women</b>
1975	38%
1981	40%
1985	41%
1990	43%
1995	44%

Source: U.S. Equal Employment Opportunity Commission (1997). *Indicators of Equal Employment Opportunity – Status and Trends*. Washington, DC: Author. pp. 12, A4.

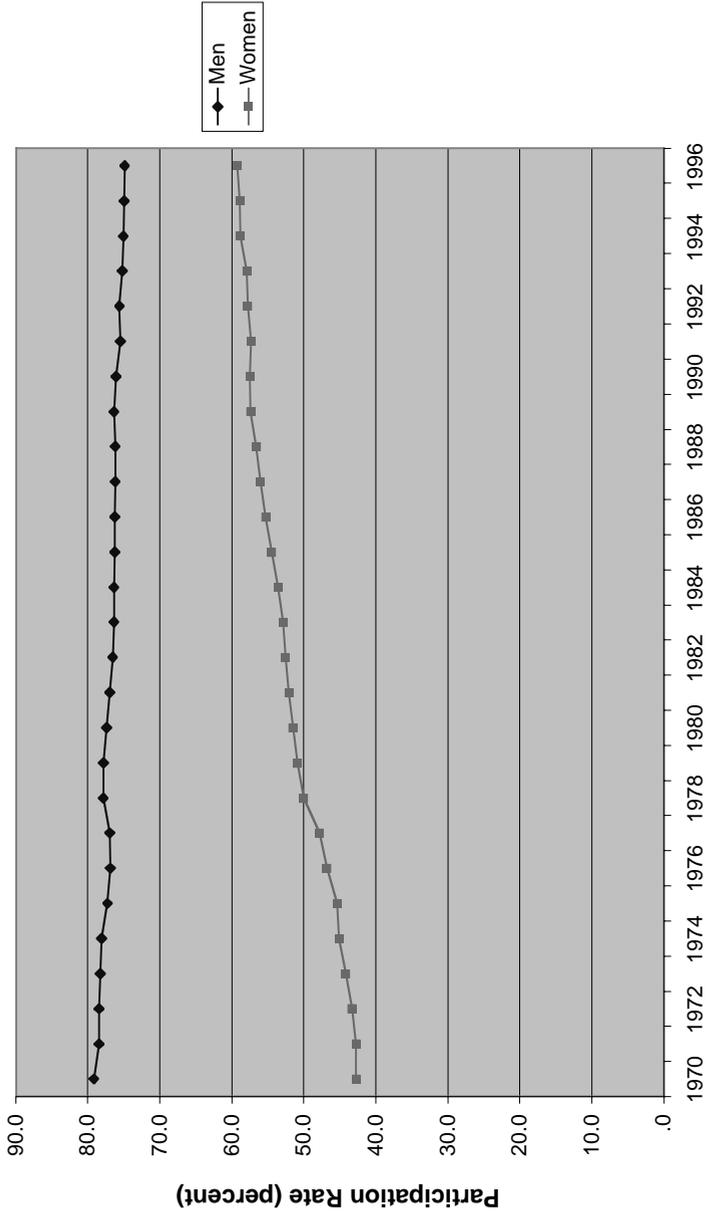
applicants (Van Riper, 1958). Mechanization of clerical work through the invention of the typewriter allowed employers to standardize job duties and hire singly skilled workers rather than those more broadly trained. Typists' jobs were not designed to provide opportunities for promotion. Despite its dead-end design, office work was seen as an improvement over the manufacturing jobs that women had occupied in the past and by 1904 women in federal civil service counted for 7.5 percent of the total service (Goldin, 1990; Van Riper, 1958).

With the outbreak of the First World War, the government relied on an influx of women workers. During that time, women received the majority of new appointments and ultimately made up more than the 20 percent of civil service employees. The growing strength of women's political activism prompted the Civil Service Commission to act when the Women's Bureau of the Department of Labor issued a report in 1919 indicating that women were denied access to 60 percent of civil service exams. In response, the Civil Service Commission opened all tests to both sexes later that year (Van Riper, 1958, p. 261). This victory was followed by the Classification Act of 1923 which required that men and women federal employees receive equal salaries for doing the same work.

Trends show that women have steadily increased their numbers in civil service employment at all levels of government, as shown in Table 20.2. We can predict that this trend will continue based on the overall labor force participation rate shown in Figure 20.2. The progression of legislation prohibiting discrimination against women mirrors the vertical progression shown in the figure. As women achieve a critical mass in the workforce, they accrue the lobbying force necessary to insist on job protections.

### DISCRIMINATION'S COURSE

Advantage in a competitive environment is a zero-sum game. In any dyad, if one has it, the other does not. If there is one promotion to be available and one person



**FIGURE 20.2. Proportion of Men and Women Who Are in the Civilian Labor Force**  
 Source: Civilian Labor Force and Participation Rates by Race, Sex, and Age in the Statistical Abstracts of the United States 1974–1997.

lands it, then the other does not. Affirmative action has come under fire in recent years as women and minorities have gained advantage, causing those whose advantage has diminished to cry foul. Ironically, affirmative action for women was an afterthought in the civil rights parade. The push for affirmative action legislation was intended to enhance racial inclusion more than gender. In fact, the term sex was added as one of the protected classes to civil rights legislation by Representative Howard Smith of Virginia, who thought the amendment would make the bill laughable and ensure its defeat (Cozzetto, Pedeliski, and Tipple, 1996). To his chagrin, the bill was passed anyway and became the Civil Rights Act of 1964. It prohibited discrimination in employment on the basis of race, sex, national origin, and religion and established the Equal Employment Opportunity Commission (EEOC, 1997), which was designed primarily to address race bias claims. A similar afterthought came in 1967 when President Lyndon Johnson, two years after he had issued an executive order requiring nondiscrimination and positive action by federal contractors on behalf of racial minorities, issued a second executive order extending the same provisions to women. For the first time, women now had legal grounds to fight discriminatory practices that limited their employment opportunities.

The impact of changes that might result from affirmative action legislation caused a stir. Concern that women would take over positions that were more appropriate for men prompted the 1972 Congress to amend the 1964 Civil Rights Act to include a clause that enabled employers to avoid hiring women (Cozzetto, Pedeliski, and Tipple, 1996, p. 220). The clause allowed employers to hire on the basis of gender if it is a bona fide occupational qualification (BFOQ) reasonably necessary to the normal operation of that business or enterprise (42 U.S.C. 1972: 703, e, 1). Employers took advantage of this loophole to refrain from hiring women into traditional men's jobs.

Then as now, gender stereotypes served as a basis to discriminate. Hiring decisions were based on assumptions that women were not aggressive, lacked physical or mental stamina, or were less committed to their jobs. Employers also used more subtle ways of keeping women from becoming full-fledged members of the organization. For example, they excluded women from positions by screening them on norms developed for men. For example, it was much easier to find a male job applicant who was 5 feet 10 inches tall than it was to find a woman of that height. As long as tests, evaluation instruments, or physical requirements were normed on men but used to score women, male applicants retained advantage. In 1982, the EEOC tightened guidelines for the interpretation of the BFOQ clause, which helped to limit spurious screening criteria and unfair assumptions about women's work abilities (Cozzetto, Pedeliski, and Tipple, 1996, p. 220).

In historical perspective, the protections that women have gained have come only recently. It was not until the late 1960s that newspapers stopped running separate job ads for women's jobs and men's jobs. Although the overt practice stopped, in fact the proclivity to think of jobs as being best suited for women or for men continues to prevail. Generally speaking, the higher the status of a job,

the more likely it is that it is framed as a man's job. Keep in mind that it was not until 1963 that the Harvard Business School allowed women to enter its MBA program. As recently as 1997, only 25 percent of statewide elected officials across the nation were women; only 20.5 percent of state legislators were women; only 22 percent of state supreme court justices were women; only 23.6 percent of state department heads were women (Center for Women in Government, 1998).

The Supreme Court has developed two concepts of discrimination banned under Title VII of the Civil Rights Act: "disparate treatment" and "disparate impact." *Disparate treatment* occurs when an employer harms an applicant or employee because of the employee's race or other protected characteristic, most usually as the result of invidious prejudice. For discrimination against women, it can include sexual harassment or permitting a work environment hostile to women employees (*Meritor Savings Bank v. Vinson*, 1986). Because it is often difficult to show with direct evidence that an employer acted with an improper and biased motivation, the law permits proof by inference, including the use of facts to show that an employer's allegedly unbiased decision was a pretext for discrimination (*McDonnell-Douglas Corp. v. Green*, 1973).

Employment practices are considered to have a *disparate impact* if they have the effect of harming a disproportionate number of members of a protected group (*Griggs v. Duke Power Co.*, 1971) and if the practices are not significantly related to the employer's legitimate employment goals (*Wards Cove Packing Co. v. Antonio*, 1989). The Wards Cove decision also held that even practices that are job-related can be discriminatory if the employer could use other employment practices that are equally effective but have less adverse impact on the protected group.

Because of resistance to women's advancement, affirmative action is now used by its detractors to diminish and excuse advances that women have made. Claiming that women's progress has only been made because the law forced employers to hire and promote them, and claiming that women would never be promoted on their own merits, lets detractors frame women's progress as spurious. Refusing to consider the hiring of men as discriminatory against women while claiming that the hiring of women is discriminatory against men proves the depth of conviction of those who are most reluctant to see women gain economic parity.

Outdated career path assumptions only serve to hamper an organization's capacity to be as productive as it can be. For women as for men, it should be the employee's choice, not the employer's assumption, that determines the acceptance or rejection of advancement opportunity. There is a compelling need for employers to restructure classification and compensation schedules so that jobs are *reframed*. The more productive workplaces will be those that adapt to knowledge work and do away with the tradition of one-size-fits-all when it comes to jobs and classification schemes. When women's skills, knowledge, abilities, and performance are valued to the same degree that men's are, we will see flexible work arrangements that incorporate the difference that gender makes (Houseman, 1997). The pushing and shoving required to modify traditional work modes shows how entrenched the model of a male workplace continues to be.

### The Fight to Accommodate Family Responsibilities

The issue of family values, a phrase popularized during the 1992 presidential election, initially arose during the Carter administration. At its core, the debate centers around childbearing, child rearing, and women's place in the workforce (Wisensale, 1997). Supreme Court decisions during the 1970s struck down requirements for pregnant women to be granted leave without penalty (Bernstein, 1997). This prompted women's organizations such as the Women's Legal Defense Fund to lobby for antidiscrimination legislation. On October 31, 1978, President Carter signed the Pregnancy Discrimination Act which extended the definition of sex discrimination on the basis of pregnancy, childbirth, or related medical conditions. Passage of this legislation represented the beginning of a national family leave policy.

During the Reagan years, funding for family leave faced opposition from those who agreed with the President's proposition that government was the problem, not the solution, to the nation's problems. It was not until Reagan's last years in office that Democrats were able to get family leave bills to the House and Senate floors where they began to gain bipartisan support (Wisensale, 1997). Advocates for family leave spoke out with renewed vigor when the California Supreme Court ruled in 1984 that the state's maternity leave law constituted special treatment and thus violated the equal protection statutes of the 1964 Civil Rights Act and the 1978 Pregnancy Discrimination Act (Bernstein, 1997). The ruling was overturned in 1987 in the case of *California Federal Savings and Loan Association v. Guerra*. Despite validation of maternity leave, strong opposition from business interests kept any family leave bills from passing during Reagan's two terms in office.

During the 1988 presidential campaign, George Bush framed the issue as one of government mandates versus corporate choice (Wisensale, 1997). His approach to family policy was consistent with Ronald Reagan's conception of government as the problem. Each side of the debate staked out its position on the issue: To proponents, family and medical leave was a basic labor protection analogous to minimum wage and hour laws. To opponents, family and medical leave was a mandate imposed by an intrusive government attempting to achieve a social goal with no regard for the cost to business (Bernstein, 1997, p. 87). Advocates agreed that any legislation should apply to both parents so that it would not be viewed as special treatment for women. Congress passed family and medical leave legislation in 1990 and again in 1992 only to have it vetoed by President Bush both times.

With the election of Bill Clinton, Congress worked quickly to get the legislation through the House and Senate. On February 5, 1993, President Clinton signed the Family and Medical Leave Act into law. It provides employees in companies with 50 or more workers to 12 weeks of unpaid leave to care for a child, spouse, parent, or oneself with guaranteed job security and continued health benefits. In the end, the act only affects 5 percent of corporations and 60 percent of the workforce and it still took years of lobbying for women to secure *unpaid* leave in order to take care of their families without losing their jobs (Wisensale, 1997).

## Wages, Hours, and Benefits

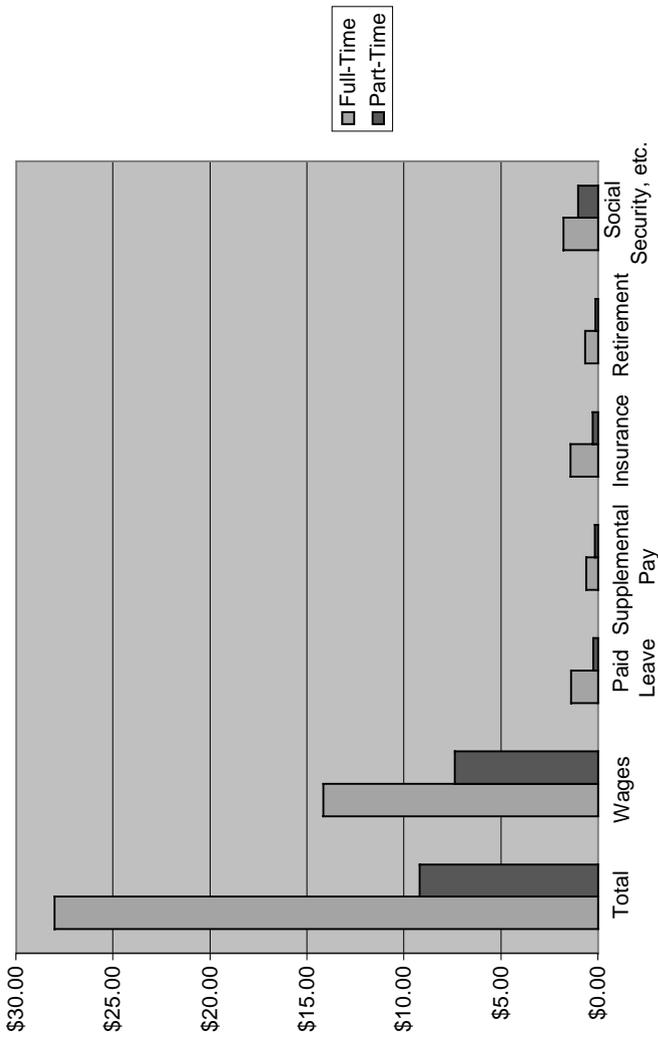
The concept of full-time versus part-time work was legitimated in 1938. Under the aegis of the first woman Cabinet member, Frances Perkins, President Franklin Roosevelt's Secretary of the Department of Labor, the Fair Labor Standards Act of 1938 (FLSA) was passed (Grossman, 1978). It defined a 40-hour maximum workweek for employees (29 U.S.C. Chapter 8, 207). The Bureau of Labor Statistics defines a part-time worker as one who works fewer than 35 hours per week. Part-time workers fall into two broad categories: *voluntary* and *involuntary*. These categories denote work choice. A voluntary part-time worker chooses to work part-time, while an involuntary part-time worker states a preference for, but is not in, a full-time job. Out of the 28 million part-time workers identified by the Bureau in 1997, 4 million worked part-time involuntarily (Employee Benefit Research Institute, 1997b).

Part-time workers represent 23.4 percent of the workforce. The median weekly earnings for a part-time employee in 1996 was \$144, compared with \$490 for full-time workers (Employee Benefit Research Institute, 1997a). However, most employers offer employees additional compensation for their labor. These benefits take the form of paid leave, retirement benefits, and health insurance. Employers are not likely to provide these incentives to part-time employees. This is particularly true of what the Employee Benefit Research Institute identifies as *secondary part-time* workers whose jobs require few skills and are brief in duration (1997b, p. 1).

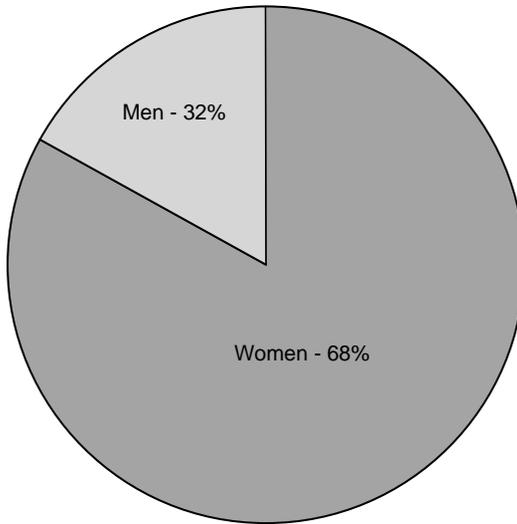
The data in Figure 20.3 illustrate how employer costs differ between full-time and part-time compensation per hour worked in 1996. Total benefits for a full-time employee is \$28.01, which is over three times the costs (\$9.19) for part-time workers. Accounting for the differences are wages, paid leave (vacation, holiday, sick), supplemental pay (premium pay, bonuses, special shift), insurance, retirement, and legally required benefits (social security, unemployment, workers compensation). For each of the benefits listed, costs for full-time employees are at least twice that of part-timers.

Differences between full- and part-time employment has a disparate impact on women. As Figure 20.4 illustrates, women represent about 68 percent of all part-time employees. However, estimates of part-time employment do not include all persons with part-time jobs. In 1995, about 6.5 million workers had a part-time job (or jobs), but were classified as full-time workers because their total workweek (at all jobs) was 35 hours or more (U.S. Department of Labor, 1996, p. 1). Of these multiple jobholders, 65 percent were women.

Multiple jobholders fall into one of three categories: (1) usually full-time on primary job and part-time on secondary job, (2) hours vary on primary and secondary jobs, and (3) usually part-time on primary and secondary jobs. Figure 20.5 provides a breakdown of how women, as multiple jobholders, divide their schedules to fill a full-time workweek. The most telling statistic is the 46 percent of these women who are combining part-time jobs to work close to 40 hours a week but do not gain the benefits associated with full-time employment.



**FIGURE 20.3.** Source: U.S. Census (1997). Labor Force Employment and Earnings, Table 676 in Statistical Abstracts of the United States, 1997. [Online]. Last accessed: February 1, 1998. Available: <http://www.census.gov/prod/3/97pubs/97statab/labor.pdf>.



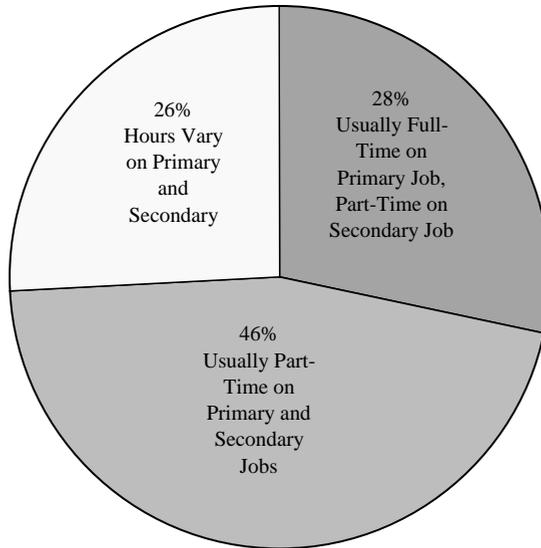
**FIGURE 20.4. Part-time Employment by Gender, 1995**

Source: U.S. Department of Labor, Bureau of Labor Statistics. (1996). A Different Look at Part-time Employment. *Issues in Labor Statistics*, 96–9. [Online]. Last accessed: May 6, 1998. Available: <http://www.bls.gov/pdf/opbils05.pdf>.

Why is the discussion of full-time and part-time employment germane to gender discrimination? Because tradition has developed a one-size-fits-all mode of thinking about paid time that accommodates workers who have someone else to run errands and tend to family matters. Employers have not developed compensation schemes that provide more flexible plans to accommodate workers who must pick children up at the end of a school day and manage a household. The balancing act that is required of women with child-care responsibilities is staggering compared to the husband who goes to work in the morning, comes home in the evening model that was legitimated in 1938.

### **Pay Equity**

Comparable worth as a wage policy was hotly debated in the 1980s. It sought to address pay disparity between women and men. The issue of pay equity came to fruition with passage of the Equal Pay Act of 1963, which mandated equal pay for equal work and Title VII of the Civil Rights Act of 1964, which made it illegal to discriminate on the basis of gender. However, pay equity does not account for occupational segregation in which women are implicitly confined to traditional women's work at lower overall salaries than men.



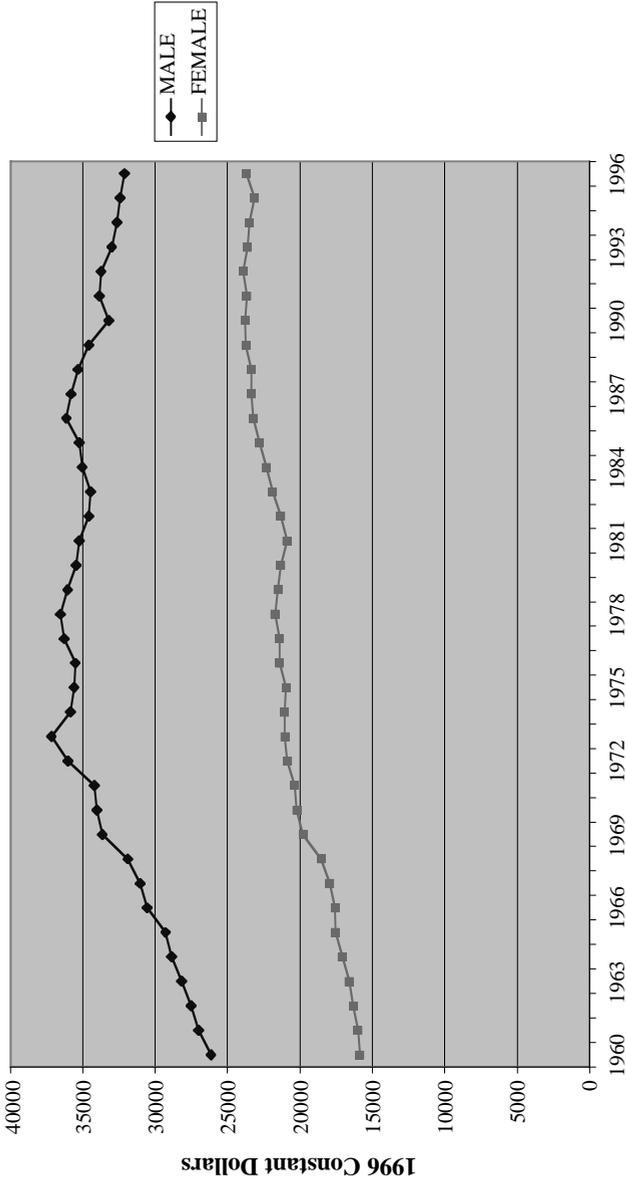
**FIGURE 20.5. Distribution of Women Workers on Full-Time Schedules with Part-Time Jobs, 1995**

Source: U.S. Department of Labor, Bureau of Labor Statistics (1996). *A Different Look at Part-time Employment. Issues in Labor Statistics*, 96–9. [Online]. Last accessed: May 6, 1998. Available: <http://www.bls.gov/pdf/opbils05.pdf>.

The dilemma of sex-segregated occupations sparked a debate about whether women should receive comparable salaries for jobs requiring comparable overall effort, skill, responsibility, and working conditions (Kelly and Bayes, 1988, p. 4). Opponents of comparable worth argue that it contradicts the free market system and it would be expensive to implement (Kelly and Bayes, 1988). Rarely is this radical notion even discussed today but the unfairness of current pay schedules lingers in the air. Figure 20.6 shows the persistence of the pay gap over more than a generation.

A representative workforce is expected in a government agency and aggregate data often show that more than half of an agency's workforce is female. However, a closer examination shows that women are segregated into lower-paying nondiscretionary positions while men are segregated into higher-paying posts with decision-making authority. Not until women are fairly represented in these positions can it be said that true representativeness exists.

To defend themselves against claims of gender bias, employers cite data on segments of their workforce. For example, at the end of 1997, the State of Florida reported that 29 percent of its top jobs were held by women. These top jobs, classified as senior management service, include 504 positions. The average senior manager is 49 years old, has 14.7 years of service, and earns \$82,000. Even in



**FIGURE 20.6. Median Income of Full-Time Employees by Gender**  
 Source: United States Census, Historical Income Tables—Persons Table 31. [Online]. Last accessed: February 1, 1998.  
 Available: <http://www.census.gov/hhes/income/histinc/p31.html>.

Florida's relatively progressive culture and looking at only the highest paid posts, men earn \$83,611 while women earn \$78,372 (State of Florida, 1997). This is a wage gap of about 93 percent, a far narrower gap than exists when pay is compared across all levels. The smaller gap is because only a very narrow slice of positions is included in the analysis. Across the board for all employers and all jobs, the pay gap lingers between 74 and 76 percent as shown in Figure 20.6.

### ORGANIZATIONAL JUSTICE

Fairness demands that women's skills be compensated in the same way as men's. Culture insists, however, that women's jobs are less valuable than men's. The tension that is inherent in this double standard complicates the HR function and obstructs the view of those with the authority and responsibility to level the playing field. Laws are on the books that provide legal protections, but only when an individual worker becomes so disgruntled as to sue does she actually stand a chance of benefiting. HR managers invite litigation, both individual suits as well as class actions, when they wait for employees to complain before taking action to ensure compliance with laws that forbid discriminatory practice.

As every HR manager learns, for every force there is a counter force and this comes in the form of backlash. Men, who have had the advantage in workplace systems, will not cede advantage graciously. There is tension between those who have had it and do not want to give it up and those who are newly enfranchised.

For women, there is little difference between gender framing and being boxed in a corner. The evolution of gender roles in the workplace reflects gender roles in the home. As women have entered the workforce in increasing numbers, tensions that in the past arose at home now arise in the workplace as well. What is public is private and what is private is public. Gendered frames for HR systems offer a case in point. Progress has been forward but halting. Laws that have been on the books for a generation are honored as much in the breach as in reality.

Why is it important to pay attention to gender issues? Because perceptions of inequity and unfair practices trump technology and interfere with productivity. Inequities that persist a generation after equal opportunity initiatives were, at least in concept, legitimated destroy confidence that the system is fair for everyone who plays according to the rules.

If history tells us anything, it is that not until the organizational architecture of HRM is changed will women realize the same economic standing as their male peers. The changing workforce, along with the demand for knowledge workers, requires reexamination of traditional classification and compensation. Underpaid secretarial posts must be upgraded if employers are to retain workers with the knowledge, skills, and abilities to cope with office technology and new ways to deliver services. Positions that formerly required high school education now require college preparation. Competent women who formerly had few job alternatives now have more and vote with their feet when asked to choose between low-paying, dead-end women's jobs and higher-paying jobs newly opened to them.

An organization's HR policies and practices represent the organization. When the HR function is consistent with the vision and mission of the organization, far more is achieved than when the HR function is outdated, time-worn, stagnant, and confronted with class action lawsuits. Contrary to the fact that some women have made it in the system as it currently operates, the exceptions prove the rule. HRM is the vehicle in each organization for changing gender power relations, leveling the playing field, and providing equal opportunity for women, not just at the entry gate but at checkpoints throughout the organization.

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## **Strategic Human Resource Management: Applying Technology to Function**

CAROLE L. JURKIEWICZ

The quantity and quality of technological resources in the public sector continue to increase (Kraemer, 1996), yet utilization of these resources lags behind their availability. This incongruity is most apparent in the functioning of the human resource department, though the practical benefit of such applications has been widely argued (Blanchette, 1994; Boudreau and Broderick, 1992; James, 1997; Wilcox, 1997). Few would contest the conclusion that technological application enhances productivity, output, cost reduction, accuracy, quality, and reliability (Yeung, 1995). Beyond the value of applying technology to increase the efficiency of the department's core competencies is the opportunity to harness technology to advance the strategic effectiveness of the department within the organization.

The resources managed by this department are increasingly viewed as the most critical to the organization and also the most complex and scarce. More broadly, the internal and external environments are in a state of profound flux, requiring a mediating influence within the organization to buffer and make sense of the complexities and their impact on performance. This is acutely so in the new era of performance-based measurement. The human resource department is now uniquely positioned to seize the opportunities presented and to expand the scope of their contribution to the strategic process. The tool needed to build such a foundation is available, requiring only strong leadership and creativity in its implementation. Applying technology to function is arguably the most pressing demand facing human resource departments today.

This chapter outlines a model for strategic intervention that details both the significance of achieving this goal, as well as specific methods to attain it. Given the opportunities afforded by a rapidly changing environment coupled with technological capacity, the human resource function has an unprecedented opportunity to enhance its strategic role within the organization. To take on this central role in shaping the performance of organizations into the future, human resource professionals must concern themselves with the application of technology to function. Seizing this opportunity can have far-reaching effects for the future of human resources management and for the performance of the sector as a whole.

### **THE EVOLUTION OF STRATEGIC HUMAN RESOURCE MANAGEMENT IN THE PUBLIC SECTOR**

The new framework of human resource management represents a shift from a rigid bureaucratic structure to a strategic one (Perry and Mesch, 1997). Centralized, hierarchical decision-making is becoming decentralized and deregulated. Uniform policies are giving way to customized ones. Generalists are replacing specialists. Competency assessments are shifting away from process maintenance toward measurable outcomes. The tools for moving from a conceptualization of effective, efficient workplaces to a realization of them require two primary components: effective change agency and the application of technology.

In part due to the mandate for public sector reform, in part due to the increasing complexities with which human resource managers must contend, this function is no longer relegated to a peripheral role in making and administering public policy. Personnel decisions have, in themselves, become matters of policy and expressions of political values. The opportunity this presents for moving the human resource function to a role of strategic importance and regard is one that cannot, and should not, be underestimated. The political consequences both intra- and inter-departmentally, as well as the motivational and progressive ramifications for public sector employees, are inestimable at this point. What is clear is the need for restructuring the work of human resource professionals, enabling them to redirect the 80 percent of their time currently spent on repetitive, simple tasks (Yeung, 1995), and expand their availability to deal with future-oriented human resource activities. Applying existing technologies in strategic, outcome-based ways is clearly an essential step toward achieving this end (Davis, 1989; Greengard, 1998; Perry, 1993).

While the personnel function has played a vital role in public administration even prior to the ratification of the Constitution, its place has traditionally been one of relative obscurity. When attention has been focused upon it, it has historically been from a perspective of bureaucratic ridicule, exemplified in Wally Sayre's (1948) remark that public personnel management is the triumph of technique over purpose. The civil service has been a target of reform since its inception. From its evolution over the years from basic record-keeping, patronage tracking, and documentation provision to employee advocate, administrative partner,

and, now, an agent for change, the personnel function has been driven by three predominant values:

- the search for strong, effective leadership;
- the need for politically neutral, competent employees; and
- the desire to replicate the demographic diversity of the American populace within the public service (Gordon, 1992).

Added to these catalysts for functional change is another purpose, reflecting the new role of human resource management: that is, navigating the process of strategic change.

Forces for strategic change have also been imposed from outside the organization. The globalization of virtually all economic activity has spurred the development of new organizational designs, structures, and processes. Demographically, an aging workforce, shifts in unemployment, multiple income households, increased diversity, and lower birth rates have imposed changes in the basic functions of the human resource department. New technologies, and applications of those technologies, provide opportunities for organizations to maximize employee performance and have changed basic conceptions of how, what, who, and when work is performed. Coupled with changes in laws, policies, politics, socioeconomics, education, competition, work ethic, and organizational culture, the very nature of work has changed.

### **Dimensions of Human Resource Management**

The modern purview of human resource management within the public sector extends beyond the traditional framework of policy development, service delivery, and compliance. Quasi-governmental organizations such as government corporations (e.g., FDIC), government-sponsored enterprises (e.g., United States Postal Service), and regulatory enterprises (e.g., Federal Aviation Administration) also round out the picture. While nonprofit organizations are frequently included in this umbrella, they are intentionally excluded from this synopsis.

These dimensions are represented as a sphere in Figure 21.1 (adapted from Jurkiewicz, 1998, p. 18). Each wedge of the sphere represents one of the six dimensions of human resource management. Central to all of the dimensions is a set of core competencies that the department provides to the organization. The various factions are equally dependent upon these competencies and cannot function without the procurement, provision, and distribution of human resources. Reconfiguring these competencies as strategic elements in organizational performance is an essential requirement in positioning the department for future growth.

Extending beyond the core competencies is the field of strategic influence. The opportunities for influence in policy development, service delivery, and compliance are relatively greater as indicated by the size differential. Stability and standardization have increased dependencies on the human resource function within

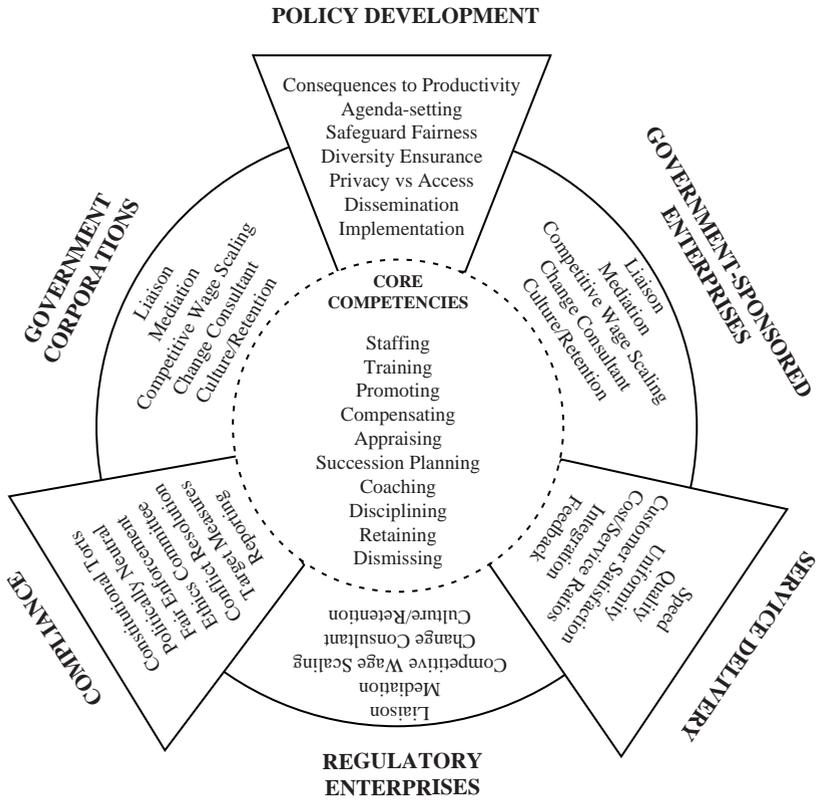


FIGURE 21.1.

these factions. Environmental uncertainty and market volatility increase the scope of influence for marketing and finance, more so than human resources, within government corporations, government-sponsored enterprises, and regulatory enterprises. Applying technology to both the core competencies and the opportunity for influence enhances the likelihood of efficiency and effectiveness.

**Policy Development.** Opportunities for strategic influence here include aligning aspects of formal policies to their predicted behavioral consequences among employees and translating those consequences into measures of productivity. Setting the agenda by virtue of cross-scheduling can influence the spin on policy development. Safeguarding fairness and ensuring a diverse background of contributions to policy is politically astute and no department is better positioned to monitor this than is human resources. Advising policy makers on issues of privacy and access of information by employees, and how information will be disseminated, is justified in terms of maintaining employee commitment and productivity. The effective implementation of policy depends upon skillful introduction,

support, and enforcement; again, the human resource professional is singularly best qualified to spearhead this effort.

**Service Delivery.** The uniformity of services provided and the speed and quality of delivery are essentially measures of employee performance. Within control of the measures and their reporting lies an opportunity to influence service provision more generally. Likewise with analysis of cost-to-service ratios and customer satisfaction, these activities can easily be construed as performance feedback. The integration of employee function and service delivery can be inextricably linked through application of data management technologies.

**Compliance.** Advising alongside legal counsel regarding the possibility of constitutional torts in response to employee performance is both wise and prudent. Acting as a trusted third party in compelling political neutrality and fair enforcement provisions, the human resource professional is an overseer of compliance initiatives. Offering expertise in conflict resolution and ethical decision-making is key to effectiveness in this unit, and the human resource department is the natural internal consultant on these issues. Measuring and reporting as an objective and skillful third party imbues an element of trust no other department can provide.

**Government Corporations, Government-Sponsored Enterprises, Regulatory Enterprises.** The strategic influence the human resource department can exercise in these units, beyond the skillful execution of the core competencies, arises from the quasi-public environment in which they operate. Acting as liaison between these units and the traditional bureaucratic structure reduces conflict for both and ideally positions the human resource function. Providing mediation internally and externally opens an avenue through which the skills of human resource management are highlighted. So, too, does the role of a change consultant. Designing and implementing competitive wage scaling is another area in which human resources can contribute strategically to the success of the units. Finally, monitoring and measuring the effects of changeable culture on employee performance and retention is essential for optimizing organizational performance.

The scope of human resource management in the public sector is broadened and strengthened by the application of technology. Every intervention described can be done more efficiently and economically by utilizing advanced methods of managing inputs and outputs. The essentiality of this application to the strategic positioning of human resource management in the public sector cannot be overestimated.

### APPLYING TECHNOLOGY TO PUBLIC SECTOR REFORM

The use of computerized technology in the public sector has ballooned over the past 15 years (Kraemer, 1996), and the pace of technological application continues to increase (Newcombe and Fusilero, 1998). Fueled in part by decreasing costs for computer equipment along with increasing calls for efficiency, the implications for managing human resources is enormous. Both in terms of staffing and training computer-savvy employees, as well as incorporating technology into

the basic and strategic functions of the department, human resource professionals are positioned at the nexus of this cultural shift. The foundations of public sector reform are rooted in innovation, and computerized information systems are inextricably bound to organizational innovation.

Technological applications in federal, state, and local governments have heretofore been limited to operational processes to increase efficiency (Kraemer, 1996; Kraemer and Kling, 1998). The time has come to extend beyond efficiency toward effectiveness. Yet use of information technology toward these ends is neither tracked nor encouraged (Kraemer, 1996). To those not accustomed to strategic applications of technology, they are generally introduced as an afterthought: once a goal has been targeted, technology is addressed in terms of how it can achieve the goal, or let the unit know when they've arrived. To be of greatest strategic advantage, technology should be an integral part of establishing the goals, as well as the path for getting there.

As public sector reforms lead to the integration of competition with governance (Osborne and Gaebler, 1992), many organizations have the opportunity to apply information technology in ways to further optimize performance. It is well documented that technological application efforts enhance productivity, output, cost reduction, accuracy, quality, and reliability (Yeung, 1995). The human resource function, traditionally viewed as tangential to the core purposes of organizational performance, lags behind in adopting technological applications, though the value of such applications has been widely argued (e.g., Blanchette, 1994; Boudreau and Broderick, 1992; James, 1997; Kraemer (1996) Wilcox, 1997). goes so far as to proclaim these applications as key to achieving organizational payoffs. Furthermore, the continued emergence of the human resource function from one of maintenance to one of strategic value (Jurkiewicz, Massey, and Brown, 1998) requires levels of efficiency and accessibility unachievable without the application of technology (Danolewicz, 1997; James, 1997; LeTart, 1997; Tenner, 1996; Wilson, 1997). Given the low priority human resource expenditures are generally given in the budget (Blanchette, 1994), this strategic emphasis calls for greater creativity on the part of human resource professionals (Savoie, 1993).

Advancing the technological agenda depends upon a redesigned human resource function (Kraemer, 1996). One that is both proactive in advancing particular applications and reactive in responding to the application needs of other departments, positions the department as both a leader and a resource support. Occupying the balance between these two dimensions dramatically increases the strategic value of human resource professionals in general. The impact of this positioning creates circuits of influence toward those departments struggling with reform. By expanding the impact of available resources the human resource function can be elevated to the position it has earned, one of leadership, accountability, and innovation (Greengard, 1998; LeTart, 1997; Wilson, 1997).

Ironically, human resources is arguably the least ideologically constrained department in the public sector in applying technology. While other departments

must confront the possible destabilizing effects of technologically communicated information on institutional procedures, given that accountability and public access are prescripts under which many governmental organizations operate, human resource communications are generally protected by individual privacy provisions, excepting the basic policy and informational messages it widely broadcasts. While an emphasis on access engineering allows for greater scrutiny of managerial actions, the human resource professional is routinely accustomed to functioning under such oversight (Cooke, 1997).

It is of course no easy feat to, in effect, reposition the human resource function within the administration and culture of the organization. It is said that half to three-quarters of reengineering projects, such as the one discussed here, fail due to lack of managerial acceptance and support of the change (Kleiner, 1995), further to a lack of effective planning and strategic design (Aden and Stanard, 1998). Yet the public sector managers have no realistic choice, if they are to be a part of the future, but to face the necessity of change squarely, and to the extent possible lead and manage the change (Eadie, 1996). The forces preventing change compete with a variety of policy initiatives and public clamors to effect it (Cats-Baril and Thompson, 1995; Handy, 1989; LeTart, 1997; Osborne and Gaebler, 1992; Verma and Cutcher-Gershenfeld, 1996; Wilson, 1997). The forces acting to perpetuate the traditional role and operation of the human resources department are especially strong during the time of reform (Karp, 1996), as one of the elements feared most in organizational change is how it will affect individual employees wages, benefits, and very existence of a job. In such a light, a stagnant state is more than welcomed; it is generally embraced. Paradoxically, a time of reform is exactly when human resources must be proactively managed, at the forefront of efforts toward restructuring, cultural shift, integration, and communication.

The traditional model is further difficult to dislodge as the initial time investment in applying technology is substantial. This contrasts with the immediate perspective of being so overwhelmed by manual tasks; human resource professionals feel they have no time to implement changes they know will make their lives easier in the long term (Blanchette, 1994). This reticence is further strengthened by the lack of identifiable payoff for exerting the effort necessary to implement the changes. The need for effective leadership in both articulating the need for change as well as the measurable benefits to be received is essential in this regard. Clearly, the application of information technology is the single most important element in correcting this inequity. Because human resource professionals of the future will be increasingly called upon to think and act strategically, the mundane tasks of record-keeping must be undertaken using technological solutions.

### **APPLYING TECHNOLOGY TO THE CORE COMPETENCIES**

Applying technology to the core competencies of the human resource function can best be discussed within a framework of functional categories. A series of

suggestions are offered. The suggestions are organized into three operative categories:

- Decision support systems,
- Client (employee) access, and
- Internet resources.

The list below offers specific suggestions for application and implementation. They are intended to both introduce the notion to those to whom it is unfamiliar, and expand it for those already aware of its potential. For less-developed public administrations around the globe, where the human resource function is typically managed by someone without formal education in the area, the list may become a powerful tool for advancement. This listing is by no means exhaustive, nor does it name copyrighted software programs designed to address human resource processes. Rather, it is representative, timely, and specific, requiring only basic word processing and spreadsheet software, and Internet access. Such technology is readily accessible by nearly all public sector employees (Kraemer, 1996).

### **Decision Support Systems**

There are numerous ways in which technological applications can provide decision-making support in effecting public sector administration and reforms. The listing below is intended to serve as a catalyst in expanding the strategic relevance of the human resource function within this core competency. Technological applications can offer the following:

- Benchmark demographic and fiscal data against broader standards to assess competitive and progressive human resource strategies
- Maintain and analyse compensation and benefit systems
- Continually measure and report compliance with government policies
- Coordinate and consolidate employee and departmental functions for maximum efficiency
- Create a weekly record of individual performance, goals set, the degree to which they've been met, how that contributes to performance appraisal measures, and how these collectively represent productivity measures for the organization
- Create employment-related contracts, though the enforceability of electronic commerce has yet to be determined in many areas
- Decentralize organizations and operations
- Disseminate rules, policies, and proprietary rights equally and uniformly
- Eliminate time-consuming manual processes
- Increase accessibility to shared information
- Integrate inter-departmental databases for meta-analyses
- Maintain basic employee records to allow for easy accurate analysis in preparing reports

- Maintain records of correspondence between department and employees, insuring fair and accurate reporting and accessibility, and preserving authorship information of all electronic transmissions
- Measure and report the effectiveness of technological applications in other departments as regards the workforce in general
- Provide decision-making support to strategic questions facing the organization as a whole, such as skill sets, utilization measures, morale, and education
- Record coaching and counseling sessions and results leading to possible termination
- Restructure the workforce for maximum utilization and productivity
- Create a resume database of current and prospective employees, analyzing for measures to predict productivity and performance
- Create and continually update succession planning
- Transmit information on new hires, informing all relevant functions, departments, and individuals

### Client Access

The utility of technological applications in streamlining employee access to information and the human resource department's communication of data to employees is arguably the fastest growing initiative. Specifically, they can offer/serve to

- Administer compensation programs, evaluations, and assessments
- Allow employees to initiate or alter benefit enrollments
- Assess training effectiveness through online evaluation
- Communicate, measure, and monitor employee assistance programs, their utilization, and effectiveness
- Compose a directory of office locations, e-mail addresses, and phone numbers of all employees
- Create a directory of labor and employment law references
- Create a medium for filing health claims that sidesteps intensive manual labor methods
- Create a voice-mail or electronic mail innovation suggestion box
- Create intranets for the sharing of timely, organization-specific information
- Enable the smooth and effortless transfer of information between and among the department and employees
- Establish a centralized voice-mail or system intranet site to handle frequently asked inquiries
- Establish an anonymous medium for whistle-blowers
- Explain in detail the various flex benefit plans available
- Immediate access for retirees of benefit and pension information
- Instantly communicate shifts in programs or policies
- Instantly update materials and policies, effecting change at a more rapid rate
- Institute automated skills training for employees
- Institute long-term measures of training effectiveness

- Maintain and communicate employee schedules, including vacations and other time away from work
- Maintain records of training attendance and advancement
- Maintain time and attendance records
- Make commonly used forms electronically available and accessible for printing
- Present the full encyclopedia of available benefit plans, with detailed explanation
- Provide equal access for everyone and insure uniformity of messages sent, as well as confirm receipt of information sent and provide a record of distribution
- Provide for pre-employment or pre-promotion psychological and skills testing
- Publicize career development opportunities to all with equal access
- Recruit for positions internally, ask for external referrals
- Reduce time spent explaining policies, procedures, and answering questions

### Internet Resources

The Internet provides immediate and free access to an array of information useful to human resource professionals. Albeit a very small sample of what is available, the following listing of representative topics shows the type of information available. Included in the Appendix are URLs for specific sites that provide this information. As technology changes so rapidly, updated verification of site locations is recommended, though all sites were viable as of the writing of this chapter. For an online dictionary of Internet terminology, the reader is referred to <http://whatis.com>.

- Affirmative action
- Benefits
- Compensation
- Drug testing
- Employee background checks
- Employee handbooks
- Employee participation
- Employee relocation
- Ethics
- Glass ceiling in government
- Human Resource Information System (HRIS)
- HR strategy
- Job analysis
- Job safety
- Labor management
- Maintenance of competitive workforce
- Mediation
- Mentoring programs
- Performance appraisals
- Practical concerns about HR issues
- Recruitment

- Reference checks
- Retirement
- Selection
- Sexual harassment
- Succession planning
- Telecommuting
- Training and productivity
- U.S. Labor Statistics of all kinds
- U.S. Social Security benefits
- U.S. workforce economics
- Unions
- Whistle-blowing
- Work/family conflicts
- Workplace stress
- Workplace violence

### IMPLEMENTATION

People do not change as quickly as technology does. In his best-seller, *Megatrends*, John Naisbitt (1995) used the analogy of an automobile to illustrate the rapidity of this change. He demonstrated that if similar progress had been made in automotive technology, a Lexus today would cost \$2, travel faster than the speed of sound, and would go 600 miles on a thimble full of gas. Yet, even since the time of his writing in 1995, the rate of change has surpassed even this relative level. On average, the information supply made available through technology doubles every 5 years, while computing power is 8,000 times less expensive than it was 30 years ago, according to Pritchett (1998).

The application of technological advances in the workplace tends to cause abrupt shifts in performance norms. Information that used to appear in only one place at a time can, with technology, appear simultaneously whenever and wherever it is needed. While complex work could only be performed by “experts” yesterday, even novices can perform expertly today. Where staff were required to be physically present to perform their tasks, they can now manage information from remote locations. The strategic application of technology in human resources is a perfect auxiliary and catalyst to the introduction of public sector reform. Organizations can now be both centralized and decentralized. Accountable decision-making becomes the responsibility of everyone. Time frames from idea conception to implementation are reduced to a small fraction of what they once were. Revisions and updates can be instantaneous. Client contact can be measured in terms of its cost-effectiveness. Despite these many benefits, change will require the ability and willingness of the workforce to adapt to the change, while still remaining open for subsequent change (Danolewicz, 1997).

## IMPLICATIONS

Effective application of technology to promote the strategic role of the human resources department as a key element of reform can be defined by three employee-related factors:

- Acceptance of the spirit as well as the particulars of the change process;
- Individual ownership in the success of the initiative; and
- Perpetuation of a culture of change. (Beer, 1980; Drucker, 1995; Senge, 1990)

To the extent these factors are achieved, the culture of the organization becomes redefined to create an environment where change is expected and future resistance is minimized (Joyce and Slocum, 1990; Thompson and Luthans, 1990).

The strategic advantage of technological applications must be clearly merged with the objectives and mission of the department in order to reduce the perceived risk associated with its implementation. Even if employees may understand at a cognitive level that change is necessary, the emotional response is to avoid it. Resistance to change, particularly discontinuous change, is most often emotional and nonrational (Handy, 1989). To reduce resistance to technology and effect change, employees must have trust in the vision and the process (Osborne and Gaebler, 1992; Nahavandi, 1997), and in the integrity and power of the administrator to affect that vision (Kotter, 1996; LeTart, 1997; Mohrman, et al., 1989). People do not resist change per se, rather they perceive consequences of change. Fear of the unknown is the most powerful resistor known. Administrators must clarify the consequences of the planned change in order to decrease resistance. Accordingly, resistance increases with lack of clarity.

The importance of planning cannot be overestimated in moving the human resource department toward more advanced uses of technology (O'Connell, 1994). Detailing the current problems that will be addressed by the change is an important first step in establishing dissatisfaction with the traditional model (LeTart, 1997). Assigning key roles such as the designated leader, team members, consultants, and management information system staff to competent individuals with strong positive reputations is essential. Communication of the effort, along with a detailed list of resources to be called upon in the event of potential problems, is another element not to be overlooked. Widely distributed progress reports and time-frame monitoring are key to keeping the effort on track (O'Connell, 1994).

Encouraging the use of the Internet at work introduces the possibility that employees may access inappropriate sites. Recent U.S. court decisions have upheld employer rights to restrict employee access to nonapproved Internet sites on employer-owned equipment (Willard, 1997), though most organizations do not monitor employees' Internet access. Such inappropriate use of resources is an issue relevant to all nations and one growing in importance. Another caveat in the use of the Internet is "cookies." Cookies are pieces of information generated from a Web server and stored in the user's computer affording future access. They

are stored in the user's computer without their knowledge or consent, and distant servers can monitor and trace all future Internet sites accessed by the user's computer (Mayer-Schonberger, 1997). These monitoring activities could compromise the confidentiality of the organization and potentially cause embarrassment. While certainly the Internet is a useful tool for strategic human resource initiatives, it requires careful management.

### **The Future of Public Sector Resource Management**

Organizational and environmental circumstances have culminated in an unprecedented opportunity for the management of human resources to rightfully occupy the same level of strategic importance and influence, as does the management of financial, natural, or capital resources. Technology can both move this agenda forward and cement its presence into the next millennium (Cooke, 1997). Several directives suggest themselves:

- Link human resource functions to the strategic planning process;
- Align human resource policies with organizational strategies;
- Develop personnel generalists by integrating functional activities;
- Delegate personnel administration and management responsibility; and
- Create interactive information systems to enhance the role of the human resource professional as an intra-organizational consultant.

#### ***Linking human resource functions to the strategic planning process***

This needs to be done both formally and informally. Formally, it is important to have a human resource management representative present during all strategic planning sessions and actively contributing to such sessions. Clearly communicate the role of human resources in assisting all departments in achieving their goals. Informally, take a proactive approach in establishing relationships with key strategic figures from other departments, learning of their needs and concerns and sharing your own. Electronic mail, computer-assisted team building techniques, list serves, and data sharing are effective ways in which to employ technology toward this end.

#### ***Aligning human resource policies with organizational strategies***

Be sure the stated goals of the department and the organization are synonymous in terms of strategic intent. Be comprehensive in scope and assist others in identifying the connection between attainment of organizational objectives and human resource department objectives. Word processing programs, analytic software, software graphics, and, again, electronic mail can provide essential support for these activities.

***Developing personnel generalists by integrating functional activities***

Provide cross training, Intranet connectivity, and program support for integrative initiatives. Mirror this focus in recruitment and selection efforts for human resource personnel. Utilize Internet job analyses, position posting, and recruiting sites. Scan resumes into a database and search for key criteria consistent with organizational goals. Apply technology to develop, disseminate, and measure the effectiveness of training programs in this regard. Applying technology to enhance the ability to integrate large volumes of information is essential in developing human resource generalists. As a corollary, employees must be empowered to input and retrieve human resource information on their own, whenever possible.

***Delegating personnel administration and management responsibility***

Consider vertical decentralization of traditional human resource functions and encourage generalist involvement. Establish performance contracts with other departments that further align achievement of strategic organizational goals with human resource initiatives. Online employee scheduling, tracking, goal setting, and performance appraisal, as well as a resource library, can assist in achieving these outcomes.

***Creating interactive information systems to enhances the role of the human resource professional as an intra-organizational consultant***

Such systems should emphasize the importance of empowerment and accountability and allow for increased complexity of task involvement as well as increased employee flexibility. Creating intranet libraries, access, and links to relevant Internet sites, electronic newsletters, interactive communication forums, and topical chat rooms can effectively enhance the transferability of knowledge.

Human resource management in the public sector is in a state of profound evolution, if not revolution. Whether the Winter and Gore reports, whose call for reform revolved around the personnel function, ignited the movement or provided the fuel is a matter of debate if not semantics. Indisputable is the fact that the pace of change has accelerated rapidly over the past 5 years, and shows no signs of slowing. The public sector is on the verge of a paradigmatic shift, both internally and externally, and the human resource function is at the forefront of the movement. Crucial to the effectiveness of this initiative is the application of technology to function.

Lawrence and Lorsch (1967, 1969) long ago recognized the efficacy of matching the level of organizational complexity to the environment. So, too, must the human resource department match itself to the growing complexity of the environment in which it operates. The strategic application of technology to the traditional aspects of human resource management will significantly streamline those functions and allow more time for adding organizational value. Going

beyond the traditional, technological application enhances the strategic value of the department to the organization and to the sector as a whole.

Dramatic and unprecedented changes in the public sector are transforming the process and practice of work (Handy, 1989; Verma and Cutcher-Gershenfeld, 1996) and the need for a strategic focus in human resource management (Osborne and Gaebler, 1992; Osborne and Plastrik, 1997). Just as change is inevitable, so is resistance to change natural. As Machiavelli (1513, p. 25) astutely noted, "There is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things. For the former has enemies in all who profit by the old order, and lukewarm defenders in all those who would profit by the new order."

## APPENDIX

### Selected Human Resource Management Web Pages

#### ***Affirmative action:***

<http://www.auaa.org>  
<http://www.wdn.com/cir/index.html>

#### ***Benefits:***

<http://stats.bls.gov:80/proghome.htm>  
<http://www.swbc.com/401k.html>  
<http://www.eease.com>  
<http://www.dol.gov/dol/esa/fmla.htm>  
<http://www.dol.gov/dol/pwba>  
<http://members.aol.com/hrmbasics/index.htm>  
<http://www.he.net/~basic/basic/cafter.htm>  
<http://www.washingtonpost.com/wp-srv/politics/special/affirm/affirm.htm>

#### ***Compensation:***

<http://www.stats.bls.gov>  
<http://www.altavista.digital.com>  
<http://www.eneews.com>  
<http://www.wageweb.com>  
<http://www.execunet.com>  
<http://www.bizcenter.com/skillpay.htm>  
<http://www.futurestep.com>  
<http://www.workforceonline.com>

***Drug testing:***

<http://dol.gov/dol/asp/public/programs/drugs/workingpartners/beyer.txt>  
<http://www.hazelden.com/hazl/common/htm/resource.htm>  
<http://www.drugfreeworkplace.org>

***Employee background checks:***

<http://www.integctr.com>  
<http://www.cpsr.org/dox/prc.employment.html>  
<http://www.vjf.com/pub/HRdept/articles/summary.html>  
<http://www.informus.com>

***Employee handbooks:***

<http://www.shrm.org/hrlinks/policy.html>

***Employee participation:***

<http://www.saic.com/fed/uscompanies/labor>

***Employee relocation:***

<http://www.erc.org/research/tips.htm>  
<http://www.homefair.com>

***Ethics:***

<http://condor.depaul.edu/ethics/sun23.html>  
<http://www.hightechcareers.com/docs596/ethics596.html>  
<http://www.aspanet.org>  
[http://www.uncc.edu/colleges/arts\\_and\\_sciences/polisci/ethics.html](http://www.uncc.edu/colleges/arts_and_sciences/polisci/ethics.html)  
<http://www.icma.org>

***Glass ceiling in government:***

[http://www.ilr.cornell.edu/library/e\\_archive/Glass Ceiling/](http://www.ilr.cornell.edu/library/e_archive/Glass%20Ceiling/)

***HRIS:***

<http://www.fau.edu/rinaldi/net/index.htm>  
<http://www.courtvtv.com/seminars/handbook>

<http://www.gol.org>  
<http://www.dci.com/brochure/osorl/track6.htm>  
<http://www.year2000.com/y2k-main.html>  
<http://www.usgs.gov/npr/npr-3/npr-3-3.html>

***HR strategy:***

<http://www.csban.org/bgt/hr/planind.html>  
<http://www.apqc.org/apqchome/hralign.htm>  
<http://www.shrm.org/docs>

***Job analysis:***

<http://www.ttrc.doleta.gov/database/research-lib/SKILLSTD>  
<http://www.all-biz.com/articles/jd.htm>

***Job safety:***

<http://bocaraton.com/ncci/ncfom5.htm>  
<http://venable.com/BUSINESS/TRAUMA.HTM>  
[http://www.isdesignet.com/May'95/Ergonomics\\_Light.html](http://www.isdesignet.com/May'95/Ergonomics_Light.html)  
<http://www.osha.gov>  
<ftp://stats.bls.gov/pub/news.release/cfoi.txt>  
<http://www.Nashville.Net/~police/risk>

***Labor management:***

<http://www.imb.com/map/dm1095.html>  
[http://www.dol.gov/\\_sec/public/media/reports/worktogether/cover.htm](http://www.dol.gov/_sec/public/media/reports/worktogether/cover.htm)

***Maintaining competitive workforce:***

<http://www.careerdynamics.com/knowwork.html>  
<http://www.hightechcareers.com/docs/diversity.html>  
<http://www.workforceonline.com/cgi-bin/workforceonline/wrapper>

***Mediation:***

<http://www.adr.org/guide.html>  
<http://www.adr.org>

***Mentoring programs:***

<http://www.cnnfn.com/mybusiness/9601/29/mentors>

***Performance appraisals:***

<http://www.webpage.com/hindu/951021/05/2127a.html>

<http://www.csban.org/bgt/hr/evalcom.html>

<http://www.eneews.com>

<http://www.zigonperf.com>

<http://www.pathfinder.com/welcome>

***Practical concerns about HR issues:***

<http://www.shrm.org>

***Recruiting:***

<http://www.hrads.com>

<http://www.cweb.com>

<http://www.ajb.dni.us>

<http://www.dejanews.com>

<http://www.altavista.digital.com>

<http://www.intel.com/proshare/conferencing/index.htm>

<http://www.careermag.com>

<http://www.careermosaic.com>

<http://www.jobcenter.com>

<http://www.occ.com>

<http://www.joboptions.com>

<http://www.espan.com>

<http://www.hrworld.com>

<http://www.helpwanted.com>

<http://www.fedworld.gov/jobs/jobsearch.html>

<http://www.jobweb.org/search/jobs>

***Reference checks:***

<http://www.courtstv.com/seminars/handbook/borrome1.html>

***Retirement:***

<http://www.ssa.gov>

[http://www.fidelityatwork.com/int/ne\\_all.htm](http://www.fidelityatwork.com/int/ne_all.htm)

<http://law.house.gov/100.htm>

<http://www.ge.com/capital/insurance/ci16.htm>  
<http://www.occ.com/occ/NBEW/OutplacementConsultant.html>

**Selection:**

<http://sunsite.unc.edu/personality/faq-mbti.html>  
<http://www.fastcompany.com>

**Sexual harassment:**

<http://www.uakron.edu/lawrev/robert1.html>  
<http://www.feminist.org/911/harass.html>  
<http://www.ed.gov/offices/OCR/ocrshpam.html>

**Succession planning:**

<http://www.all-biz.com/success.html>  
<http://www.kaplan.com/career>

**Telecommuting:**

<http://smartone.svi.org/PROJECTS/TCOMMUTE/TCGUIDE>  
[http://www.att.com/Telecommute\\_America](http://www.att.com/Telecommute_America)  
<http://www.pacbell.com/Lib/TCGuide>

**Training and productivity:**

<http://www.careermag.com/newsarts/special/1016.html>  
<http://www.csban.org/bgt/hr/traineo.html>  
<http://www.askintl.com/10reasns.html>  
<http://www.inel.gov>  
<http://www.ig.org>  
<http://www.customcrosswords.com>  
<http://www.cyberair.com/faa/jtm/student/chapter7.html>  
<http://www.info.rutgers.edu/Computing/Newsletter/RN53/zielinski.html>  
<http://www.propoint.com/moreppi.htm>  
<http://enet.hq.ensco.com/apps/cbt.html>

**U.S. Labor Statistics of all kinds:**

<http://stats.bls.gov>  
<http://www.ssa.gov>

***U.S. social security benefits:***

<http://www.ssa.gov>  
[http://www.fidelityatwork.com/int/ne\\_all.htm](http://www.fidelityatwork.com/int/ne_all.htm)  
<http://www.cas.muohio.edu/~security>

***U.S. workforce economics:***

[http://194.98.0.197/APP\\_USA/E\\_APP\\_USA\\_ECON.html](http://194.98.0.197/APP_USA/E_APP_USA_ECON.html)  
<http://www.law.vill.edu/fed-agency/fedwebloc.html>  
<http://stats.bls.gov/news.release/ecec.toc.htm>

***Unions:***

<http://www.aflcio.org>  
<http://www.courttv.com/seminars/handbook/unions.html>

***Whistle-blowing:***

<http://www.courttv.com/seminars/handbook/whistlju.html>

***Work/family conflicts:***

<http://www.prb.com/html/cwkfam.html>  
<http://www.wd.org/wls/hrfunc.htm>

***Workplace stress:***

<http://www.processes.org/stress.html>  
<http://www.vhc.com/welness/strstst.htm>  
<http://www.awhp.com/#anchor322033>

***Workplace violence:***

<http://www.mcp.com/6076911171515267/phdirect/business/quiz/quiz.html>  
<http://www.amdahl.com/ext/iacp/pslc1.section2.html>  
<http://www.stayout.com/violence.html>  
<http://www.cdc.gov>  
<http://www.execpc.com/~cpi/weaponweb.html>  
<http://www.workforceonline.com/members/research/security/31541.html>

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## Strategic Public Sector Labor Relations and High Performing Workplaces: Confrontation or Cooperation?

DAVID G. CARNEVALE

Organizational strategy is the pattern of decisions, actions, and behaviors that enable an organization to realize its mission (Carnevale, 1998). Strategic thinking takes into account an organization's internal and external strengths, weaknesses, opportunities, and threats. The general idea is to build on possibilities and block or correct system weaknesses (e.g., Bryson, 1995; Nutt and Backoff, 1992). In open system terms, there are a considerable number of internal and external strategic variables that require the attention of organizational strategists. One of the most crucial intrinsic strategic factors is the nature of the organization's relationship with its own employees. Without the support of workers, strategic plans flounder.

Since the early 1980s, a series of management reforms have emphasized excellence, empowerment, group learning, employee participation, trust, and deep change in organizational cultures. All of these ideas are intended to get the most out of an organization's human resources. In unionized settings, these objectives are customarily realized through collective bargaining processes between employers and employee organizations. The bargaining table does not concentrate just on wages anymore. Health care, safety, and grievance processes are coming to the fore.

How management and labor choose to handle their employee relations responsibilities is especially critical in the government sector because the extent of organization of public workers far exceeds that found in the private sector (Kearney, 1992). The typical union member in America today, for example, is

a schoolteacher, firefighter, police officer, social worker, correctional officer, or highway maintenance worker. The characteristic American trade unionist is no longer a steelworker, autoworker, or long-haul truck driver. As a result of this new reality, practitioners of public administration face different strategic considerations than their private counterparts because they are more apt to administer their organizations under conditions where unions have a right to bargain contracts, file grievances, or process unfair labor practices over the creation and implementation of strategic policy. The strong presence of labor organizations in the government domain constrains the ability of leaders of public institutions to act unilaterally concerning strategy formation and implementation. Usually, government leaders at every level have little option but to consult with labor organizations on strategic matters. Bilateralism concerning numerous strategic issues, particularly those dealing with human resources administration, cannot be unilaterally implemented in government. Unions can say “no” to things they find objectionable or trade a “yes” for some benefit part of their negotiating objectives.

Labor organizations have strategic objectives too. They have membership expectations concerning wages, hours, and other terms and conditions of employment. They may have organized rivals looking to raid their members and they feel pressures from state, regional, or national labor bodies to increase membership or successfully negotiate contract language that supports broader labor strategies. Unions also have a legal mandate to conduct their affairs consistent with “a duty of fair representation” standard that obligates them to discharge their representational responsibilities in good faith on behalf of members and nonmembers alike. As a result, unions are predisposed to confront management on a wide range of policy issues. Unions perceive collective bargaining as the primary vehicle to realize their strategic objectives. Collective bargaining is a union’s most important strategic weapon. Grievance procedures are also seen as a method to advance strategic goals during the period of contract administration, the time following the execution of an agreement and before the reopening of the next round of negotiations for a new contract. This period can last years. To extend their influence, unions will also push their strategic agenda away from the bargaining table. They may take strategic issues, for instance, into the public political process. There is a strong political dimension to public unionism and it is ordinary behavior for labor organizations to endorse candidates for public office, work in campaigns, and to lobby legislative bodies even during periods when a contract is being negotiated. The use of the public press is yet another weapon that labor organizations can use to advocate strategic interests or to block management objectives. Finally, public labor represents as kind of “social movement unionism,” which means that public unions often mobilize interests within the community, in the state, or at the national level to help achieve strategic goals (cf. Johnston, 1994). Public unions are natural coalition builders.

The following essay explores strategic choices faced by management and labor when they confront each other’s seemingly contradictory strategic goals in the labor relations process. What ensues is a comparison of traditional and so-called

interest-based (IBB) approaches to collective bargaining and contract administration. Each of these contradictory tactics represents very different assumptions about how to deal with conflict and each has significantly different implications concerning the character of outcomes that might emerge from the employee relations process. Of major significance here is how each of these general approaches to employee relations enables strategic designs of the parties. The basic argument is that the strategic aspirations of the parties in the labor-management relationship are significantly affected by how they elect to engage one another during the negotiation and administration of labor agreements.

### **HIGH PERFORMANCE, COLLECTIVE BARGAINING, AND STRATEGIC ASPIRATION**

Both union and management principals espouse the desire to create conditions for the so-called high performing workplace. High performance work organizations:

1. Push authority and responsibility for work processes down the line.
2. Strengthen the skills of employees through a strong commitment to human capital development and organizational learning programs.
3. Create less bureaucratic and more decentralized organizational arrangements to enable faster response times to client and customer demands.
4. Invest in technology to enhance information flow and to monitor organizational achievement.
5. Commit to quality as a premier measure of individual, group, and organizational performance. (Carnevale, 1998 233–244; compare with Carnevale and Haupton, 1996)

Employee participation is the pathway to the high performing workplace. In the Report of the Commission on the Future of Worker-Management Relations (1994, 36) the importance of employee involvement and particularly union involvement is underscored in the following way:

There is no agreed-upon standard for judging which, or what combination, of these different workplace practices produce results that would warrant the popular label of a “high performance” workplace. Most experts do agree, consistent with the available empirical evidence, that the value of these practices is realized best when combined into a total organizational system that rests on a foundation of trust and combines employee participation, information sharing, and work organization flexibility with reinforcing human resource practices such as commitment to training and development, gain sharing, employment security, and where a union is present, a full partnership between leaders and management.

The message is clear. Where a union exists as the certified bargaining agent for workers, organization leaders in government must face the reality that their strategic aspirations depend, in no small part, upon coming to terms with the

quality of their relations with those unions. Of course, organization leaders can try to escape working with unions by trying to “bust” them, but such tactics are considered illegal and unfailingly lead to significant turmoil. To venture such an undertaking and fail is a prescription for disaster.

There is no single form of labor-management participation in the public workplace today. This is true for the business sector as well (Applebaum and Batt, 1993). Self-managed work teams are perhaps the high-end example of such involvement as are various joint committees, partnerships, and other cooperative endeavors whose scope of action and authority vary considerably. In nearly every case, however, the gateway to cooperative endeavors in government is through the collective bargaining relationship. Where the negotiations process works to serve the shared interests of both parties the opportunity for “jointness”—or the prospect for working together on common problems—is increased. Where the bargaining relationship is immature or unduly adversarial, the prospects for partnership on strategic matters is significantly harmed.

There is nothing wrong with tough bargaining. However, unduly aggressive approaches that depend on the use of power to bulldoze the legitimate interests of one of the parties invites reciprocal behavior and the costs to a potential cooperative working association during the contract administration period are negative. As organizations need to be strategically flexible in a constant world of change and the character of working relationships matter at the bargaining table. Attacking bargaining styles jeopardize both short- and long-term strategic ambitions that rely on respectable working relationships between the parties.

## CONFLICT

Conflict is a fact of life. It is ubiquitous. Conflict is “perceived divergence of interest, or a belief that the parties current aspirations cannot be achieved simultaneously” (Rubin, Pruitt, and Kim, 1994, 5). Conflict “occurs in situations where people perceive incompatible goals and interference from others, that is, situations in which people fear they will not be able to act successfully” (Folger, Poole, and Stutman, 1997: 16). Both explications underscore the presence of anxiety and fear, problematic emotions in solving differences. Both emphasize that persons “perceive” differences and estimate that their interests are going to be obstructed by others. These apprehensions are not always accurate interpretations of reality. Nonetheless, sensations of incompatible differences compounded by a lack of trust in the motivations of others are common threshold problems in negotiations and need to be overcome before settlements may be actualized. There are two basic elements inherent in all conflict. The first is *substantive* where the disagreements are about policies and practice, competitive bids for the same resources, and struggle over role relationships. The second deals with *emotional* tensions or negative feelings between the parties (Walton, 1969). In the labor relations context, these are thought of as task and relationship problems. They are inseparable and both need to be confronted when parties with alternate agendas

engage one another. In organizational development (OD), there is a similar understanding of conflict. In third party conflict interventions, the idea that *process* concerns, or how things are done, matters as much as *concrete outcomes* (French and Bell, 1999). Bargaining strategies that concentrate on one aspect of conflict at the expense of the other invites trouble.

When it comes to groups' natural distorted apprehensions about the motivations of others invite behaviors that typically feed and escalate conflict. Groups feeling imperiled fall into a natural cycle of events that lead them away from testing their assumptions about the genuine reality of the situation. The dynamics of the sequence include:

1. Increased group cohesiveness.
2. Rise in autocratic leadership.
3. Focus on tasks to the detriment of relationship concerns.
4. Emphasis on loyalty to the group.
5. Personalizing differences.
6. Reduced communication with the other party. (Gibson, Ivancevich, and Donnelly, 1991)

What these behaviors represent is a kind of tightening up or "hunkering down" in the face of perceived danger. These actions constitute a preparedness to fight. A group that feels endangered may also experience the related symptoms of "Group-think" or the "deterioration of mental efficiency, reality testing, and moral judgment" (Janis, 1973, 9). Of particular importance as relates to negotiations is that communication between groups feeling mutual threat becomes accusatory, low trust, distorted, superficial, combative, and provocative. While the group may feel invulnerable or safer than before, the hyperdefensive stance is hardly conducive to fostering the dialogue necessary to create deals that work for everyone concerned.

The most calamitous aspect of conflict is its tendency to escalate. When the parties react to their distorted perceptions by withdrawing into themselves, a second pattern of catastrophic behavior occurs. Typically:

1. Sides harden as do positions in the dispute.
2. Issues and persons become polarized.
3. Anxiety increases as do negative emotions.
4. Issues become less specific and more generalized.
5. Conflict spreads beyond the original parties as each seeks allies.
6. Meaningful communication stops.
7. Motivation based on revenge emerges.
8. Parties lose the ability to resolve problems without help of outside neutrals.

Perceptions between individuals and groups that assume the irreconcilable incompatibility of differences, moreover, invite rigid attachment to one-sided ideas. This makes the reconciliation of conflicting strategic interests difficult. One-sided thinking not only leads to contentious tactics, but it also encourages win-lose

bargaining where one group or the other views every concession as defeat and winning at the expense of the other becomes the name of the game. This negotiation style is customarily aggressive and reciprocated. Achieving settlements that both parties will honor in this kind of bargaining climate is challenging at best. Importantly, conducting negotiations in this fashion is not the law of gravity at work. It is not inevitable. It is strategic choice.

Conflict can be advantageous. For a long time the organization management literature in government and business adopted the attitude that all conflict was bad and should be stamped out or manipulated away through the use of various human relations techniques. There is a harmony bias in the early organization literature where functionalism or the idea that organizations should operate as quietly efficient machines predominated (cf. Burrell and Morgan, 1979). That view has changed. It is now understood that certain levels of conflict can be useful. Conflict brings important differences to light. It encourages critical thinking. It clears the air between individuals and groups. Conflict provides the necessary constructive tension that leads to synergy and then to creative solutions to problems. It is arguable that relations between individuals, groups, and organizations bereft of conflict are stagnant and subvert growth and development. Too little conflict can be as destructive as too much.

When it comes to the relationship between labor and management, it is not necessarily dysfunctional to have real strategic differences. The conflict generated by contrary strategic preferences can be worked through. The mutual interest of both parties can be accommodated, but this is not destined. The parties have reciprocal interdependencies and how predictable differences in goals, preferred time horizons, and strategic priorities are handled remains a matter of strategic choice.

It is clear that labor and management face options in how they try to realize their strategic priorities in the labor relations process. They confront two main conflict resolution styles. The first is traditional and fundamentally power-based. It can produce contracts, but sometimes the costs to the working relationship between the parties is high. The second method is interest-based and affirms cooperating for mutual gain. It also leads to results, but mandates that the parties think quite differently about how to deal with their contradictions. Stated differently, labor and management must resist the natural temptation to engage in either fight or flight activities, both of which represent limited response sets to conflict. The questions are: (1) how do these negotiating styles really work, and (2) which has the greatest potential for settling antagonistic strategic preferences between the parties in ways that serve the strategic interests of both factions?

### NEGOTIATION STYLES

The labor contract negotiation process is often seen as producing “losers” and “winners.” There is the popular stereotype that collective bargaining is a poker

game where negotiators try to outsmart or bluff the other side. Some believe that bargaining involves everything from “pounding the table” to “tricking” the other side. Others believe that negotiating is a contest of will, power, politics, or the art of the rhetorical where the clever use of words is the key to winning the debate. Unfortunately, much of the language of bargaining is warlike. People, for example, talk about “taking no prisoners” or “bombing” the other side (e.g., Barrett, 1995; Dunlop and Healy, 1955). While there are negotiators who conduct themselves consistent with these mindsets, the atmosphere for the conduct of labor negotiations has changed considerably during the past few years.

What has risen to prominence in place of purely power and rights-based transacting methods is what is popularly known as “win-win” negotiating (Fisher and Brown, 1988; Fisher and Ury, 1983). This approach goes by other names such as “integrative,” “problem-solving,” “collaborative,” “principled,” or “interest-based,” among other idioms. It is important that readers understand that, whatever the expression used, it does not mean that parties should expect to “win” or get everything they want from the bargaining process. What “win-win” means in practice is that the parties will make concessions, compromises, and accommodations. “Win” really connotes producing a settlement that both parties can honor. At the heart of the new process is the idea that no party can realize its strategic goals without cooperation and help from the other side. The obligation to work toward joint solutions to problems is mutual.

The mechanics of traditional negotiations are standard. The union is the moving party. It comes to the bargaining table with a set of written proposals. Customarily the parties sit facing each other. Typically each side designates a “chief negotiator” or person who dominates the discussion. The union passes its demands to management and explains the rationale behind each. Management, in turn, conveys its proposals to the union and explains the basis for each. After the initial exchange the chief negotiators function as traffic control and usually take turns in moving from one proposal to another. More important propositions receive more attention than others. As concessions, compromises, and accommodations are made language is prepared for review of the parties and when agreement is reached on an article it is tentatively agreed to by joint initialing by the chief negotiators. Some articles involve several exchanges with language submitted and resubmitted several times. If the parties are unable to reach an agreement various dispute resolution mechanisms are available depending on the jurisdiction, which include fact-finding, mediation, several forms of arbitration, and the strike.

During traditional negotiations each party is responsible for coming up with ideas to support its proposals. At any given time each party has a “position” concerning the article under discussion. The problem with positional bargaining is that the parties are usually exploring only two ideas at a time: “management’s notion” and “labor’s concept” on how to fix the dispute. The positions can be as far apart as one party asking for 10 cents more an hour and the other simply saying “no.” The tendency is to think in terms of where the middle ground between

positions lies. Another tactic is to give ground grudgingly over time in hopes that not moving or not moving too fast will gain advantage. Another problem with positional bargaining is that persons have a tendency to find more and more reasons to justify their positions. As they do so, they become more identified with their belief and less able to compromise. They are, in fact, digging themselves into holes that make it more and more difficult to find a way to accommodate anything other than their own view. Neither party feels any real compulsion to help the other. If someone wants something bad enough it is his or her job to fight for it, goes the logic. "If I don't like the idea at all why should I lend them a hand" is an attitude encountered, for instance, by many mediators asked to help settle bargaining differences. Traditional negotiators attack individuals who disagree with them and try to discredit the positions ventured by the other side. They insist on their position and see making changes as "giving in," "giving up," or "selling out."

An excellent description of the choices faced by positional negotiators is suggested by Fisher and Ury (1983). They characterize the principal prerogatives as "Soft" or "Hard."

The "Soft" approach is the weakest of all techniques where participants feel they must have an agreement, make concessions that subvert their own interests to cultivate the relationship with the other side, change their positions at the first sign of resistance from the other party, yield to pressure, and try to avoid confrontation. "Hard" negotiators see the other group as adversaries who must be beaten. They are tough on people and dig hard into their positions. They feel they are right about what they want and will apply pressure, coerce, intimidate, and be as difficult as they need be to get their interests realized. From a process perspective, each approach is inefficient and unwise. Each style is pathological in its own way. The "Soft" tactic abandons strategic vision and the "Hard" technique imposes only one perspective of what constitutes a high performance work organization.

Interest-based bargaining (IBB) is a very different way to solve labor relations difficulties. It is a form of "win-win." In IBB, the language of bargaining is altered. To help the reader, the following is provided:

1. *Issue*: a subject under discussion or negotiation; the what, the problem to be solved.
2. *Interest*: one party's concern, need, or desire, behind an issue, why the issue is being raised.
3. *Mutual Interest*: an interest both parties hold in common.
4. *Position*: one party's proposed solution to an issue; the how.
5. *Option*: a potential, often partial, solution that can meet one or more interests.
6. *Standard*: agreed-upon qualities of an acceptable solution. (Federal Mediation and Conciliation Service, 1998)

In practice, the process works in the ensuing way. The assumption is that the parties are attempting the process for the first time. If the parties themselves are

facilitating their own process, nothing changes except that both parties will have identified persons to stand at the front of the room, write down potential solutions to problems, and enable dialogue between the opposing sides.

### INTEREST-BASED (IBB) IN PRACTICE

First, the parties have to be educated in the use of the IBB process. It is recommended that the trainers be the same persons who will assist the parties through their first experience with IBB. Moreover, the training must encourage the parties to identify a real problem between them for training purposes. Choosing a case that is not relevant to their problems means that labor and management will not be as psychologically invested in the issue as they will be when confronting their own strategic needs. Trainers will have a difficult time gauging whether or not the training has “taken” and whether the participants are ready to try a nontraditional approach to negotiations when abstract cases unrelated to the parties’ relationship are used for instruction. Facilitators of IBB can expect, no matter how well the training might go, that the parties will often regress to traditional methods depending upon the issue under discussion. They will gravitate between the traditional and IBB models time and again, and that should not shock nor discourage third-party interveners. Bargaining will always be an emotional process and it is natural for persons to be invested in their strategic positions. Techniques alone, no matter how principled, will not remove the reality that persons will behave in human ways.

Second, seating arrangements in IBB may be somewhat different than in traditional negotiations. Some mediators may wish to have participants sit in groups or in theater style where everyone is facing the front of the room where the bargaining facilitator stands. The author’s experience is not to force this issue and permit people to sit as they choose. No matter how they elect to arrange themselves, everyone will have to focus on the front of the room where the mediator/facilitator/intervener(s) will be standing.

Third, “idea charting” is an important—perhaps the most important—facet of facilitating IBB. A simple flip chart will suffice along with markers as standard tools. The process works the same as it does in so many group-training exercises these days such as strategic planning, visioning work, future searches, and teambuilding. What the group develops is captured on a flip chart, clarified, discussed, and then the chart is taped to a wall in the full view of everyone in the room. The data are public. A key difference between this approach and what goes on in Traditional bargaining is that there is no endless exchange of paper across the table nor is there the extensive taking of notes. The charts are the notes and it is customary that at the close of every working day the notes are typed and then distributed the next morning to everyone in the room. In that way, everyone has the same set of notes. It is highly efficient and keeps later arguments that typically arise about the history of discussions from arising.

Fourth, the parties are asked to identify “issues,” that is, those things that are problems. They are not asked for positions that are one-sided solutions to issues. It is important that both parties first identify what the problems are. They are listed on the charts and placed in public view. The next step is to take each issue in turn and ask the parties what the “interests” are “or why the issue is a problem.” Again, there is no discussion of positions or how each side thinks the problem ought to be solved. The idea is to foster communication on what each side needs from the process. Parties will offer ideas and try to bargain positions and that ought to be expected. They will come back to IBB especially if the training has taken hold. Facilitators are encouraged not to push the parties back on track if this occurs. If they have a need to get a position, even temporarily, there is no need to “step on the conversation.” The process will fall apart if the parties feel muscled.

Fifth, the next stage is to “invent options for mutual gain.” This is a simple brainstorming process and follows all of the conventional rules of brainstorming, that is, ideas are suggested rapidly, ideas build on other ideas, and no thought is judged until all ideas are exhausted. What is remarkable about IBB is that the parties will forget over time the origins of a particular idea, which means thoughts to solve issues are not summarily dismissed because they can be attributed to one team or another or to a particular person or another. When the options are discussed, sides break down and people make suggestions that contribute to solving the problem. The strength of any comment is based on whether it helps move the parties to an answer to a hang up, not where it comes from.

Sixth, the next phase is to set standards to judge the quality of options. Standard setting is a relatively easy process. Options have to be legal, administratively easy to implement, and cost-effective. Perhaps the simplest way to deal with this step is to look back at the interest charts on the wall. No option is workable if it does not address the interests of the parties expressed earlier in the process. Each option is measured against all of the criteria and every time an idea receives a full array of “hits” it becomes a candidate for contract language. Multiple options are explored, but the parties customarily look at the half dozen or so that are most promising and go to those first. If no option meets all the established criteria, those with most promise are identified for further work. The difference between IBB and Traditional bargaining is that no option makes it into the contract simply because some party was particularly slick or powerful.

The IBB negotiator approaches the bargaining process with a set of assumptions that support ideas of collaboration for mutual gain. The underlying assumptions of the IBB method help management and labor come to terms with different strategic preferences in a fashion that helps both “win” during the contract negotiation period and afterwards. The IBB decision process is open, problem-solving oriented, and sensitive to the quality of working relationships. Positional thinking is eschewed. Reason, not power, influences outcomes (Barrett, 1995).



FIGURE 22.1. Cause and Effect Diagram

### THE SKILLS OF THE NEGOTIATOR

Everyone is a negotiator. Everyone is a strategist. For management and labor leaders the weight of these responsibilities is considerable. Most of the key actors in the employee relations process are not formally trained or prepared in negotiating differences with other people. The underlying dynamics of the negotiations process are artful and complex. They involve the ability to make several often contradictory “moves,” sometimes within as short a period of time as a few minutes. The two basic skills of the artful negotiator involve: (1) assertiveness, and (2) cooperative behaviors. In addition, competent bargainers have the ability to make several types of “moves” in order to produce agreements. While the goal is interest-based, the road there is convoluted and requires multiple capacities on the part of the successful bargainer. Persons out of touch with their own bargaining styles or without real negotiation experience are at a distinct disadvantage in the negotiations process.

The two-dimensional model represented in Figure 22.1 delineates the essential elements that operate in the collective bargaining process. Each of the points on the figure represent assorted bargaining styles that might be employed by a

negotiator. Styles “emphasize a consistent, specific orientation toward. . . conflict, an orientation that unifies specific tactics into a coherent whole, yet does not stress planning and foresight too much” (Folger, Poole, and Stutman, 1997, 183). More simply, styles are the way a person instinctively responds to conflict (Filley, 1975; Pruitt and Carnevale, 1993). Styles are relatively stable aspects of a person’s personality and they are learned. Like other developed behaviors, they can be changed.

The two underlying dimensions of critical importance in Figure 22.1 are (1) *assertiveness* and (2) *compromising*. Assertiveness means concerns for self and cooperativeness demonstrates regard for other. An assertive tone is based on the ethical norm that it is not appropriate to attack or violate the rights of others. It acknowledges that others have freedom of self-expression or the right to be treated with a measure of dignity and respect (Waters, 1982). Assertive conduct is different from aggressive approaches.

Aggression is combative, forcing, and denies or ignores the rights of other persons. In Figure 22.1, aggression begins at the point in the model beyond reasonably high assertiveness. Aggressive conduct is competing, zero-sum, and win-lose. Inherent in aggressive behavior is the belief in a limited pie and any appeasement that is available. In the not-too-recent past, this bellicose approach was known as “Soviet-style.” It is uncompromising and “moving against.” Aggression tends to invite the same type of behavior from the objects of its assaults.

Aggressive types feel threatened unless they are in control. In their pasts, they probably have gotten away with adversarial conduct or have been rewarded for ignoring the rights of others. They may have problems with anger management and conceivably interpret disagreement as personal rejection. They gravitate toward the “Hard” bargaining style where others are seen as enemies. Worse, aggression breeds resentment. People “get their backs up” and refuse to cooperate in the face of belligerence. Even if aggressors get what they want, others will find ways to sabotage agreements they feel have been imposed upon them. It is a self-defeating bargaining strategy in the long run.

The idea of assertiveness encompasses the notions of self-efficacy and agency, which are feelings of self-worth and the belief that a person has the right to stand for himself or herself in a potentially conflicted situation. Moreover, these constructs suggest that a person has some measure of faith that advancing their ideas may lead to positive results. Persons with a sense of agency do not see themselves as victims. Assertiveness is an act of faith in self. It is not fear-based like aggression. Finally, assertiveness actualizes Buber’s (1970) sense of healthy self-identification: “I.”

It is evident that assertiveness is not natural for some people. Nonassertives confuse standing up for themselves with aggression. They perceive assertiveness as being impolite or not helpful. Some believe that being assertive will show them not to be team players. These persons fail to take responsibility for their own feelings and personal rights. They are, in short, unduly passive and will subordinate their needs rather than risk disapproval. They are likely practitioners of the “Soft”

bargaining style, doing whatever is necessary to avoid a confrontation. They are avoiders, passive, and tend to see most conflict as dysfunctional. It is true that there are times when it is wisdom to avoid confrontation. For instance, when a person feels physically threatened or when the problem at hand is not important. There are occasions when negotiators may feel they need more time and information before they respond to a demand. These are legitimate reasons not to assert. However, if the reasons for not being assertive are pathological, then the strategic aspirations of both parties suffer. This failure to confront difficulties is known as “lose-lose” where “I lose and you lose” because one or both of the factions cannot muster the courage to challenge problems begging for attention.

In both instances, nonassertive and aggressive persons make it difficult to process conflict. Neither style is useful in developing a healthy conflict resolution climate.

*Compromising*, the second major underlying vector in Figure 22.1, means taking into account the needs of the other in a conflict situation. The basic elements of negotiation are (1) to make one’s claim in a respectful way and (2) to demonstrate a willingness to listen to what the other has to say. It is pure hubris for negotiators to imagine that all they have to do is assert their claim and an agreement will be forthcoming regardless of the needs of the other side. If the parties want to develop shared strategy or to develop real support for a bargaining agreement then both management and labor have to listen to each other. Strategic instruments are difficult to fashion and sustain if they represent one-sided thinking. It is naturally easier for people to state what they want. Experience in any kind of argument validates this truth. However, listening to what the other has to say is perhaps the most difficult communication skill and tends to be the weakness in the communications equation. Listening is at the heart of cooperation. The type of listening that is most associated with good communication is “active listening” which “is the capacity to hear effectively, understand the words as well as the emotions and body language of the speaker. It also includes asking questions to verify or expand upon the information received” (Federal Mediation and Conciliation Service, 1998, 32). It is not enough to hear the words, but to feel them as well.

The underlying dynamics assertiveness and cooperation represented in Figure 22.1 come together as “dialogue” where persons suspend their beliefs and assumptions and understand them as only partial interpretations of reality. Dialogue is healthy conversation not based on either fight or flight tendencies. Persons engaged in dialogue open themselves up to the assumptions of others and are amenable to truth of a situation. They comprehend that reality is mutually constructed from the fragmented and distorted views of both parties. Dialogue represents the highest level of communications as each party helps correct the speech or thinking of the other. Dialogue is a special kind of conversation. It is heightened both on assertiveness and a willingness to listen. It is simultaneously considerate of both self (“I”) and other (“Thou”). In dialogue, both parties comprehend that they don’t have all the answers and acknowledge the responsibility

to create the world jointly (cf. Anderson, Cissna, and Arnett, 1999; Bohm, 1980; Senge, 1990). What is being jointly constructed through dialogue is a collective bargaining agreement—a strategic instrument—that specifies the mutual obligations of the parties with respect to human resources policy.

*Accommodating* is high on cooperation and permits others to realize their concerns. The difficulty is that persons high on accommodation are low on assertiveness which gives rise to the “lose-win” or “I lose and you win” kind of negotiation style. It is a yielding and conceding method of bargaining. It is “moving away.” Accommodation has some value if, like avoiding, the idea is to make a concession to break an impasse in bargaining or when the issue in dispute is not very important. It can be a way to demonstrate good faith. Nonetheless, it is passive and, if the concessions are being made to a person who uses a competing style, accommodation is likely to be seen as weakness and the capitulations can backfire. Savvy negotiators characterize the situation where one party is excessively accommodating in the face of a competitive other as “feeding the tiger.” In such circumstances, competitive persons demand more and more and refuse to reciprocate the good will of the other. The relationships that arise from exorbitant accommodation are weak, enabling, and do not breed complementary respect. The strategic outcomes are one-sided and the relationships promoted are one-sided too.

*Compromising* is a highly valued strategy in American society. It is the “give and take” approach to problem-solving. It is appropriate when both sides are about equal in power or when the issues in dispute lend themselves to “splitting the differences.” This is not always the best approach particularly when important principles are involved. “Splitting the baby” is not always wisdom and this method can lead to problems. Some principles are important enough that half-measures are not intelligent outcomes. Moreover, it is not uncommon to hear people say that two parties have reached a settlement through compromise that is fair to both sides. When asked how the agreement is “fair” the response commonly is “well, both sides hate it.” If that is the case, the likelihood that the contract will be honored is low because when both parties leave consequential needs unmet on the table, they will find a way to subvert the deal.

*“Interest-based”* (Barrett, 1995) bargaining is ideal because it is high on cooperation and on assertiveness. It is a problem-solving (Burker, 1970) method of handling differences. It is “integrative” because it combines the needs of both parties in the contract (Walton and McKersie, 1965). It is “principled” because it is tough on the problem and soft on the people. It develops ideas for mutual gain. It tries to avoid a contest of will (Fisher and Ury, 1983). No matter the label, the essence of the method is to show consideration for self and others. It is the basis for realizing particular contract language and it serves to strengthen working relationships. These dual factors are important strategic considerations. They form the basis for cooperative behavior.

It is imperative that readers appreciate that counterposing Traditional and Interest-based styles is a heuristic device to help explicate basic differences in bargaining styles. In the same way, each of the style points represented by

Figure 22.1 are not meant to be mutually exclusive. The fact is that persons frequently exhibit behaviors both Traditional and Interest-based and move back and forth among the various style points on the conflict grid. This is not a problem. It is possible for an experienced negotiator to confront a person with a competing style in a very assertive way to send the message that there will be no arrangement without consideration of everyone's needs. Once that is established, it may be necessary to engage in avoiding behavior in response to a threat rather than rise to the bait (although repeated threats warrant forceful responses). The negotiator might then offer an accommodation or compromise on an issue as evidence of good faith. If the gesture is not reciprocated, then the negotiator may return to strong assertive techniques. All the time the dealer is trying to get the other to work in good faith using a problem-solving or win-win style. In the meantime, the idea is to make what moves are necessary given the contingencies of the moment. Experienced negotiators always keep in mind that the real win is to get both sides to move toward interest-based or integrative talks. Not to have the capacity to move freely all over the board when necessary is limiting and a weakness. Finally, because the path to settlement is convoluted, patience is perhaps the most important competency in every negotiator's repertoire.

### LABOR-MANAGEMENT COOPERATION

Labor and management decide what game to play when it comes to confronting their disparate strategic ambitions. Managerial resistance and union ambivalence to methods that realign power and responsibility for creating high performance work systems are not easily realized. There are ways to settle conflicts and obtain compelling strategic goals on both sides of the table, although traditionalists are suspicious of such notions. The mistrust of traditionalists arise, unfortunately, from bad experiences that are not easily set aside. Fear of changing how to negotiate or administrate contracts is rational under such circumstances.

There are methods that help overcome resistance to new ways of solving employee relations problems. The good news is that several public organizations have overcome barriers to partnership and have learned to negotiate contracts that support the strategic ideals of both parties.

Perhaps the most consequential report concerning labor-management cooperation in the public service is *Working Together for Public Service*, which was submitted to the U.S. Department of Labor in 1996. The report provides dozens of examples where workplace innovations born of partnership between labor and management led to measurable improvements in service, productivity, efficiency, and reform of the worst aspects of bureaucracy. Particular findings include:

1. To meet their obligations, state and local government must transform the way services are planned and delivered, the way the public workplace is managed, and how public worker knowledge is engaged in the process.

2. In most places, the public workplace of the future will have to be different than it is today in order to meet the challenges it will face. Traditional methods of service delivery, traditional personnel and administrative systems, traditional styles of supervision and workplace communication, and traditional approaches to collective bargaining will not be sufficient.
3. Service improvement through workplace cooperation requires that the confrontational rhetoric be lowered and that elected officials, union leaders, and workers focus on their common tasks. To do so, they will need new tools. Those tools are in use in many places now.
4. A focus on service with employee participation can also be a doorway to reducing confrontation in collective bargaining relationships that have had a history of conflict.
5. The possibilities appear to be greater than recognized for labor-management cooperation in the public sector to contribute to service improvement and provide avenues for employee participation, and perhaps greater in the public sector. (Florio and Abramson, 1996, 3-4)

There are a host of labor and management organizations in the public sector that are committed to changing how the parties engage one another during bargaining and afterwards. A short list includes the Council of State Governments, The National Conference of State Legislatures, U.S. Conference of Mayors, National Governors' Association, the International City/County Managers Association, the National Association of Counties, The American Federation of Teachers, The National Education Association, The American Association of University Professors, AFSCME-AFL-CIO, SEIU-AFL-CIO, The International Association of Firefighters, police unions, and a wide range of independent employee associations, to name just a few. Each of these organizations has demonstrated a willingness to work toward harmony rather than hostility when they can. For example, in the federal government, evidence shows that management and labor relations have improved following President Clinton's issuance of Executive Order 12871 concerning Labor-Management Partnerships. According to Segal (1998, 29), "partnership agreements have . . . increased while hostile labor relations have decreased."

Finally, increased use of Alternative Dispute Resolution Procedures (ADR) have also enabled greater cooperation between the parties and reduced the number and intensity of disputes. The term ADR "covers a variety of dispute resolution techniques, usually involving intervention or facilitation by a neutral third party. . . arbitration and mediation in particular. . ." and employers and employee organizations both report good results with these cutting-edge methods (United States General Accounting Office, 1997).

## CONCLUSION

Cooperating for mutual gain is not an easy venture. Putting an end to destructive adversarialism may never be achieved in full. Still, the truth is that public

management and labor have shared interests as they face the ongoing reality of a hostile public, diminishing resources, and a soaring interest in privatizing public services. Both management and labor must embrace a philosophy of partnership if they are to sustain the public service and improve how it operates. Management and union leaders must recognize that confrontational philosophies are mutually self-destructive. High performance work organizations cannot be achieved if each of the parties zealously attempts to destroy the strategic vision of the other. A low-trust, zero-sum mentality supports the interests of those who are hostile to government and no one else. The parties can elect to transform their working relationships and their organizations in ways that better serve each other and the public or they can opt to waste time and resources fighting each other. It is a matter of strategic choice.

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## **Total Quality Management (TQM) and Globalization: Changing Role of Government, Challenges, and Opportunities**

ALI FARAZMAND

### **INTRODUCTION: NEW CHALLENGES**

Governments have always played a leading role in economy and society ever since the dawn of civilizations several millennia ago. This is a reality that no one can deny regardless of the scope of government activities—from little to too much—vis-à-vis the society. In fact, governments have been the most powerful institution on which almost all other actors and institutions of society have relied on for authoritative allocation of resources, space, rights, protection, and guidance. What is the role of governments in promoting quality assurance in the process of building and managing human capital and in strategic public personnel administration in the 21st century? There are new challenges and opportunities facing public personnel management in the age of globalization, with an important role to play.

Historically, governments have been a force of both promotion and hindrance in social action. Very often, governments have been constructive, guiding movements and marketplace activities, but at times, and not so infrequently, governments have also been destructive causing dysfunctional behaviors in society, marketplace, and other institutions of self-governance. Therefore, the role of government in society and economy has always been a controversial one, driving political thinkers, philosophers, and administrative theorists on what governments should do.

The last 25 years or so have been a period of rapid global changes, changes that have caused fundamental transformations in government-society relations, public-private-sector reconfiguration, national-international-global relations, citizens-governments relations, and nature and functions of government, governance, and public administration. There has been a set of megatrends that have caused these changes and transformations and redefined the role of government in economy and society. Two major global megatrends represent key features of these changes: one is the rise of the phenomenon (also an accelerated process) of globalization of corporate capitalism with the purported ideology of market supremacy; and the other is the rise of the global quality movement in public and private sectors' service delivery and organizational performance. These two broad and inherently conflicting megatrends, not to mention other equally important ones, pose serious challenges to government and corporate organizations, as they demand contradictory expectations and require systemic structural and cultural changes in their basic assumptions and modes of operations.

On the one hand, globalization demands fast integration, higher profits at almost any human and environmental costs by pushing for high quantity and efficiency at the expense of quality and fair organizational behavior. At the same time, the global movement for higher quality in service delivery and organizational performance raises expectations of government and corporate organizations that are harder and harder to meet in the age of "doing more with less" and paralyzed or reduced institutional capacities. To meet the challenges of globalization and to manage these contradictory expectations, demands, and requirements, governments have a pivotal role (contrary to the perceptions promoted by proponents of market theory) to play as they are the ultimate institutions of accountability and responsiveness to society, economy, and citizens. Failing to do so means losing legitimacy, and losing legitimacy means ceasing to exist. Thus government can and must play a key role in promoting TQM and Quality Assurance (QA).

This chapter addresses the changing role of government in this global environment of rapid changes and transformation with contradictory expectations, trying to meet the demands of globalization forces while under pressure of promoting "quality assurance" and providing "quality services" through high-performing organizations. The chapter is organized into the following sections: (1) the changing theoretical perspectives on the *role of government*; (2) the rise of "*globalization*" and the challenging demands for *quality assurance*; (3) the changing role of governments in promoting quality assurance and high organizational performance; and (4) what government should and should not do in promoting TQM in all sectors of society.

### **ROLE OF GOVERNMENT: THREE THEORETICAL PERSPECTIVES**

Generally speaking, there are at least two broad and opposing perspectives of the appropriate role of government in a capitalist society and economy, with a third view of a "mixed" economy perspective very often in operation around

the world. These theoretical perspectives cut across almost every academic discipline from economics to sociology, political science, public administration, and management.

### **Strong Government Model**

The first perspective favors a strong role of government and state in not only regulating the economy and society, but also guiding the “commanding heights” of society and economy, including the market institution. This is a widely known “traditional” theoretical perspective.

The ultimate model of a strong-comprehensive government is the socialist system of government and economy in which government plays the most dominant, almost total monopolistic role in society, economy, and social relations. Society is based on the concepts of socialized properties, nationalized wealth and resources, collective organizational arrangements in managing economy and society, and socialized public services such as health and human services, education, transportation, communication, and more. Limited private property and individual ownership are allowed for creativity and innovations, but the society as a collective body is responsible for its community of people, productive and unproductive as well as future generations. The state and government represent the will of “people” and organize and manage national resources and assets to meet the social, economic, and security needs of the people and the nation as a whole.

There are variations in the socialist models of government, ranging from the Swedish and Danish “capitalist-socialist” mixed model to Cuban and former Soviet system of socialism. With the fall of the U.S.S.R., the rapid globalization of corporate capitalism has produced a global delusion that capitalism is the only viable and legitimate system of social action, and corporate capitalism the only institutional arrangement worldwide. The proponents of this market-based view reject the strong government model with an almost zero-tolerance.

### **Market (Laissez-Faire)-Antistate Model of Government**

The second perspective is the opposite of the first view. It is against the strong role of government and favors as small as possible a role for government, believing in free enterprise, laissez-faire economy, and market supremacy and other institutions of social action. This perspective favors a “minimalist,” noninterference government with little or no regulations and certainly no commanding position in society, especially in economy (Friedman, 1962; Lindblom, 2001). According to this perspective, the market institutional mechanism has an ability to self-regulate and correct itself for malfunctions of the economy once in trouble.

However, this perspective recognizes the need for some sort of government to: (1) provide stability, security, and social order; (2) protect the free enterprise market system against competitors and unfriendly takeovers, domestic and international; (3) promote the market institutions and their organizational arrangements

through legislation, judicial ruling, and executive actions—both at home and abroad; and (4) enhance the goals of market capitalism in its local, national, and global pursuit of absolute profit or surplus accumulation, market expansion, resource acquisition, and labor performance worldwide.

This is the market theory of organization with an origin in conservative classical and neoclassical economic and political theories, with a resurgence since the 1960s of the so-called “public choice theory” that has, as of the 1980s, dominated the world of governance, administration, and economics all over the world. Its key prescriptions are sweeping privatization, contracting out, and outsourcing of all governmental functions and activities. Proponents of this globally dominant perspective view government as inefficient, stifling to free enterprise system, and prescribe “self-interest individualism” as the key methodological approach to managing economy and society. It allows for a minimalist government responsible for maintaining law, order, and security for performing the four functions in society as outlined above.

As we will see later in this chapter, this conservative political economy theory has several operational variants—such as “transaction-cost theory,” “resource interdependence theory,” and “agency theory”—that have gained popularity in government-business-corporate-politician-academic elite circles worldwide (for the contemporary proponents of this perspective, see, for example, Buchanan and Tullock 1962; Downs, 1967; Fama, 1980; Niskanen, 1971; Ostrom, 1974; Ross, 1973; Williamson, 1985).

The need for some sort of government to serve the interests of the capitalist system, with corporations being its most dominant organizational form of operations, has raised the controversial issue of the role of government even higher and more complex level of debate, as there is no clear agreement on what the most appropriate role of government should be for different societies. Contrary to the claims of its proponents, the “one-size fits all” orthodoxy of the so-called “new public management (NPM) does not work and has never worked. Different societies with different levels of development, conditions, and citizens’ demands require different role of government, and this has been a most pressing and sticky question, a question that will remain to be an issue of worldwide debate in the near future. Recent experiences in Latin America, Europe, and Asia have demonstrated a return back to the state and stronger role of government after a short period of experimentation with alternative models (see below for more on this).

### **Mixed-Economy Welfare-State Model of Government**

The above discussion leads us to the *third theoretical perspective on the role of government*, one that is flexible, strong at some points and in some respects, but relaxed and “let-go” in other areas and sectors of economy and society. This perspective has two origins. One is the earlier Keynesian economic theory of a mixed economy with a strong interventionist role for government in society and economy, regulating private sector businesses as well as maintaining social control

and security for the market system to grow, develop, and prosper. This model of government role was adopted after the collapse of the U.S. stock market in 1929 sending shock waves of market collapse, institutional failures, and the Great Depression that plagued the entire world of capitalism. The socialist system of the U.S.S.R. was not affected as it did not operate on market-exchange fluctuations and was immune from its dysfunctional risks.

This model of government role also provided as part of its key feature a welfare governance and administrative system to provide a safety net for the poor and unemployed, to maintain social control by regulating the poor and working class people (Piven and Cloward, 1971), and to promote economic growth and development by direct government investments in society and economy. Even the strong proponents of the free market capitalism, Friedman (1962) and Hayek (1944) endorsed the need for the basic safety net to the poor and underclass so they would stay able to “work.” But the welfare state was costly and its administrative state enlarged as the government role expanded into many areas of economy and society worldwide. The result was, by the 1970s, a frustrating experience of growing budget deficit, a largess of bureaucracy and administrative state, a growing dissatisfaction of citizens with the performance of both government and business-corporate organizations, and a declining trust in, and legitimacy for, government and corporate organizations in terms of “quality” in service delivery and responsiveness as well as accountability in governance and administration (Lipset, 1987); this was a worldwide phenomenon that increasingly contaminated governments and business enterprises around the world (see also Farazmand, 2002a, b; Thayer, 1984).

The citizens’ antitax revolts of the 1970s in the United States the worldwide citizens’ and consumers’ demands for “quality service and goods” forced all institutions of service delivery in market first, followed by governments later, to adopt measures of quality improvement in service delivery and organizational performance. As we all know by now, the Japanese pioneered the global Quality Movement, the world of consumers around the globe got the attention, and then the entire world of corporations, organizations, and governments began to follow the movement by adopting some versions of quality improvement, quality assurance, and “total quality management.” As a result, the governments in the capitalist world began to experience a heightened crisis of legitimacy (Farazmand, 1989), originating mainly from the state’s inability to maintain social welfare functions while spending heavily on military and warfare expenditures. The state was no longer able to maintain a balance of functions. The result was the “fiscal crisis of the state” (O’Connor, 1973), “governability crisis,” and the “impossibility crisis” of the social welfare functions also known as “the Arrow impossibility functions” (Arrow, 1963). The dilemma of the mixed economy capitalist state is well captured by the following statement by a social science observer:

The search for a workable balance between the economic and social markets of a mixed economy poses a crucial challenge to the future of the welfare state in a

capitalist society. It is a challenge that demands sober regard for both the vitality of free enterprise and the humanity of social welfare. (Gilbert, 1983, 184)

### **GLOBALIZATION AND THE CHANGING ROLE OF GOVERNMENT**

One way to get out of this collapsing state capacity to govern, a crisis that had by the late 1970s almost paralyzed the major capitalist welfare state governments of the North and the South, was to reverse the earlier, interventionist role of government, to dismantle the welfare administrative state, to privatize public service and governmental functions, and to downsize government organizations. All of these were done in the name of efficiency, economy, and consumers' demand for responsiveness, accountability, and quality in service delivery and organizational performance. The intellectual foundation of this fundamental change was presented by the conservative neoclassical economic theory of public choice theory, also known as rational choice theory in political science, with a new off-shoot orthodoxy of "new public management," which preaches the "one-size-fits-all" model of business management with little or no tolerance for alternative models in public administration and governance.

#### **Globalization**

The dramatic changes in the role of government—transferring to private sector organizations the previous functions and organizational structures of government—during the last 25 years triggered a new chapter of global capitalism in the United States, Japan, and other powerful nations in their pursuit of global operation. For capitalism to grow and prosper globally, barriers must be removed and new global frontiers must be opened. This was exactly what the strategic policy designers did in the United States and Great Britain.

The pioneers of this sweeping public policy drive were the ultra-right conservative political leaders: Ronald Reagan in the United States and Margaret Thatcher in Great Britain; under both administrations, massive privatization and rollback of the state functions took place, a pace that continued under their successors. Indeed, their policy move was pushed globally both directly and indirectly through the United Nations and a host of other international, supranational institutions such as the World Bank (WB), International Monetary Fund (IMF), World Trade Organization (WTO), Agency for International Development (AID), and other donor organizations and governments and transnational corporations that now dominate the world (Farazmand, 1999a, b; Korten, 2001).

Several other global factors have also contributed to a major "turn-around" of events in the global arena, but two stand out as the most important ones: One is the sudden collapse of the former U.S.S.R. as the leading socialist system of the world, giving a powerful and convincing weapon of argument to the Western corporate elites that market capitalism is the only workable and legitimate system of society and economy (see for example, Frank, 2000; Lindblom, 2001); and

the other was the revolutionary innovation in information technology, especially the Internet communication system making worldwide, instantaneous connection and communication possible among peoples, governments, and institutions. All of a sudden, it appeared that the world was turning upside down, and inside out, during the fading years of the last century.

The hallmark of these, and other, major rapid changes worldwide has been the accelerated “*globalization*,” “a process through which worldwide integration and transcendence are taking place.” The process had started after World War II and accelerated since the 1980s, with the transworld corporations taking lead in expanding global markets for higher profits, cheap labor forces, cheap natural resources, and deregulated environments with little or no government interference. Indeed, many governments are unable to deal with this new global wave of change and transformation; they find themselves either irrelevant or bound to facilitate with globalizing corporations under the new rules of global institutional arrangements dictated by WTO, UN, WB, IMF, and U.S. foreign policies. It is in this age of globalization that the role of government has dramatically changed and transformed, to promote the role of corporate hegemony (Dugger, 1989).

Elsewhere (Farazmand, 1999, 2001a, 2004b) I have discussed in detail the accelerated phenomenon of “*globalization*,” as a continuing process of rapid change within the context of the broader process of capitalism’s pursuit of absolute rate of profit (surplus accumulation) worldwide, the diverse meanings of globalization, its causes and consequences for the state, government, governance, society, economy, and public management, as well as implications for developing nations. Repeating even a brief discussion of that heavy literature here is beyond the scope and limits of this short chapter. However, a fundamental feature of this new global change, that is globalization of corporate capitalism, has been the sweeping privatization of not only the public enterprises, but also almost all functions of government, including the core functions of security and defense, health, and human services.

Privatization has been *strategic and systemic* to restructure the government-private sectors configuration worldwide; *tactical and pragmatic* privatization have been carried out by almost all governments for thousands of years, and they are not new, but its sweeping scope is alarming. Also, *contracting out and outsourcing* have characterized the key functions of previously performed governmental functions. Today, key features of this public-private sector reconfiguration are *the problems of contract management, accountability assurance, and quality assurance*. The question is: *Who is accountable to whom? Who is monitoring the contracts and outsourced programs and how effectively are they done? And how should it be ensured the “quality” component of the services and products delivered to society and to government are assured and controlled?*

These are fundamental questions of governance, administration, public management, and Total Quality Management. It is in this context that the active role of government is seriously needed to assure and promote quality movements. We live in an age of global interdependence, global communication, Internet

empowerment, and increasing pressures of global competitiveness, all of which require adoption of an aggressive policy of TQM in every single industry, service area, and functions.

### CHANGING ROLE OF GOVERNMENT

The role of government has, therefore, changed already, and will continue to change in the future. The traditional role of “commanding the heights” of economy and society is now challenged by a multitude of forces and institutions, including other governments, supragovernmental organizations (e.g., UN, WB, IMF, WTO), citizens, groups and associations, nongovernmental organizations, and civil society. On top of this, consumers of the marketplace demand “quality” services and products for which they expect to pay even less.

The monied people can and do shop globally; they expect high quality products for the money they pay. Low-income citizens equally expect improvements in the quality of services they receive, but they have little or no influence on the power structure of corporations and governments that drive the forces of globalization. A key area of expectation for quality is organizational performance. In both public and private sector organizations, there is an increasing expectation and demand for “high performance” characterized by both quality excellence and high efficiency. These pressures and expectations are raised in a time of reduced organizational capacity, downsized workforce, and diminished resources. The challenge is therefore mounting for “high performance organizations.”

Today, according to a good number of observers, governments have been transformed from their traditional role into a “market-based” government (Donohue and Nye, 2002), functioning as a facilitator to promote market capitalism in its drive toward growth, development, and service delivery. But even these market proponents realize and ask for a role of government to protect both capitalism and to absorb the externalities that market releases to society. Thus, the transformed role of government is now the one that acts like an “agent” on the one hand and “principal,” on the other. The market-based government, according to its proponents, is bypassed by global corporations and other organizational arrangements of global capitalism; the government is becoming irrelevant as far as global capitalism is concerned (see, for example, Fukuyama, 1992; Williamson, 1985). But the tragic events of 9/11/2001 in the United States, and the subsequent U.S. unilateral declaration of global war on terrorism and the invasion of Iraq, have shattered this earlier notion of the role of government in economy and society, once more demonstrating that governmental role is key and will always be a key to managing, leading, and regulating society and economy, in a globalized world.

A key feature of this changing, transformed role of government in the age of globalization is the sudden rise of the so-called “new public management” in governance and public administration, and “new management” in managing corporate private organizations (Barzelay, 2001; Hood, 1991). The popularity of this new management “fad” has reached worldwide attention, but its flaws and failures

are now coming to the surface slowly. According to the NPM, which operates as an “intellectual arm of corporate globalization of capitalism” (Farazmand, 2002b), the idea of “one-size-fits-all” as an ideology of business management is a new “orthodoxy” that claims to replace the traditional “orthodoxy” role of government based on bureaucracy.

The NPM philosophy is based on business management principles of results-oriented, performance-based, and efficiency-based outcomes, with a purported eye on “consumer” preferences and satisfaction, and more. These are good features of management and administration, but there are problems with the real-world application of these features in both business-corporate organizations and public-governmental organizations. It is beyond the scope of this essay to discuss this issue here. However, it is worth noting that what is missing in this list of features is a set of equally important values, such as accountability, transparency, responsibility, responsiveness, equity and fairness, equality, and quality treatment of citizens in the marketplace.

It is for these reasons that more and more governments in Europe and Latin America have adopted legislation to abandon NPM practice in public management (see, for example, Argyriades, 2001; Farazmand, 2004a, b; Noordhoek and Saner, 2005). Globalization, privatization, “new public management” and similar ideologies demand efficiency at any cost, including quality, equity, and environment.

It is in this context that the new, changing role of government is more pronounced than ever, because the market is like a jungle, and there is a need for keeping the predators away from citizens and decent consumers.

### **Managing Globalization Challenges**

Challenges of globalization are many, and managing them requires extensive re-tooling in governance, public administration, and management. For our purpose here, three major challenges are points of concern. Two are at the macrolevel, and one at the microlevel.

One macro challenge facing governments is national government’s responses to global forces of competition, cooperation, and pressures. Global competitions are at all levels and they arise from every direction. No country or corporate organization can be competitive in all areas, but they can build strategic areas of global competition so they can have a presence in the global market. Governmental role requires steering the economy through sound allocation of national resources into directions that would strengthen national and global competitiveness. These competitions come in the age of globalization and governments must be prepared by capacity building.

The second macrolevel challenge of globalization facing governments is the serious need for capacity building in its “enabling” role of sound management in the infrastructure areas of national resources, environmental quality, health, and education, social and human capital, and other key structural issues that

enhance the entire society's ability to grow, develop, and prosper. This second macro challenge is not necessarily a globalization challenge; it is a domestic challenge nonetheless. Yet, it is directly linked to government's ability to respond to globalization pressures of competitiveness. Serious capacity building is required in this area as well, so all sectors of society can move forward with full capacity.

The third challenge is micro compared to the first two, but it is also considered a macro policy and management issue, and that is the government capacity, willingness, and culture to meet the demands of its citizens with quality, high responsiveness, and responsibility as well as accountability. Doing so, governments must build strong infrastructure capacity, both institutionally and culturally through education and training of public servants, contract managers, monitors of public programs, and privatized or outsourced projects. The key to success is building trust and confidence in government organizations and their quality performance.

This is a serious challenge that is now compounded by the challenges of globalization, as citizens of one country are well aware of what citizens in other countries expect, demand, and receive. There is a "global common" developing among citizens of the world, yet some governments still tend to carry the old notion of global colonialism, imperialism, and globalization by violence of war and intimidation. The bottom line is demand for quality, respect, and dignified treatment of citizens as citizens, not just consumers of the marketplace; and accountability and transparency are key elements of this new challenge of public management. Government is the ultimate responsible and accountable body in society.

### **Principal-Agent Theory: Government as Principal or Agent?**

The age of globalization has also brought new organizational theory concepts, and one of these new concepts is the "principal-agent theory," which considers consumers as principals and organizations providing services as agents; hence principal-agent theory (see, for example, Alchian and Demstz, 1972; Fama, 1980; Jensen, 1983). Terms and conditions of agreements or contracts govern their relationships. This is not a new idea, and it has been around for thousands of years.

The assumption is that there is a free flow of information between both parties, there is no coercion involved, no manipulation by any party, and that efficiency defines the relationship between principals and agents. In this case of marketplace operation, especially under globalization, the role of the government is not very clear. Is government a principal or an agent? The answer is: it has to be both, principal on the one hand, and agent on the other. Under the traditional role of strong government, it was an Agent, with citizens being the principals; the government performs and provides the public services and goods, hence an Agent. But the government was also a Principal in the areas of regulation of the market and society, acting on behalf of the citizens to enforce laws and regulations.

With the "new role of government," where privatization, contracting out, and outsourcing are commonplace under globalization and serve the goals of globalization of corporate capitalism worldwide, the government has to perform both

the role of Principal and Agent at the same time. As a Principal, the government must manage privatization, outsourced and contracted projects and programs with public authority, therefore it acts as a Principal to make sure the Agents (contractors) do their jobs right, but the government is still the ultimate source of accountability and responsibility to society, citizens, and to the new globally emerging sources of authority. Here the latter role is the role of Agency, that is, the government as an accountable Agent must act responsibly. Government still performs a number of functions directly by itself, say national defense, security, health, and education, and so on, and here it is an Agent to citizens who are the Principals.

Thus, the government role is changing, and so is its Principal-Agent role configurations. A key area of governmental role as both an Agent and a Principal is promotion of TQM in the age of globalization.

### Managing for TQM and Total Quality Assurance

The role of government in reference to quality falls under two broad roles: one is to promote and support TQM as a movement, as a philosophy, and as a tool of improvement in quality governance and management. The second broad role relates to taking measures toward Quality Assurance, which is to promote guarantees of quality in private and public sector organizations. Government can and should view TQM and TQA as a means to achieve strategic national goals in the global environment, on the one hand, and to promote quality of performance and living conditions of its citizens at home, on the other. This is a challenging task that is expected of governments. Poor quality products and services produce dissatisfaction among citizens and drive them to competitors at home and abroad; and bad quality products offered by marketplace prompt government oversight and intervention via setting standards and regulatory schemes to protect public health and well-being.

*TQM as a Philosophy:* Elsewhere (Farazmand and Mittner, 2004), we have argued in favor of TQM as a philosophy. Reproducing an excerpt of that assertion below helps one understand the concept in a deeper sense.

Philosophy is in search of truth in the universe. It involves value structures with underlying assumptions that can be injected and enhanced in culture, community, and society demanding collective action. Philosophy, therefore, in this context involves a set of structured principles, value systems with attitudes and beliefs, and processes that are never-ending and always in motion: detecting and preventing defects while creating new ideas through innovation. In a sense, it may be considered a dialectical process that requires institutional competence and organizational dynamics. Thus, the philosophy of TQM is holistic and all encompassing. It is important to make a distinction between (1) the general absolute philosophy that covers and guides aspects of life and society, on the one hand, and (2) the instrumental philosophy that guides work and organizational behavior in daily life of modern society, on the other. Of these two types of philosophies, instrumental philosophy is the one that is the central concern in this essay, and key to understanding TQM.

By implication, therefore, TQM differs from other management techniques because it focuses on the outcome not the output of a particular organization. Even though at the end of the day one organization may have served customers in an efficient way the question remains: was their service effective? Just because a project is “done” does not necessarily mean it’s “done well,” it just means it’s finished, not even completed because the concept “complete or completion” has meaning beyond finishing a task or job. It refers to completing the required task of integrating together the necessary components of a product or service with “quality” assurance and consequences . . . Quality is what a healthy, productive, and effective life is to a person and organization.

The culture of TQM is a comprehensive one, integrated, holistic, and philosophically embedded in the basic assumptions of the organizational culture that believes in, and promotes, that “quality culture” not only in its manifest words but also in deeds and actual products and services. (Farazmand and Mittner, 2004, 233–234)

*TQM as a Strategy to Managing Globalization:* Viewing TQM and improving the Quality Assurance enables government to enhance its capacity building toward management of the globalization challenges. Quality is an ultimate answer to all critical problems, an answer to key questions, and a key response to demands of competency in domestic and global arenas of competitiveness.

TQM should be used as a strategic innovation in capacity building, in managing global challenges, and in promoting Quality Assurance. It is an innovation in building human capital in a knowledge-based age of governance and administration. And nothing replaces good knowledge. Yet, there is a dilemma, the dilemma of assuring quality at home on the one hand, and managing the globalization challenges, on the other.

*The New “Impossibility Theorem”:* The “impossibility theorem” develops in the role of government in the age of globalization and global pressures, which contradict the efforts for Quality Assurance and TQM at home.

It is quite simple: On the one hand, the goals of globalizing corporations, seeking cheap labor, cheap resources, cheap materials, deregulated environments, lack of governmental interferences, free operational hands, and maximum efficiency based on quantity often at the expense of quality, are to increase the bottom line of high profit and market expansion globally. These corporations care less for social costs and other externality costs they release to society; the government must absorb them. The higher the rate of efficiency and profit, the lower the quality of services and products for the following reasons.

On the other hand, quality assurance, quality services, and TQM require serious measures of programs and plans of actions that improve quality in the process of performance, production, and delivery of services. This requires trained and quality personnel, employees and workers who are skilled, those who have a sense of loyalty and security in their jobs, and show a feeling of commitment to what they do. Quality requires seriousness in performance, pride in outcomes, and recognition in ways that society and labor appreciate. Globalization forces are after cheap labor, temporary labor, and fast-pace production with high volume,

with little or no concern for human, individual workers of communities they exploit and leave behind. They downsize workforce and hire temporary labor to save money; they get what they pay for: poor quality and low or no commitment from labor. The result is that the goals of globalization of corporate capitalism clash and contradict with the goals of quality and TQM; the two are incompatible and generate the “Impossibility Theorem” a concept I have developed in managing the challenges of globalization (see Farazmand, forthcoming-a).

Is there a solution to this dilemma? Yes, it is the strong role of government to balance out and solve or minimize the contradictions. This requires a determined, informed, and genuine policymaking governance system that acts with determination, independence, and effectiveness. I have outlined these policy measures in response to globalization elsewhere, and there is no space to carry out that discussion here. Readers are referred to that source (see Farazmand, 2001a).

### WHAT GOVERNMENT SHOULD DO

What can governments do and how should they do it? The rationales for government role are obvious; governments have an ultimate responsibility for the well being, security, health, and progress of a country, even more so in the age of globalization because of the widening gaps that are created as a consequence of globalization. Government role is needed to deal with international as well as domestic issues, and it goes well beyond these two fronts. Below is a short list of what government should do, and what it should not do.

#### What Government Should Do to Promote Quality Assurance and TQM:

- a *Enabling environment for all sectors of the economy.* All sectors of a society demand equitable distribution of national income and equal opportunities for functioning effectively. More affluent and powerful are always in a position of advantage with an edge for success and benefits. The disadvantaged, weak, and poor lack the opportunities the rich and powerful enjoy. Government’s role in providing an enabling environment is crucial to the success of these groups, classes, and organizations. Quality requires capacity, resources, and commitment, and it is through the enabling environment—financially, politically, and managerially—that private, non-profit, cooperative, and nongovernmental organizations can raise the quality of their performance, products, and services.
- b *Building infrastructure in all areas of health, human services, and education.* Government role in building and maintaining infrastructure in economy and society is essential as part of its enabling role to society. It is key to capacity building for quality assurance.
- c *Education and training.* Government allocation of resources for education and training at different levels of skills and knowledge is also the key to building individual and community capacities. Building and enhancing quality standards, criteria, and indicators requires education and training to improve and change the culture in organizations and people.

- d *Maintenance of a healthy environmental ecology for all human and natural resources.*
- e *Support systems.* Government can provide technical, scientific, and managerial supports to all sectors of society in providing services and products, for upgrading and enhancing quality standards in a highly competitive environment. This does not mean a growth in government bureaucracy; rather, it means making government capacity and knowledge-based resources to the whole society so all sectors of economy can benefit from and take advantage.
- f *International standards.* Governments should sign into and adhere to international standards of quality that include a wide range of areas of national and global concern. These include, for example, protect public health across the borders, improve working conditions, quality of life, and treatment of citizens worldwide. Government endorsement and promotion of these and other international standard systems would ultimately benefit all citizens and nations of the world.
- g *Reward innovations and creative competitiveness.* Innovation is key to progress and development, especially for human development and civilization construction, not destruction and war that brings death and calamity to human beings. Governments should help set up reward systems that support innovation and creativity for constructive competition, not destruction.
- h *Monitor and regulate market failures.* Market is like a jungle, with predators everywhere. Without an understood system of checks and balances, and schemes of regulations that help promote constructive competition, advance public goods and services, and promote security and peace for all, not at the expense of other nations or peoples, but for the entire global community.
- i *Promote accountability, responsibility, and transparency.* Institutionalizing the principles of accountability, responsibility, and transparency in government help promote their observance in all sectors of society; they also help reduce the needs for corruption. These principles contribute to quality assurance in public and private organizational performance. They help promote openness and ethical standards, both of which also contribute to responsiveness, an obligation that governments have to citizens.
- j *Other:* Governments can also promote quality assurance through other mechanisms such as benchmarking practices, protecting domestic industries, safeguarding against market abuses, and assisting self-governing organizations for sustainable development.

### **What government should not do:**

- Avoid being a shopkeeper. Government has never been a good shopkeeper, and it is better to leave that function to self-governing organizations, with an eye on potential abuses that harm broad public interests.
- Do not dictate civil society unless there is a broad utilitarian cause or national security issues are at stake. Civil society is necessary for developing self-governing organizations, which in turn reduce the burden of service delivery off the government shoulders and promote democratic administration.
- Avoid punishing strategies. Use affirmative strategies, not negative reinforcements that tend to spread fear and need of self-protection tactics. Instead, promote a culture of positive action and motivation for quality assurance.

### IMPLICATIONS FOR STRATEGIC PUBLIC PERSONNEL ADMINISTRATION

Several implications may be drawn from the above discussion for strategic public personnel administration. First, globalization challenges produce a new and urgent need for new skills, knowledge, and competency in employees at both ends of the isle, that is for those who work in organizations of the globalizing countries, such as in the United States, Western Europe, Japan, and others like China. Personnel management in these countries face the challenges of producing highly trained employees and workers prepared with skills and competency in knowledge management, new information technology, and strategic thinking.

The changing public-private sector configurations across the world have resulted in exporting jobs by globalizing government and corporate organizations to less developed countries on the receiving end of globalization effects; the latter countries' personnel management will face the challenges of producing new personnel equipped with new skills, competency, and knowledge to perform the jobs of the globalization process.

Second, by extension, knowledge management and human capital development become two key features of the new personnel management in both public and private sectors. This new development demands new skills and competency not quite comprehensible to common people due to sophistication and professional expertise factors.

Third, recruitment becomes more challenging for the age of knowledge management and leadership functions that direct and redirect organizational courses of action.

Fourth, training and retraining are key features of the new era of personnel management for quality assurance and management (QA&M). Building and managing quality-oriented human capital is a challenge that faces public personnel managers due to the contradictory pressures that globalization imposes on public administration and management: how to reconcile the conflicting values of globalization and total quality assurance and management, as discussed earlier. This is where the role of government becomes crucial as the ultimate arbiter in establishing and institutionalizing such a balance and to resolve the "impossibility theorem" outlined earlier.

Fifth, it is through the revived role of government in assuring and promoting TQM in the age of globalization that demands new cadres of professionally trained personnel managers, professional administrators, supervisors, and field employees in all areas and sectors, including service and regulatory areas. Their key function is to ensure that quality standards, performance criteria, and rules of fairness are observed, not only for the sake of domestic public health and citizen interests, but also for capacity building and enhancement in the arena of regional and international/global environment of economic competition. This is a crucial role for the government to represent the broad national and individual interests. Personnel management of the 21st century, therefore, will have to be guided by

a balancing process of quality assurance in the age of globalization; the former enhances the latter while the latter challenges the former.

### NOTE

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## INDEX

- AACSB. *See* American Association for Schools and Colleges of Business
- Aberbach, J.D., 219
- Academe-industry collaboration, 329. *See also* consulting, aspects of
- Accountability, HRM, 75, 78
- Aches and pain. *See* burnout symptoms
- Adams, J., 167
- Adarand Constructors Inc. v. Pena*, 363
- Administrative dimensions  
political and  
unification of, 48
- Affirmative actions  
California proposition 209, 372–73  
concept of, 356–58  
*Hopwood v. State of Texas*, 367–72  
supreme court interpretations, 363–66  
*Taxman v. Board of Education of the Township of Piscataway*, 366–67
- African-Americans, 354, 366, 368, 370, 372
- AFSCME. *See* American Federation of State, County, and Municipal Employees
- Allen, D., 332
- Allen, N.J., 111
- Alternative Dispute Resolution procedures (ADR), 389, 456
- America  
American Association for Schools and Colleges of Business, 60  
American Federation of Labor, 27  
American Federation of State, County, and Municipal Employees, 115  
American public administration  
second era of, 168  
American Society for Public Administration, 137  
ASPA. *See* American Society for Public Administration  
public administration concept of, 167  
public personnel management in, 166  
public personnel policy, 163  
American Association of University Professors, 341, 456  
American Evaluation Association, 341  
American Federation of Teachers, 456  
American Political Science Association, 341  
American Psychological Association, 341  
American Society for Public Administration (ASPA), 137, 335, 341, 377  
American Society of Training and Development (ASTD), 249  
American Sociological Association, 341  
Assertiveness, 452

- Association errors, 323–24  
Axley, S., 332
- Baer, L., 332  
Bakke, A. *See Regents of the University of California vs. Bakke*
- Balfour, D.L., 111  
Bane, K., 332  
Baucus, M.S., 184  
Becker, T.E., 111  
Behaviorally Anchored Ratings Scales (Bars), 321–22  
Bereavement leaves, 262  
Berger, P., 335  
Bird, F., 332  
Black Codes, 354  
Boeing 747 Project team, 315  
Bohlander, G., 103  
Bona fide occupational qualification (BFOQ), 408  
Boselie, P., 189  
Bost, J., 332  
Bowman, James S., 87, 329  
Boyer, E., 332  
Breakthrough leadership process, 313  
British civil servants, 282  
British East India Company, 24  
*Brown vs. Board of Education*, 354, 361  
Brownlow, L., 209, 216  
Bryson, J. M., 324  
Bureaucratic administration  
  political control over, 210  
Bureaucratic red tape, 281  
Burnout, phase model of  
  360° evaluation model, 269  
  acute onset of burnout, 262  
  amelioration of, 257–58  
  and forces affecting HRD. *See also* HRD (human resources development), forces affecting  
  chronic onset of burnout, 262  
  covariants of, 255  
  external validity of, 253–54  
  Maslach burnout inventory, 251  
  negative trends with, 256  
  operational definition of, 252  
  progression phases of, 252–53  
  theoretical analysis of, 251–52  
  vs. physical symptoms, 253  
Burnout indicators, 256  
Burnout symptoms, 256  
  depression, 133, 256  
  insomnia, 256  
  and use of chemical agents, 256  
Burnout victims, 256  
Bush, George W., 69, 175, 184, 231, 240  
  Bush administration, 132  
  political appointees during, 219  
Business environment, measurement of, 261–62
- California Proposition 209, 372–73  
Callahan K., 73, 102, 103, 107, 108, 110, 112–14  
Campbell, Scotty, 218, 220  
Canadian Management Trainee Program, 291–92  
Career development, 250, 261, 283, 286  
Career planning, 273  
Career-broadening Assignments Division (CAD), 294  
Carnevale, David G., *See* labor relations, in public sector high performing workplaces  
Carter, Jimmy, 237  
Casey, A. W., 184, 186  
Caudron, S., 316  
Central America  
  democratization process in, 57  
  republics of  
  public personnel systems within, 57  
Churchill, W., 177  
Citizens-governments relations, 460  
*City of Richmond v. J.A. Croson*, 363  
Civil Rights Act of 1964, 355–56, 374, 379, 408, 410  
  Title VI of, 358–59, 361, 370, 372  
  Title VII of, 355, 366–67, 409, 413  
Civil Service Commission (CSC)  
  governing body of, 234  
  Office of Personnel Management (OPM), 238  
  transformation of, 34

- Civil service reforms. *See also* Pendleton Act in 1883  
 and Senior Executive Service (SES), 176  
 Civil Service Reform Act 1883, 228  
 Civil Service Reform Act 1978, 28, 176, 204, 213, 216, 232, 238  
 Civil Service Reform Act 1979, 173  
 constitutionality issue of, 26  
 key rationale for, 231  
 market-based, 176  
 Models of, 232  
 National Labor Management Board (NLRB), 238  
 successful set of, 176  
 theoretical context of, 228
- Civil service systems, 16, 23  
 central issue of, 16  
 changes to, 183  
 examples of, 188  
 fundamental features of, 229  
 historical development of, 46  
 legal/managerial foundations of, 237  
 need to reform, 230  
 and patronage, 16  
 professionalization of, 236
- Civil War Amendments, 353–54
- Clark, Joseph, 355
- Classification Act of 1923, 406
- Clinton, B., 133, 175, 410  
 Clinton administration, 206  
 civil service reforms under, 240  
 political appointees during, 219  
 Clinton White House  
 schedule C appointment in, 206
- Cognitive support, 315
- Collective bargaining, 442
- Colvard, J. E., 219
- Competency assessments, 420
- Competency traps, 283
- Conflict, 444–46
- Consulting, aspects of  
 background, 329–31  
 case analysis of public affairs and administration professorates. *See* public affairs and administration professorate in consulting, survey analysis of  
 in research activities, 329  
 incidence of, 336–38  
 Jurkiewicz, C. L., 20, 107, 329, 419, 421, 424  
 literature review of, 331–33  
 University policies and departmental issues, 338–42
- Cook, J. M., 6
- Cooper, P. J., 103
- Corporate personnel system  
 administrative standards toward, 237
- Corporate planning, strategic, 126
- Corwin, Edward, 217
- Corwin, Edwin, 210
- Crime Prevention Through Environmental Design (CPTED), 388
- Critical incident method, 322
- Cross-training opportunities, 287
- Customer services, measurement of, 262–64
- Decentralization, 288
- Decision support systems, 426–27
- Defensive communication, 313
- Dellinger, Walter, 367
- Democracy  
 and ethical/accountability issues, 17
- Department of Homeland Security (DHS), 17, 131, 137, 231  
 personnel system of, 184
- Depersonalization, 251, 259
- Depression. *See* burnout symptoms
- DeSario, Jack P., 20, 351
- Detection devices, 384
- Developed countries  
 personnel management in, 58  
 public personnel manager in, 58
- Developmental innovations in, 145
- Dicke, L. A., 67
- Dillon, K., 332
- Disparate treatment, concept of, 409
- Dred Scott v. Sanford*, 353
- Drucker, Peter, 325
- Dual career ladders, notion of, 274
- Dulles, J. F., 173

- Dunn, D., 333  
 Durant, R., 219  
 Dworkin, T.M., 184
- Ehrlichman, J., 214  
 Eisenberg, E. F., 183, 218  
 Elders, Surgeon General Joycelyn, 384  
 Embryonic administrative system, 23  
 Emotional intelligence, 306, 311  
 Employee assistance professionals, 261  
 Employee assistance programs (EAPs), 262, 390  
 Employee health, 256  
 Employee productivity, measurement of  
   at individual level, 256  
   costs to work groups and organizations, 256–57  
   direct derivations from burnout phase model, 254–55  
 Employee-employer interaction, 319  
 Employees' motivation  
   an performance appraisal process, 109, 110  
 Employment contract, 270  
 Empowerment, of teams, 316  
 Empowerment ideology, 71, 72. *See also* human resource management  
 England  
   “Old Corruption” system, 29  
 Equal employment opportunities, 287, 295  
 Equal Employment Opportunity Commission, 355, 357, 408  
 Equal Pay Act of 1963, 413  
 Equal Protection Clause, 364, 368  
 Etzkowitz, H., 332  
 European competence, 289  
 European Institute of Public Administration, 285  
 European Public Service, 281, 284  
 Executive Exchange Volunteering Services Act, 285
- Fair Labor Standards Act of 1938 (FLSA), 411  
 Family and Medical Leave Act, 410  
 Farazmand, A., 6, 145, 227, 232, 239  
 Federal agencies. *See also* United States changing needs of, 176  
   federal bureaucracy, 172  
   Federal Emergency Management Agency (FEMA), 17, 387  
   Federal Pay Comparability Act 1970, 37, 174  
   Federal Pay Reform Act of 1990, 37  
   federal personnel reform history, 166  
   Federal Protective Service, 385  
   guidelines, 386–87  
 Feynman, Richard, 303  
 First Civil Service Commission, 26, 31  
 Fisher, B., 304  
 Flood, Fran, 304–5, 317  
 Flood's concentric circle model, 305–6  
*Fullilove v. Klutznick*, 363–64  
 Fulmer, W., 184  
 Furnham, Ardrian, 330, 336, 339
- Gender discrimination, at workplace  
   gender frames, role of, 402  
   Guy, Mary E., 21, 102, 109, 244, 399, 403  
   issue of family values, 410  
   pay policy, 413–16  
   wages, hours and benefits, 411–13  
 Gender ethos, 404  
 General Brady's description, of Vietnam rescue teams, 305  
 Gentner Communications, organizational culture of, 317  
 Gibson, F., 333  
 Gingrich, Newt  
   and political ideology, 69  
 Glauser, M., 332  
 Globalization, of business, 141, 270–71, 421, 460, 464–66  
   and corporate capitalism, 144  
   challenges of, 142  
   managing challenges of, 467–68  
   promoting the goals of, 233  
 Goal attainment, 301, 304, 306  
 Goal clarity, 303–4  
 Goldin, C., 405  
 Goleman, D., 311–14  
 Golembiewski, R. T., 20, 103, 249–59, 264–66  
 Gorham, G., 332  
 Government/public administration  
   issue of patronage in, 16

- Government's role, in capitalist society and economy  
 and principal-agent theory, 468–69  
 antistate model of government, 461–62  
 implications for strategic public  
 personnel administration,  
 473–74  
 managing globalization challenges,  
 467–68  
 mixed-economy welfare-state model of  
 government, 462–64  
 responsibilities of the government,  
 471–72  
 strong government model, 461  
 with reference to total quality assurance,  
 469–71  
 with reference to total quality  
 management, 469–71
- Government-society relations, 460
- Grade point average (GPA), 368, 370
- Grandfather clauses, 354
- Grant Commission. *See* First Civil Service  
 Commission
- Graphic rating systems, 322
- Gratz v. Bollinger*, 372
- Grutter v. Bollinger*, 369, 371
- Guy, Mary E. *See* gender discrimination, at  
 workplace; human resource  
 practices, traditional approach of
- Haddad, K., 332
- Harmon, M., 214
- Harvard Business Review*, 404
- Hatch Act (1939), 354
- Hecló, H., 43, 199, 201–3, 223, 237
- High performance teams, 306, 308, 312,  
 316
- High performing workplace, 443–44
- Higher education and consulting. *See*  
 consulting, aspects of
- Holzer, M., 103, 104, 107, 114
- Homicidal violence, 383
- Hoover administration/commission, 171,  
 209, 212  
 and high-performing workforce, 194  
 authority of  
 decentralization of, 87  
 basic composition of, 91  
 benchmarking in, 96  
 decentralization in, 97  
 decision-making in, 87  
 employee training/development in, 91  
 empowerment  
 ideology of, 71  
 fundamental ethos of, 85  
 hiring procedures  
 skills-based resume for, 192  
 and information revolution, 92  
 innovation within office of, 93  
 innovative capacity building  
 approaches to implement, 157  
 leadership development program, 91  
 model of, 91  
 Model Program for Capping Wage and  
 Benefit Expenditures, 114  
 negative consequences of, 97  
 objectives of, 86  
 organizational relevancy, 89  
 performance standards of, 96  
 prime opportunity for, 92  
 role transition in, 89  
 state Government Performance Project  
 (GPP), 184  
 strategic capacity building in, 143  
 strategic decision-making in, 90  
 strategic HRM, 87  
 technology within, 95  
 transitional steps in, 93  
 United Nations Development Program,  
 143  
 workforce training, 194
- Hopwood v. State of Texas*, 367–72
- Hopwood, Cheryl, 368
- HRD. *See* Human Resources Development
- HRM. *See* Human Resource Management
- Human capital/resource  
 and capacity management, 9  
 building/management of, 3, 5, 68, 103  
 development/management of, 14, 15  
 domestic capacity building in, 144  
 and knowledge management, 15  
 management of  
 bibliographic sources on, 63  
 techniques used to perform, 53  
 practices in, 183  
 role of investment in building, 15  
 specialists managing, 52
- Human judgment, 322

- Human resource management, 68, 85  
 and agency leadership, 104  
 civil service paralysis, 183  
 context of, 101  
 and course content, 60  
 creating/maintaining quality work,  
 106  
 designing effective, 110  
 dynamic context of, 116  
 education in, 4  
 effective approach to, 101, 112  
 employee-centered leadership, 104  
 empowerment ideology, 72  
 environments for, 103  
 human resource managers  
   quality work life creation by, 113  
 in 21st century, 112, 115  
 innovation in, 147  
 innovative approaches to, 101  
 integrated approach to, 109  
 knowledge management, 18  
 labor-management relationship, 113,  
 115  
 and organizational culture, 104  
 plans and processes  
   implementation of, 105  
 policies/practices for, 186  
 practices and trends in, 183  
 productive form of, 101, 103, 112,  
 113  
   factors for, 115  
 profession of, 78  
 programs for  
   integral elements of, 113  
 and public agencies, 105  
 routine level, 104  
 specialization area in, 60  
 strategic enhancement in, 143  
 strategic innovation in, 141, 142,  
 146  
 strategic plans for, 104  
 strategies for productive, 106  
 training in, 4  
 transition to strategic, 85  
 trends and innovations in, 184  
 and Washington state model,  
 186  
 Human Resource Planning, 250
- Human resource practices, traditional  
 approach of  
 gender differences at workplace,  
 401–5  
 gender discrimination, 406–16  
 Guy, Mary E., 21, 102, 109, 244, 399,  
 403  
 induction of women into labor force,  
 405–6  
 merit principles of, 400  
 organizational justice, 416–17  
 Human Resources Competency Model  
 capacity building/enhancement in,  
 148  
 training guide for, 38  
 Human resources development, 249  
 dimensions of  
   compliance, 423  
   different enterprises, 423  
   policy development, 422–23  
   service delivery, 423  
 forces affecting  
   business environmental factors,  
   261–62  
   changes in employee performance,  
   269–70  
   changing technology, 264–65  
   flexible organization design, 273–74  
   globalization of business, 270–71  
   increased customer services, 262–64  
   increased demands on employee  
   productivity, 266–67  
   increased job involvement,  
   participation and commitment of  
   work force, 271–73  
   increased use of systems approach,  
   267–69  
 and job mobility assignments. *See* job  
 mobility assignments  
 measurement of employee  
   productivity, 254–57  
 measurement of HRD services,  
 257–61  
 workforce diversity, 265–66  
 professionals, 249, 254, 263, 268, 271  
 related interventions, measurement of  
   direct derivations from burnout phase  
   model, 257–58

- interaction-centered designs for, 259–60
- measurement of intervention progress, 260–61
- needs assessment, 258–59
- role in organizations, 274–75
- task force definition of, 249–50
- Humphrey, Hubert, 355
- Hunter, R. M. T., 30
- Hurricane Katrina, 17
  
- Impossibility theorem, 470–71
- Individualism, 315
- Information-gathering techniques, 261
- Ingraham, P. W., 183, 203
- Innovations, HRM
  - areas/issues of, 147
  - benchmarking, 154
  - contract management capacity, 155
  - council system of management, 156
  - cultural innovation/transformation, 151
  - definition of concept, 146
  - E-Governance and E-HURM, 149
  - enabling role capacity, 156
  - global executives, 152
  - global labor migration and mobility, 153
  - human capital, 155
  - information technology, 148
  - key strategic areas of, 148
  - management-labor partnership building, 153
  - merit and pay-for-performance, 152
  - reform and reorganization, 153
  - strategic civil service and public enterprise capacity, 154
  - strategic knowledge development and management, 151
  - strategic motivation, 150
  - strategic positions/leadership personnel, 149
  - strategic public enterprise management, 154
  - team building and development, 156
  - technological innovation, 147
  - thinking globally and performing locally, 157
  - Total Quality Management (TQM), 151
  - transparency, accountability, trust, and ethics, 153
- Insomnia. *See* burnout symptoms
- Intellectual property, privatization of, 331
- Interchange Canada Program, 285
- Interest-based bargaining (IBB), 448–51
- Intergovernmental Personnel Program (IPP), 285, 287
- International Association of Firefighters, 456
- International City/County Management Association, 341, 456
- International Personnel Management Association (IPMA), 93
- Internet resources, 428
- interpersonal competencies, 307
- interpersonal skills, 306–7
- Iran human resource capacity building in, 144
- Irish-Anglo Exchange Program, 285
- Isaacs, H., 108, 109
  
- Jackson, A., 29, 133
- Jacksonian democracy, 170
- Japan
  - automobile invasion, 125
  - economy of, 125
  - industrial expansion in, 125
  - Total Quality Management in, 125
- Jaworski, Joe, 309
- Jefferson, T., 29
- Jeffersonian vs. Jacksonian spoils system, 234
- Job enrichment, 259, 271–72, 274
- Job mobility assignments
  - Canadian Public Service Commission, 290–91
  - existing programs, 284–86
  - factors responsible for utility of, 288–91
  - government structuring of, 291–94
  - in Nordic countries, 288
  - in United Kingdom, 282
  - Netherlands, Senior Public Service (ABD), 290
  - of European Union, 284–85
  - purposes of, 286–88
  - recommendations for, 294–96
  - research and theory linking to, 282–83

- Job rotation, 274
- Johnson, A., 27
  - impeachment of, 30
- Jones, C., 17
- Jurkiewicz, C. L. *See* consulting, aspects of
- Justice Burger, 359, 362
- Justice Harlan, 354
- Justice Marshall, 354
- Justice O'Connor, 365
- Justice Powell, 359–62, 369, 370–71
- Justice Stevens, 359
- Justice Stewart, 359
- Justices Rehnquist, 359
  
- Kalantari, B., 319
- Katrina/New Orleans Levees case, 130
- Katzenback, J. R., 310
- Kaufman, H., 215
- Kelly, Rita, 400
- Kennedy, J. F., 28
- Kennedy's Executive Order 10925, 356–57, 377
- Kleeman, R. S., 239
- Kmieciak, Douglas, 353
- Knott, J. H., 207
- Kodak Corporation team, 311
  
- Labor management cooperation, 455–56
- Labor movement organizations, 233
  - American Federal of Labor (AFL), 233
  - Knights of Labor, 233
- Labor relations, in public sector high performing workplaces
  - Carnevale, David G., 21, 441, 443, 452
  - conflict at workplace, 444–46
  - employee participation, 443–44
  - interest-based (IBB) process, 449–51
  - labor-management cooperation, 455–56
  - negotiation styles, 446–49
  - negotiator skills, 451–55
  - union and management principles, 443–44
- Labor-management relations, 17
- LaFasto, F., 306–7, 309, 315
- Lamb, Barbara, 20, 280. *See also* job mobility assignments
- language tools, 313–14
- Larson, C. E., 306–7, 309, 315
  
- Law School Admission Test (LSAT), 368, 370
- Learning curves, 284
- Learning objectives, 260
- Levine, C. H., 239
- Lewis, Gregory, 332, 401
- Lewis, J. R., 108
- Light, Paul, 207
- Lincoln administration, 234
- Linnell, R., 332
- Lloyd-LaFollette Act of 1912, 27, 28, 30
- Loucks, Vernon, 308
- Luckmann, Thomas, 335
  
- MacKenzie, G. Calvin, 221
- Management by objective (MBO) technique, 325–26
- Maranto, R., 163, 207
- Market absolutism, 18
- Marshall, T., 361
- Martin, P., 401
- Maslach Burnout Inventory (MBI), 251, 273, 275
  - subdomains of, 251–52
- Mattis, M., 405
- Maynevski, M., 308
- McDonald, N., 110
- McKinley, W., 27
- McLagan, P., 249–50
- Merton, R. K., 330, 339
- Metaphor, for work units
  - glass ceilings, 404
  - glass walls, 403
  - sticky floors, 404
  - trap doors, 404
- Metro Broadcasting vs FCC*, 364
- Mexican-Americans, 368
- Meyer, J.P., 111
- Miller, G.J., 207
- Ministry of International Trade and Industry (MITI), 125
- Minority-owned business enterprises (MBE), 363
- Mission statements, 304
- Moe, Ron C., 210
- Moe, Terry M., 207, 219
- Monitoring process, 309
- Moral muteness, 339

- Mosher, F., 167  
 Munroe, T., 114  
 Murray, W. L., 199  
 Mutual accountability, feelings of, 314  
 Myers, T. A., 249. *See also* burnout, phase model of
- Naisbitt, John, 429  
 Nathan, R., P., 207, 211, 216  
 National Academy of Public Administration  
   research by, 38  
 National Association for Schools of Public Affairs and Administration (NASPAA), 60  
 National Association for the Advancement of Colored People (NAACP), 352, 361  
 National Association of Counties, 456  
 National Association of State Personnel Executives (NASPE), 93  
 National Civil Service Reform League  
   foundation of, 32  
 National Education Association, 456  
 National Governors' Association, 456  
 National Institute of Occupational Safety and Health (NIOSH), 383, 387–88, 390  
 National-international-global relations, 460  
 Needs assessment, 258–59  
 Negotiation styles, 446–49  
 Negotiator skills, 451–55  
 Nelson, M., 167  
 Neustadt, R., 211  
 New York Civil Service Reform Association  
   committee, 32  
 Nigro, L. G., 20, 87, 184, 383–85, 391  
 9/11 attacks, 383–84  
 Nixon administration, 211, 212  
 Non-Accelerating Inflation Rate of Unemployment (NAIRU), 129, 130, 135  
   as policy of compulsory unemployment, 130  
 Nondefensive communication, 312–14  
 Nordic Civil Servants Exchange Program, 285  
 Nuns, work life of, 268
- Occupational Safety and Health Administration (OSHA), 384  
   guidelines, 392–95  
 Occupational segregation, 402  
 Office of Federal Contract Compliance, 355, 357  
 Office of Personnel Management (OPM), 384, 389  
 Oklahoma City bombing, 385–86, 391  
 Organization designs, 273–74  
 Organizational development (OD), 250, 263, 445  
 Organizational learning, 283  
 Organizations  
   and absenteeism, 96  
   employee commitment to, 111  
   employee management in, 45  
   employees motivation, 109  
   employees/personnel in empowered, 74  
   environment of contemporary, 43  
   governance model for, 165  
   labor management cooperation, 114  
   organization culture, 8, 77  
   and public HRM, 76  
   description of, 77  
   organizational performance and strategic personnel administration, 14  
   organizational productivity  
     human resources importance to, 55  
   political appointees in, 166  
   productive public  
     importance of people in, 102  
   quality workforce  
     creation/maintenance of, 107  
   role of politics in, 165  
   SES level of  
     appointments above, 220  
   teamwork-based culture, 112
- Ott, J. S., 67
- Paaawe, J., 189  
 Participative management functioning, 268  
 PAS appointments  
   proliferation of, 220  
 Pendleton, D., 330, 336, 339

- Pendleton Act in 1883, 24, 31, 232, 234, 405
- Pendleton Act/bill, 171, 233  
 creation of, 33  
 drafting of, 33  
 origin of, 32  
 Pendleton system, 33  
 varieties of, 34
- perceptual biases, 323
- Performance appraisal, 256  
 and strategic planning, 324–26  
 instruments of  
   Behaviorally Anchored Ratings Scales (BARS), 321–22  
   check list, 322  
   critical incident method, 322  
   essay method, 322  
   graphic rating systems, 322  
   ranking methods, 322  
   work standards, 322  
 pitfalls in  
   association errors, 323–24  
   perceptual and personal biases, 323  
   range errors, 323  
   procedure of, 320–21
- Performance evaluation, 319  
 formal and informal, 321
- Performance management system, 250  
 aligning goals in, 189  
 behavioral/performance problems, 192  
 Employee Development and Appraisal (EDA), 190  
 government Performance Appraisals for, 188  
 incentive/performance-based pay, 190  
 Performance Assessment and Recognition System (PAR), 189
- Perkins, Frances, 411
- Personal biases, 323
- Personnel administration system, public, 3, 7, 34  
 agencification, 7  
 and globalization, 19  
 blacks and Hispanics, 12  
 changes affecting role of, 50  
 decentralization of, 7  
 dimensions to strategic, 5  
 effectiveness of, 16  
 history of, 4  
 in United States, 23, 44  
 key instruments to, 229  
 labor-management dimension of, 10  
 leadership dimension of, 10  
 management-labor relations, 11  
 meaning of strategic, 4  
 Pendleton system of, 34  
 personnel administrator  
 process dimension in, 7  
 professionalization of, 16, 235  
 social issues in, 12  
 strategic issues of, 16  
 strategic managerial soundness in, 9  
   role of leadership, 9  
 technological innovation for, 11  
 U.S. system of, 24
- Personnel evaluation, 266–67
- Personnel management, public, 39  
 American system of, 228  
 and political controversy, 172  
 as technical field, 53  
 by women bureaucrats, 4  
 certificate in, 62  
 civil service reformers and, 53  
 college graduates of, 61  
 concept of strategic, 4  
 contingent workers, 45  
 course work in, 60  
 credibility of, 53  
 cultural/behavioral requirements for, 14  
 democratization and, 57  
 development of  
   research on, 57  
 effective brand of, 86  
 environmental conditions affecting, 43, 44  
 history of, 3  
 importance of, 57  
 inflexibilities in, 38  
 internship in, 62  
 key words in strategic, 7  
 late 1990s trends, 38  
 legal/constitutional dimensions, 15  
 managerial dimensions of, 14  
 meaning of, 24  
 merit-based, 171  
 organizational dimensions of, 14  
 permanent workers, 45

- political nature of, 173
- private-sector perspective, 60
- requirements of, 45
- research on use of Internet for, 64
- set of functions in, 59
- strategic concept of, 38
- students of, 60
- supervisory form of, 4
- Personnel selection, 250
- Personnel system, public and capacity building, 8
  - component of, 91
  - crosscutting issues, 18
  - cultural dimensions, 8
  - improvement of, 93
  - integrity of, 102
  - leadership development program, 91
  - patronage-based, 58
  - professionalization of, 236
  - value dimension in, 8
- Peters, Guy, 232
- Philosophical support, 315
- Planning/management
  - strategic school courses on, 126
- Plato, 335
- Plessy vs. Ferguson*, 354
- Plunkitt, G. W., 168
- Political appointees
  - and Presidential Reorganization Project (PRP), 213
  - and strategic leadership, 229
  - and White House Personnel Office, 205
  - as problem, 218
  - assistant secretary positions, 212
  - average tenure of, 219
  - career bureaucrats found in, 219
  - Federal Emergency Management Agency (FEMA), 202
  - ideologically committed, 215
  - increased use of, 217
    - problems caued by, 219
  - modest proposal for, 222
  - National Academy of Public Administration (NAPA), 202
  - presidentially appointed, 201
  - Schedule C appointments, 204, 205
  - Senate confirmed (PAS) appointees, 201
  - standards for, 221
  - Taft Commission on Economy and Efficiency 1912, 208
  - taxonomy of federal, 200
- Poll taxes, 354
- Postal Reform Act of 1970, 26
- Pregnancy Discrimination Act, 410
- problem solving, 255, 283, 308, 330, 447, 450, 454–55
- productive organizations
  - challenges for, 112
  - employee's motivation in, 109
  - human resources in, 106
  - managing human capital in, 102
  - role of training/development in, 108
- Psychological contracts, 270
- Psychological intimacy, degree of, 308
- Public administration/management, 3
  - and accountability, 76
  - capacity building in, 143
  - dimensions/approaches to, 229
  - high quality employees
    - recruitment and retention of, 107
  - human resource management in future, 107
  - improving productivity in, 102
  - in 21st century, 75
  - key strategic policy instrument
    - civil service reforms as, 232
  - lawsuits/ridicule lawsuits, 104
  - literature of, 73
  - motivational bases in, 110
  - and organizational leadership, 10
  - and performance measurement, 73
  - and proposal regarding political appointees, 199
  - personnel systems of, 9
  - playing field for, 164
  - practitioners/students of, 73
  - productivity improvement in, 103, 104
  - public bureaucracies, 176
  - role of political science, 215
  - scholars of, 211
  - students/practitioners of, 215

- Public affairs and administration  
 professorate in consulting, survey analysis of  
 findings from the faculty consulting practices of public affairs, 334–35  
 and higher education, 335–36  
 incidence of consulting, 336–38  
 methodology, 333–35  
 university policies and departmental issues, 338–42
- Public human resource management  
 affirmative action, concept of, 356–58  
 developments in affirmative actions. *See* affirmative actions  
 future of, 431–33  
 social and legal context of, 352–56  
 strategies for equal opportunity and diversity in workplace, 373–79  
*University of California v. Bakke*, case analysis of, 358–62
- Public personnel administration  
 contemporary, 54  
 organizational dimension, 9  
 political outcomes, 165  
 public personnel manager, 52  
 career development as, 62  
 competencies required by, 55  
 modern, 55  
 research libraries for, 62  
 role played by, 54  
 students of  
 traditional, 53, 54
- Public sector organizations  
 and accountability challenges, 67  
 accountability in, 75  
 and (HRM) tools, 183  
 HRM departments of, 68  
 implications for, 69  
 political ideology, 69  
 role of Information technology, 72
- Public-private-sector reconfiguration, 460
- Raffel, J.R., 108  
 Ragins, Belle Rose, 405  
 Ramspect Act (1940), 354
- Range errors, 323  
 Reagan administration, 213, 215  
 Reagan, R., 213, 231  
 Recruitment process, steps in, 378–79  
 Redford, E., 207  
 Regents of the University of California vs. Bakke, 352, 358–62  
 Bakke, 352, 358, 359, 362, 367, 368  
 Reichers, A.E., 111  
 Representative bureaucracy, 374  
 Research-productive professors, 337  
 Reward system, 316  
 Rhoades, G., 332  
 Riccucci, Norma M., 351  
 Richmond program, 363–64  
 Rockefeller, David, 310–11  
 Roering, W. D., 324  
 Role clarity, 304–5  
 Roosevelt, F., 34, 135, 171  
 Roosevelt, T., 27  
 Rosen, B., 239  
 Rosenbloom, D., 208, 376  
 Rotating leadership, 302, 310–11
- Second Hoover Commission, 173  
 Selden, S., 183  
 Self-governing community, 339  
 Senior Executive Services (SES), 36, 176, 202, 204, 222, 238, 240  
 failure of, 220  
 SES, noncareer  
 appointment of, 220  
 authority for creation of, 204  
 elimination of, 220  
 virtual disintegration of, 240
- Shared goal objectives, 304  
 Shared leadership, 302, 310–12, 317  
 Lao Tzu's view of leadership, 311  
 Shared perceptions, of roles, 305  
 Smith, C.A., 111  
 Smith, H., 408  
 Smith, S. L., 385  
 Social climate, 307–9  
 Social movement unionism, 442  
 Spoils system, 168, 170  
 reforms to abolish, 234  
 Staffing, 250, 390

- Strategic human resource management, technological utilization in  
 application of technology to core competencies, 425–29  
 application of technology to public sector reforms, 423–25  
 evolution of strategic HRM in public sector organization, 420–23  
 implementation of technology, 429  
 implications of application of technology, 430–33  
 websites related to HRM, 433–38
- Strategic human resource management model, 97  
 building and enhancing capacity in, 145  
 capacity building  
   skills and knowledge for, 145  
 challenges for, 148  
 goals of, 93, 96  
 history of, 6  
 innovations in, 158  
 innovations in domestic, 144  
 knowledge-based capacities, 151  
 opportunities for, 148
- Strategic personnel administration  
 functional behaviors of, 8  
 functional challenge of, 8  
 merit/meritocracy, 15
- Strategic planning, 324–25  
 challenge of, 6  
 concept of, 128  
 emergence of, 124  
 examples of, 129  
 HRM, 121  
 Katrina/New Orleans Levees, 130  
 list of, 136  
 Medicaid case, 131  
 schizophrenia of, 127  
 scope of, 124  
 welfare reform case, 129
- Strategic public personnel administration, 13
- Strategic public personnel management and relation with politics, 163
- Stress management workshops, 266
- Stressors, at work, 252  
   coping of, 264–65
- Succession planning, 273
- Suhadolnik, 249–50
- Super teams, 308
- Sutherland, Peter, 281
- Sutter, Joe, 315
- Sweden's National Railway (SJ), 291
- Taxman v. Board of Education of the Township of Piscataway*, 366–67
- Teague, G., 332
- Team cohesiveness, 305
- Team goals, 303
- Team's chemistry, 308
- Texas Index (TI), 368
- Thatcher, Margaret, 166
- Thayer, F.C., 121, 239
- Thomas, B., 304
- Thompson, J.R., 218
- Total quality assurance. *See* government's role, in capitalist society and economy
- Total quality management. *See also* government's role, in capitalist society and economy  
 as a philosophy, 469–70  
 as a strategy to managing globalization, 470
- Townsend, Bickley, 405
- Transorganizational leadership, 294–96
- Truman's Executive Order 9980, 356–57, 377
- U.K. Defense Evaluation Research Agency, 282
- U.K. Fast Stream Development Program, 282, 291
- U.K. National Insurance Contributors Agency report, 282
- U.S. Air Force, 273
- U.S. Civil Service Reform Act of 1883, 16
- U.S. Code at Section 2301, 400
- U.S. Conference of Mayors, 456
- U.S. Constitution, 353
- U.S. Department of Justice statistics, 383
- U.S. General Accounting Office, 386

- U.S. Health, Education and Welfare (HEW) office guidelines, 357
- U.S. Intergovernmental Personnel Program, 292
- U.S. National Performance Review, 281
- U.S. Presidential Management Internship Program, 285
- U.S. public school systems, 388
- U.S. Supreme Court, 352, 359, 362–66, 377, 410
- Unified commitment, 309–10
- Uniform Patent Act 1980, 329
- United Nations Development Program (UNDP), 143, 482
- United States
  - Americans with Disabilities Act (ADA), 51
  - antibureaucracy in, 227
  - anticivil service in, 227
  - British civil service system, 33
  - budget surpluses/depressions, 134
  - bureau of efficiency, 34
  - bureaucracy in, 236
  - Civil Service Commission, 25, 33, 35
  - civil service reform, 227
    - strategic analysis of, 228
  - civil service system, 24, 137
  - Civil War, 138
  - Clinton Defense Department, 177
  - commodity-based currency in, 128
  - corporate capitalism
    - globalization of, 233
  - Declaration of Independence, 123
  - Department of Agriculture
    - and Civil Service Commission, 29
    - duty of appointment clerks of, 29
  - Department of Homeland Security, 131
  - deregulation fever of, 125
  - during cold war
    - foreign policy, 125
  - economic collapses in, 130
  - economic depressions of, 133
  - equal employment opportunity (EEO) Commission, 35, 37
  - federal civil service, 30
  - federal government in, 138, 234
    - civil employment in, 29
    - federal labor unions, 27
  - Federal Pay Comparability Act of 1970, 37
  - Federal Pay Reform Act of 1990, 37
  - federal personnel system, 36
  - Federal Reserve Board, 122, 135
  - first civil service reform in, 233
  - government-corporate business relations in, 236
  - guerrilla warfare, 124
  - major parties in, 135
  - Medical Leave Act 1993, 36
  - Merit System Protection Board, 36
  - and nuclear bombing on Japan, 124
  - national labor movement, 27
  - Office of Personnel Management, 177
  - open government regime in, 175
  - outsourcing of governments in, 232
  - Pendleton Act of 1883, 31
  - pension crisis, 137
  - personnel administration
    - chronological sequence of, 34
    - constitutional influence affecting, 25
  - personnel management function within, 24
  - personnel/civil service system
    - history characterization of, 234, 235
  - policymaking bodies in, 136
  - Postal Service, 36
  - private/public administration in, 25
  - public administration
    - smooth operation of, 227
  - public employment rights, 59
  - public personnel administration in
    - development of, 44
  - public personnel management
    - development of, 56
  - public service of
    - use of examinations in, 30
  - Reform Act of 1978, 36
  - use of nuclear weapons
    - firebombing and, 123
    - and war-fighting strategies, 123
  - World War II, 35, 133
  - United States v. Paradise*, 365
  - Universal Charter of Human Rights, 6

- University of California-Davis Medical School, 358
- University of Michigan Law School, 370–71
- Veblen, Thorstein, 336
- Volcker, P., 220
- Volcker Commission (1989/1990), 203, 220
- Volokh, Eugene, 373
- Waldo, D., 229, 234
- Wall Street Journal, 404
- Wamsley, G. L., 199
- Wards Cove decision, 409
- Washington State Legislature  
Personnel System Reform Act (PSRA)  
2002, 186
- Watergate period, 175
- Waugh, Jr, William L, 20, 383–85. *See also*  
workplace violence
- Weapons of Mass Destruction Act (1996),  
386
- Weir, I., 332
- Weschler, B., 111
- White House  
political personnel mechanisms in,  
175
- White House domination, 174
- white-collar employees, 402–3
- white-only primaries, 354
- Whorton, J., 333
- Wildavsky, Aaron, 339
- Williams, Debra, 366
- Willoughby, W.F., 216
- Wilson administration, 172
- Wilson, James A., 302, 307
- Wilson, W., 235
- Winkler, Donald A., 311, 317
- Wise, Lois Recascino, 281, 286
- Women's Legal Defense Fund, 410
- Work group dynamics, 445–46
- Work teams, factors for high performance  
of  
characteristics of work teams, 302  
collaborative social climate, 307–9  
definition of work teams, 302  
effective communication skills, 312–14  
goal clarity, 303–4  
member qualities, 305–7  
mutual accountability, 314  
organization support and recognition,  
314–16  
role clarity, 304–5  
shared leadership, 310–12  
standards and expectations of  
excellence, 316–18  
task-required interdependence among  
members, 302  
unified commitment of members,  
309–10
- Workplace diversity  
ancestry groups in United States, 375  
bilingual groups, 376  
measurement of, 265–66  
strategies for equal opportunity in,  
373–79
- Workplace violence  
available guidance on, 387–90  
human resources approach, 392–95  
risk factors, 385–87  
short-term implications of, for public  
sector employers, 390–91
- World War II, 37, 134  
close of, 35  
military involvement in, 124



## ABOUT THE EDITOR AND CONTRIBUTORS

**Ali Farazmand** is Professor of Public Administration at Florida Atlantic University, where he teaches graduate MPA and PhD courses in Organization Theory and Behavior, Organizational Change and Public Management, Personnel, Bureaucratic Politics and Administrative Theory, Ethics, and Intellectual Development of Public Administration. Farazmand's research and publications include over eighteen authored and edited books and handbooks, and over eighty journal articles and book chapters. His most recent books include: *The State, Bureaucracy, and Revolution* (Praeger, 1989); *Public Enterprise Management* (Greenwood, 1997); *Modern Systems of Government* (Sage, 1997); *Handbook of Bureaucracy* (Marcel Dekker, 1994); *Handbook of Comparative and Development Public Administration*, 2nd ed. (Marcel Dekker, 2001); *Handbook of Crisis and Emergency Management* (Marcel Dekker, 2001); *Privatization or Reform* (Praeger, 2001); *Modern Organizations: Theory and Practice*, 2nd ed. (Praeger, 2002); *Sound Governance* (Praeger, 2004); *Handbook of Bureaucracy and Administration* (Taylor & Francis, 2007); and *Globalization, Governance and Public Administration* (Taylor & Francis, 2006). His forthcoming books include: *The New American Administrative State; Globalization, Governance, and Administration; Public Administration in the Age of Globalization; Revitalizing Public Administration: A Global Strategic Approach; and Crisis and Emergency Management*, 2nd ed. (Taylor & Francis, 2007). "Farazmand has published in many journals, including *Public Organization Review, Administration & Society, International Review of Administrative Sciences, International Journal of Public Administration, Journal of Public Finance and Management*, and others." Farazmand is also the founding Editor-in-Chief of *Public Organization Review: A Global Journal*, now in its 6th volume.

**James S. Bowman** is Professor of Public Administration at the Askew School of Public Administration and Policy, Florida State University. His primary area is

human resource management. Noted for this work in ethics and quality management, Dr. Bowman also has done research in environmental administration. He is author of nearly 100 journal articles and book chapters as well as editor of five anthologies. Bowman co-authored, with Berman, West, and Van Wart, *Human Resource Management: Paradoxes, Processes and Problems* (2nd ed.; Sage, 2005) and *The Professional Edge: Competencies for Public Service* (Sharpe, 2004). He is editor-in-chief of *Public Integrity* as well as a Kellogg Foundation Fellow, he has experience in government and business.

**David G. Carnevale** is at the University of Oklahoma. He has extensive experience as a negotiator and mediator. He is the author of *Trustworthy Government* and has published extensively in a number of public administration journals. His research interests are in labor relations, conflict resolution, and organizational development.

**Jack P. DeSario** is a Professor in the Department of History and Political Science at Mount Union College Alliance, Ohio. Professor Desario's research focuses on constitutional issues, antidiscrimination legislation, and court decisions.

**Lisa A. Dicke** is an Assistant Professor in the Department of Public Administration at the University of North Texas. Her teaching and research focus on the public sector accountability and nonprofit organizations. She has published in *Public Organization Review*, *American Review of Public Administration*, *International Journal of Public Administration*, *Public Productivity and Management Review*, and *Review of Public Personnel Administration*.

**Robert T. Golembiewski** is the Emeritus Research Professor of Political Science and Management at the University of Georgia and has a special interest in change within large organizations, both public and business. Golembiewski is the author/editor of over sixty books. He is the recipient of the Dwight Waldo Award of the American Society for Public Administration and is a past Fellow of the National Academy of Public Administration in Washington, DC. He consults on organization behavior and management widely, at home and abroad.

**Mary E. Guy** is the Jerry Collins Eminent Scholar Chair in the Askew School of Public Administration and Policy at Florida State University. Professor Guy has published numerous books and articles on subjects related to public management and human resources management, with a special emphasis on the difference that gender makes. Professor Guy is a past president of the American Society of Public Administration and a Fellow of the National Academy of Public Administration.

**Steven W. Hays** is a Professor in the Department of Government and International Studies at the University of South Carolina. His research and teaching interests include Human Resources Administration, Administrative Law, and Judicial Administration. He has published widely in the field of Human Resources Management and serves as the Managing Editor of the *Review of Public Personnel Administration*.

**Marc Holzer** is Professor and Department Chair of the Graduate Department of Public Administration at Rutgers, the State University of New Jersey, Campus at Newark. He also directs the National Center for Public Productivity at Rutgers and is former President of the American Society for Public Administration. Dr. Holzer has written widely on public sector productivity improvement and human resource management, and he is Editor of the *Public Productivity Handbook* (Marcel Dekker, 1992), and Editor of *Public Performance & Management Review*.

**Hedy Isaacs** is currently a Lecturer of Public Sector Management and Public Policy at the University of West Indies. She has written on productivity improvement, partnerships, and human resource and personnel management. Her publications have appeared in *International Review of Public Administration* and *Encyclopedia of Public Administration and Public Policy*. Her research interests include conflict resolution, innovative human resource management strategies, public-private partnerships, and organizational behavior.

**Carole L. Jurkiewicz** is a Distinguished Professor of Healthcare Management at Louisiana State University, Baton Rouge. She conducts research and teaches public and health administration courses in the areas of human resources management, ethics, and organizational change and development. Her articles have appeared in *Public Integrity*, *Public Administration Review*, *Public Productivity and Management Review*, *Public Personnel Management*, and *Nonprofit Management and Leadership*, among others.

**Behrooz Kalantari** is Associate Professor of Public Administration in the Department of Political Science at Savannah State University, Georgia. Author of several publications, his interests of research include human resources management, comparative public administration, and organizational behavior. He has published in *Public Organization Review*, *Public Administration Quarterly*, and *International Journal of Public Administration*.

**Jennifer A. Killingsworth** is a specialist in public information management and provides Web development doctoral and database management services for the Florida Fish Wildlife Conservation Commission.

**Michael Klausner** is Associate Professor of Sociology at the University of Pittsburgh at Bradford. His areas of interest are organizational behavior, sociological theory, socialization, and social psychology. He has published widely in organizational behavior and social psychology across disciplines.

**Donald E. Klingner** is Professor of Public Administration at the University of Colorado, Colorado Springs. His specialty is personnel systems and practices in the United States, Latin America, and the Caribbean. He is the author or coauthor of nine books, fifty articles, and twenty-five consultant reports. Now in its 4th edition, *Public Personnel Management* is a standard in the field. He served as a member of the National Academy of Public Administration's advisory panels on

federal classification and judicial salary reform, Distinguished Professor in Residence with the Assistant Secretary for Personnel Administration in the U.S. Department of Health and Human Services (1991), and Fulbright Senior Scholar in Central America (1994). Currently, he is the Vice President Elect of the American Society for Public Administration (ASPA).

**Barbara Lamb** is Director of Human Resources for the City of Carmel, Indiana. She received her MPA from the School of Public and Environmental Affairs at Indiana University, where her studies and research focused on public personnel management.

**Seok-Hwan Lee** is Assistant Professor of Public Administration at Kookmin University, Seoul, Korea. His research interests include productivity improvement in the public sector, human resource management, organizational behavior, and research methodology. He has also published in *Public Administration Review*, *Review of Public Personnel Administration*, *Public Performance and Management Review*, and *International Review of Public Administration*. He is also coeditor with Marc Holzer of *Public Productivity Handbook*.

**Robert Maranto** is an Associate Professor of Political Science at Villanova University, Pennsylvania. He has authored and coauthored numerous works on political appointees in government, civil service history, and education reform, including *School Choice in the Real World: Lessons from Arizona Charter Schools* (Westview, 1999), *Radical Reform of the Civil Service* (Lexington, 2001), *Beyond a Government of Strangers* (2005), and *Second Term of G.W. Bush* (Palgrave, forthcoming).

**Thomas A. Meyers** is a consultant in independent practice to business and public agencies. He is a Human Resource Development specialist with a sociotechnical orientation.

**William L. Murray** is an Adjunct Professor of Public Administration at VPI and serves as Vice President for Virginia Hospital and Healthcare Association. He previously worked for the Virginia General Assembly and was the Legislative Director for the former governor of Virginia.

**Lloyd G. Nigro** is Professor of Public Administration and Urban Studies at Georgia State University in Atlanta, Georgia. Before joining the GSU faculty in 1979, he taught at Syracuse University and the University of Southern California. He is the coauthor of two widely read texts, *Modern Public Administration* and *The New Public Personnel Administration*. He has also published numerous book chapters and articles in areas of public personnel policy, administrative ethics, and public administration and American political thought.

**J. Steven Ott** is a Professor of Political Science and Dean of the College of Social and Behavioral Science at the University of Utah. He has written extensively in the areas of public management, human resource management, accountability, non-profit organizations, organization theory and behavior, and organizational culture and change.

**Gamal Sabet** is a management consultant and trainer serving public and private sector organizations in Egypt, Saudi Arabia, Kuwait, Arab Emirates, Albania, Palestine, Yemen, and Qatar. Since 1994 he has been an Associate Professor of Management and Human Resources Development with the Economics Research Institute in Cairo. He has published in *Public Personnel Management* and the *Journal of Public Administration Research and Theory*.

**Sally Selden** is Assistant Professor of Public Administration at Lynchburg College, Virginia. She is also a Principal Investigator for the Government Performance Project (GPP), a study of public management systems in all fifty states funded by the Pew Charitable Trusts. Her major areas of research interest include human resource management and public management. Her recent work has appeared in *Public Administration Review*, *Journal of Public Administration Research and Theory*, *American Journal of Political Science*, *Review of Public Personnel Administration*, and *American Review of Public Administration*. She is author of *The Promise of Representative Bureaucracy: Diversity and Responsiveness in a Government Agency* (M.E. Sharpe).

**James D. Slack** is Professor and Chair of the Department of Government at the University of Alabama at Birmingham. Author of many publications, professor Slack's research focuses on the implementation of antidiscrimination policy in the workplace.

**Frederick Thayer** is Professor Emeritus, Graduate School of Public & International Affairs, University of Pittsburgh.

**Paul P. Van Riper** is Professor Emeritus of Political Science, Bush School of Government and Public Service, Texas A&M University. Formerly at Northwestern and Cornell, he is the author of *History of the United States Civil Service*, and author or coauthor of several other books and a considerable number of articles, especially on the civil service. He has received Dimock and Waldo Awards from the American Society for Public Administration.

**Gary L. Wamsley** is Professor Emeritus and the Founding Director of the Center for Public Administration and Policy at Virginia Tech. Author of many articles and books, his research interests are in U.S. federal civil service, bureaucrats and politicians, federal emergency management, national security, public administration theory, and human resource management. He is the coauthor of *The Political Economy of Public Organizations* (with Mayer Zald); editor and contributing author of *Refounding Public Administration; Refounding Democratic Public Administration* (1996), and Editor of *Administration & Society* since 1979. He is also a consultant to the federal, state, and local governments.

**William L. Waugh, Jr.**, teaches in the Andrew Young School of Policy Studies at Georgia State University. He is the author of *Living with Hazards, Dealing with Disasters* (2000), *Terrorism and Emergency Management* (1990), and *International*

*Terrorism* (1982); coauthor of *State and Local Tax Policies* (1995); and coeditor of *Disaster Management in the U.S. and Canada* (1996), *Cities and Disaster* (1990), and *Handbook of Emergency Management* (1990). He is also the author of over one hundred articles, chapters, and reports on administrative theory, disaster policy, professional development, and local administration published in the United States, Canada, and Europe.

**Lois Recascino Wise** is Professor of Public Administration and Environmental Affairs and Adjunct Professor of West European Studies at Indiana University. Her research and teaching interests center on the broad area of employment policies and practices and organizational reform and innovation. Professor Wise has been the recipient of a Senior Fulbright Fellowship and the Swedish Institute Prize for International Scholarship. Wise has published articles in *Governance*, *Public Administration Review*, *Public Administration Quarterly*, *British Journal of Industrial Relations*, *International Labour Review*, *Public Productivity and Management Review*, *Review of Public Personnel Administration*, *Public Personnel Management*, *Knowledge in Society*, and other journals. She is author of *Labor Market Policies and Employment Patterns in the United States* (1989) and joint author of *Reward for Effort*, published in Stockholm (1997).