When government has the right people, and the right system, and the right intentions, many good things are possible. The trick is knowing which ones they are.

—Alan Ehrenhalt

After studying this chapter, you should be able to:

• understand the changing structure, environment, key principles, and operating characteristics of public human resource management,
• distinguish the various tides of reform that are part of the public service heritage,
• identify the paradoxes and contradictions in public service history,
• recognize how legacies from the past affect human resource management in the present,
• assess the contributions of recent reforms to effective management,
• show how values influence managers in addressing human resource issues, and
• describe ethical judgments required in human resource management and use guiding questions to making such decisions.

Concern about good government has deep roots in America. It has long been recognized that for government to be effective, good people must be hired, trained, and rewarded. There is also a well-established tradition that a properly designed system for managing people is critical to good government. Indeed, two schools of thought have emerged over time: One argues that breakdown in government performance is an “incompetent people” problem and another argues that it is an “evil system” problem (Ehrenhalt, 1998). Others
have pointed to an “ethics” problem that demands attention if confidence in government is to be restored (West & Berman, 2004). As the opening quotation suggests, good intentions and the ethical actions that ideally result from them are critical to the creation of a high-performance workplace.

These three things in combination—good people, good systems, and good intentions—are the focus for this chapter. Good people are needed to manage government’s most important resource—its employees. A few work in the human resource department, but the vast majority is line and staff managers. Their abilities are critical to the performance and achievement of public purpose. The system in which these people operate is also crucial to the achievement of results. Managing human resources has taken many forms over time and involves activities such as recruitment, compensation, classification, and training. The third component, intentions, refers to the tasks one proposes to accomplish and the values guiding the effort. Intentions of employees and managers, informed by individual and organizational values and ethics, guide their actions for good or ill. Admirable intentions are crucial to government performance, especially given today’s emphasis on citizen service.

The discussion begins by identifying various important human resource management functions. This is done from the perspective of a municipal human resource official who faces “people management” problems that must be addressed cooperatively with line administrators. Managing people in government requires knowledge of the organizational context, key operating principles, the history of reform “tides” affecting the public service, and the institutional environment. Following a discussion of these topics, this chapter shifts attention to more contemporary developments: initiatives to introduce change by reforming government and the role of values and ethics in providing continuity to human resource management. Throughout, there is no shortage of paradoxes. Knowledge of the public sector heritage provides a foundation for more specialized chapters to follow.

A DAY IN THE LIFE OF MARIA HERNANDEZ

Maria Hernandez is the human resource director of a large southeastern city. She heads a department organized into five divisions—Examinations, Development and Training, Classification, Employee Relations, and Compensation and Benefits. Like most large-city human resource directors, Hernandez faces a thorny set of issues that creates challenges, threats, and opportunities for her and for city government. Her work life is complicated by a rapidly changing workforce, an increasingly cumbersome legal and regulatory environment, declining budgets, heightened citizen complaints, pressures for higher productivity, outsourcing, restive unions, and pending layoffs. In addition, she faces the frequent turnover of political leadership, the increasing impact of technology, and the visible and public way in which government decisions are made. Hernandez earned her MPA degree with a concentration in personnel management more than 20 years ago. She has been working for the city since that time, progressing up the ranks to human resource director, a position she has held for the past 10 years.
After rising at 6:00 a.m., Hernandez is dressed and having morning coffee when she hears the local TV news report an increase in the area’s unemployment rate. This development will increase the number of people seeking work with the city, and pending municipal layoffs will add to the unemployment problem. These upcoming layoffs are linked to the city’s decision to contract with the private sector for services in two areas: transportation, and tree trimming and planting. Many of the city department heads have contacted her about the best way to deal with the people issues that arise from privatization. Several department heads are especially concerned about avoiding litigation that might arise from layoffs.

Hernandez also reads in the paper that the mayor is taking a hard line in negotiations with the city’s sanitation workers union by insisting on increases in employee contributions for health and pension benefits and limits on overtime. The unions, in turn, are reluctant to endorse the city manager’s proposal for productivity improvements and further privatization efforts. Labor unrest among the city’s sanitation workers could spill over and affect other unionized employees who are still at the bargaining table hammering out next year’s agreement. Hernandez is meeting later today with the city’s negotiating team to get an update and to strategize in hopes of averting a strike. The department heads expect that she will help resolve this problem.

In addition, the newspaper contains a story in the local section detailing some of the facts involved in a lawsuit filed against a city supervisor who is charged with sexually harassing one of his employees. This is not the first time this particular supervisor has run into difficulties of this type; Hernandez is concerned about the potential fallout from this case. Her office has been conducting sexual harassment training in most departments during the past year. Although this helps reduce the city’s legal exposure, she must still be on top of potentially litigious situations. She has made it her policy to investigate promptly every rumor about possible sexual harassment.

Hernandez arrives at work at 7:30 a.m., having dropped off her children at school and carpooled to work with fellow city workers. The carpool conversation reveals concerns among dual-career couples with youngsters and the need for on-site child care as well as more flexible working conditions. This is an issue Hernandez has tried to address by proposing to the city manager a set of employee-friendly initiatives. Action on this item has been slow and piecemeal, but many employees and a newly elected city councilperson have been pushing for it. Some managers have also told her that it would make the city more competitive in its recruitment and retention.

Hernandez reviews her day’s schedule (see Exhibit 1.1). Many of the topics under consideration can potentially move the city forward and help its employees and managers to be more productive. Although her day is tightly structured around a series of meetings, she tries to set aside a block of time each day to consider the longer-range initiatives she is pushing, including a new plan to implement performance measurement in key departments, incentive pay for selected workers, online access to human resource policies and procedures, succession planning in light of pending retirements, and a cafeteria-style employee benefit plan. She also hopes to start a preretirement training program for all city employees over age 55, to broaden the description of job classes, and to work with a consultant on pension reform. Nevertheless, human resource issues are sometimes unpredictable,
and she knows that she will be interrupted many times as managers and employees ask her opinion on ways to deal with them. When she leaves the office at 6:30 p.m., Hernandez picks up her children at the child care center. After dinner, she reviews two reports on subjects that will occupy her attention at work early the next morning.

Exhibit 1.1 Maria Hernandez’s Monday Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:00</td>
<td>Staff meeting with human resource professionals</td>
</tr>
<tr>
<td>9:00</td>
<td>Conduct employee orientation for new hires</td>
</tr>
<tr>
<td>10:00</td>
<td>Department heads—implementing new performance measurement program</td>
</tr>
<tr>
<td>11:30</td>
<td>Assistant city manager, budget officer, and department reps (discuss recruitment plan and increasing personnel costs)</td>
</tr>
<tr>
<td>12:00</td>
<td>Lunch with legal counsel—review status of pending lawsuits and sexual harassment charge</td>
</tr>
<tr>
<td>1:45</td>
<td>Labor negotiating team—update on bargaining issues and impasses</td>
</tr>
<tr>
<td>2:30</td>
<td>Media briefing—touting elements of employee-friendly policy initiative for city employees</td>
</tr>
<tr>
<td>4:00</td>
<td>University contractors—review design of training program regarding computer network and pension reform</td>
</tr>
<tr>
<td>5:30</td>
<td>Administrative assistant—review plans for updating all job descriptions</td>
</tr>
</tbody>
</table>

Hernandez’s day shows the broad range of issues that might be encountered by today’s human resource director. These include coping firsthand with worker unrest, labor shortages, productivity and performance measurement, and errant employees. They also involve crafting employee-sensitive policies, dealing with the insecurities of those employees vulnerable to layoffs, and feeling the pressures for greater efficiency. Managers must hire, promote, discipline, and fire employees. They have to respond to grievances, evaluate performance, recommend pay rates, approve job reclassifications, and motivate workers. The constitutional rights of employees must be respected, and managers must be careful not to run afoul of legal requirements (e.g., those dealing with affirmative action; sexual harassment; and age, gender, or handicap status).

This description suggests the range of activities that fall within the purview of human resource management—challenges that seek to increase the ways that people contribute to public organizations from the initial hiring through development, motivation, and maintenance of human resources. Strategic human resource management has evolved from what was previously called personnel administration. Whereas traditional personnel administration was concerned primarily with internal processes—recruitment, compensation, discipline—and the application of the rules and procedures of the civil service system, human resource management embraces a broader, more strategic, and “people-focused” definition of the management of human capital with an eye to the kind of workforce needed. As noted in the Introduction, it encompasses all decisions affecting the relationship between the individual and the organization. This includes employee and organizational
CHAPTER 1
The Public Service Heritage
15
development, organizational design, performance management, reward systems and benefits, productivity improvement, staffing, employee–employer relations, and health and safety (Abramson & Gardner, 2002). Civil service refers to the branches of public service, excluding legislative, judicial, or military; positions typically are filled based on competitive examinations, and a professional career public service exists with protection against political influence and patronage.

The next section reviews the structure and role of the human resource department. This is followed by highlighting the changing work environment and the principles and operating characteristics of human resource management. The historical and institutional context is then examined to better understand the origins and impacts of administrative reforms affecting the public service. Next, recent efforts to reform government and improve its performance are explored. Finally, the role of values and ethics in government and some ways to manage ethics are explored.

THE STRUCTURE AND ROLE OF HUMAN RESOURCE DEPARTMENTS

Even though the focus of this book is human resource management for nonspecialists, it is helpful to have a little background on the array of institutional structures, functions, and placements of human resource departments.

Human resource departments are a key staff unit in all but the smallest jurisdictions, along with departments of budget, finance, facilities, legal affairs, communications, public relations, and so forth. Human resource (HR) units combine both rule promulgation and rule implementation for some of the most important and visible policies in the organization. That is, most of the personnel-related actions occurring in the organization follow policies codified under HR, frequently requiring its pre-approval and often requiring its post-approval sign-off. When human resource departments provide direct services, which they frequently do, they have supportive and educative roles. When most human resource services are provided by a single department, HR is considered highly centralized. When most human resource services are provided by line managers, the HR system is considered highly decentralized. Larger organizations frequently have blended or hybrid models of HR in which human resource specialists or small units of specialists are placed in operational units, but they still have full or partial reporting responsibilities to a central HR unit. Still another possibility is outsourcing, which sometimes occurs with such service functions as payroll, training and development, employee assistance programs, and classification studies, to name some of the more prominent areas.

The strategic and executive leadership roles of HR departments vary extensively. In some cases, the HR department plays a relatively dominant role because of the need for workforce planning, avoidance of litigation, contentious labor relations, and management consultation. Yet in some organizations, HR’s more strategic policy and planning roles have been somewhat or largely absorbed by chief executive offices, budget offices, or legal departments, leaving a more service and consultative role for HR along with frontline enforcement.
The most common placement of HR departments is right under the chief executive officer with the human resource director serving in the executive’s cabinet. In large organizations, it is not uncommon for HR to be combined with other staff units under an executive director of some sort (e.g., an assistant city manager or deputy mayor). In the smallest agencies, the chief executive officer often doubles as the HR director.

The list of HR functions that are discussed in this book may or may not be a part of the HR department per se. Some jurisdictions still have separate civil service commissions for hiring purposes, labor relations may be done exclusively out of the executive office, training and development may be its own department, payroll may be a part of the finance department, and a variety of organizational policy areas such as telework programs may operate under a separate office or authority. Yet no matter what the exact structure and particular set of roles, HR functions are the backbone of any organization. Never is this truer than with public sector organizations in which personnel often make up 80% of the budget, and legal and fiduciary obligations to the law and public are extraordinary.

Recent pressures have converged to make HR initiatives more citizen centered, results oriented, and market based. Among the pressures are the need for reduced costs, higher public expectations, opportunities linked to information technology advancements, the recognition that people can be used as a source of competitive advantage, and the increased importance of flexibility, speed, and quality. This has led to the rethinking of roles and responsibilities of line managers and HR professionals as well as to modifications of routine HR functions via automation, streamlining, reengineering, and outsourcing. As a consequence, many HR departments are in a transitional phase.

Today, HR services are provided in a variety of ways. Some functions are performed in the same way they were in the 1960s, relying on traditional subfunctions of employment, compensation, and training; others might be organized differently with a cross-functional HR professional assigned to provide ongoing services to a team or group in a matrix organization. A shared services model has increased in prominence recently whereby HR specialists and generalists offer services to the organization on an as-required basis, with charges going to the functional area receiving service. Here, the HR department functions as an in-house consulting service. As noted, outsourcing of some or all HR functions is happening, either to a shared service center within government or outside contractors, where it is deemed that others might perform these functions more effectively and economically.

A visual depiction of HR as a cross-functional unit in the newer organizational setting is shown in Exhibit 1.2. Here, the HR director is in regular communication with department heads on strategic issues confronting the organization, delegates and oversees the work of several assistants, and functions as a linchpin between HR staff and line department heads.

### A Dynamic Environment and Key Principles

#### Work Environment

Managers today need to be mindful of several trends in the government environment. These trends are important because they provide the context in which decisions are made. The bulleted items below highlight significant developments for human resource management in the foreseeable future.
• **Changing workforce.** The workforce has become, paradoxically, both grayer and younger. On the one hand, as the Baby Boomer generation is nearing retirement the average age of many seasoned employees and managers is rising. There is an obvious need for those who can immediately fill their shoes, but such a workforce is often lacking. Demographically, *Generation X* (Gen-X) workers (those born between 1960 and 1980) who might replace them are fewer in number, which has caused a graying of the workforce in past decades. On the other hand, the very large cohort of *New Millennials* (those born after 1980) has now begun to enter the workforce; they are the latest job entrants. In a few years, they will experience increasing job opportunities. These new entrants reduce the average age of the workforce. At the same time, many authors also comment on how the career and working styles of Gen-X and New Millennials are different from Baby Boomers and other preceding generations: The newer generations are more likely to change careers and sectors often, demonstrate less loyalty to their employer, be comfortable with new technology, be more independent, be more comfortable working on multiple projects, and seek balance between their work and personal lives (Hannon & Yordi, 2011; Marston, 2007). Exhibit 1.3 provides some reasons why young people choose public service work. Beyond this, the workforce is also increasingly composed of women and minorities (Condrey, 2010; Guy & Newman, 2010; Kellough, 2009).
• **Declining confidence in government.** In spite of a brief spike in 2001 after 9/11, opinion polls since the 1960s have shown steady erosion in confidence and trust in government at all levels. In the early 1960s, six out of ten Americans claimed to trust the federal government most of the time. By 2010, only one in five made that claim (Robinson, 2010). Although trust in state and local government is higher than for federal, declining confidence is evident at those levels as well. This can erode the morale of the public service and impede performance. Rebuilding trust is an important challenge facing the public sector at all levels.

• **Declining budgets.** A combination of tax limitation measures, budget cuts, and political pressures to curb future expenditures has occurred at all levels of government.

• **Contract or alternative work arrangements.** Government policymakers, mindful of the impending exodus of Baby Boomers, and to help keep costs down, are paying increased attention to alternative work arrangements. One variant, noted by J. Thompson and Mastracci (2005) and Barr (2005), involves use of the core-ring staffing model with the core comprising full-time workers in permanent jobs and the ring comprising employees in contingent or alternative arrangements (e.g., contractors, temporary workers, and part-time employees). Paul Light (1999) estimated that there are about 8 million nonfederal workers supported by contracts and grants, many times larger than the 2.15 million federal civilian employees. Exhibit 1.4 provides examples of such a blended workforce in various U.S. governmental settings.

• **Downsizing and upsizing.** The size of the federal civilian workforce was cut from 2.7 million in 2006 to 2.15 million in 2010 (Dinan, 2010; U.S. Office of Personnel Management [OPM], 2007); buyouts and early retirements were preferred over disruptive layoffs. Staff in human resource offices have been especially hard hit by layoffs at all levels. This has left line managers with additional, burdensome administrative tasks. The combination of federal downsizing, scandal, and the war on waste led Paul Light (1999, 2000, 2008b) to warn of a looming brain drain and to predict further decreases in government-centered public service with a corresponding increase in multisected service. By contrast, the size of the state and local government workforce increased in recent years. Despite this, many individual jurisdictions have experienced workforce reductions. These reductions are often linked to privatization, deregulation, budget or service cuts, and program terminations—trends that are likely to continue well into the future.

• **Demands for productivity.** Jurisdictions at all levels are under pressure to improve performance without raising costs. A survey by the U.S. Merit Systems Protection Board of 9,700 managers and employees found that three of four supervisors assumed additional responsibilities, but only one in five detected any new flexibility in taking personnel actions (Hornestay, 1999), although more recently this has begun to change (Bowman & West, 2007; Thompson, 2007). The federal Human Capital Survey reported, however, that just 30% of employees believe awards programs offer an incentive to do their best (U.S. Office of Management and Budget [OMB], 2004).

• **Emerging virtual workplace and virtual government.** With the advent of new information technologies, innovative organizations are replacing some traditional 9-to-5 workplaces with fixed central office locations with more flexible
arrangements (telecommuting, flexi-place). This development alters relationships between employers and employees and raises questions about how human resource professionals give support to the variety of work arrangements in a virtual workplace (Jones, 1998; Milakovich, 2011; West & Berman, 2001). In addition, virtual workplaces alter the relationship between citizens and government. Numerous federal government initiatives begun in the mid-1990s enable citizen transactions to be conducted electronically. Indeed, the 1998 Government Paperwork Elimination Act states that federal agencies must allow people the option of submitting information or transacting electronically. These are just a few ways that new information technology can influence the public workplace (discussed further in Chapter 8). Key websites of government agencies and professional associations are included in Exhibit 1.5.

- Reforming and reengineering initiatives. New approaches to the delivery of goods and services are being proposed and implemented with increasing frequency. (This will be discussed later in this chapter.)
- Centralization and decentralization of human resource activities. At federal, state, and local levels, there has been a reallocation of responsibilities from centralized staff agencies (e.g., U.S. Office of Personnel Management [OPM]) to line agencies and managers. Administrators at the operational level now have greater flexibility and discretion in the acquisition, development, motivation, and maintenance of human resources.
- Increased managerial flexibility. Recent civil service reforms at all levels of government have loosened restrictions and increased managerial discretion over matters of pay, hiring, discipline, and termination. At the federal level, this is evident in reforms under way at the U.S. Department of Homeland Security (DHS) and the U.S. Department of Defense (DOD); at the state and local levels, it is reflected in New Public Management reforms and the move in some jurisdictions toward at-will employment (Bowman & West, 2007; Klingner, 2009).

These trends influence the way officials carry out their functions; each trend has important implications for human resource management; their relevance is considered in detail in this book.

Exhibit 1.3 Reasons Young People Choose Public Service

- To make a difference in a wide variety of leadership positions in the nonprofit and for-profit sectors; different branches of local, state, regional, and federal governments; and the international arena
- To become engaged intellectually in the challenges facing their communities
- To establish career and personal development skills that they can use throughout their lives
- To build a better future for the world and to solve big problems
- To establish communication links within and between different communities
- To gain a sense of responsibility for others and the causes they care about

SOURCES: Education Development Center, 2002; Light, 2008a.
Exhibit 1.4  Blended Workforces in U.S. Government Settings

**Naval Research Lab**

The Naval Research Lab has established contractual arrangements that provide for flexibility in the workforce for various special research projects. In this system, the hiring and firing of employees and layoff procedures are left to the contractor; they take place outside the federal personnel system, allowing for quick downsizing if necessary. Other advantages to the system include the ability to evaluate contract workers and hire the best-performing ones for long-term employment. The Naval Research Lab has also taken advantage of part-time work arrangements to create a family-friendly work environment, which has reduced the turnover rate in the workforce. In addition, they have created student positions with the goal of transitioning students into permanent employment.

**Transportation Security Administration**

After the 9/11 attacks—with the need to respond quickly to the requirements in the Aviation and Transportation Security Act of 2001—the Transportation Security Administration pursued flexible policies in hiring and maintaining its workforce. It has taken advantage of indirect-hire arrangements with contractors that have allowed the agency to use workers for specific purposes when required. The Transportation Security Administration has also made part-time work a priority, with 16% of its workforce serving in this role in 2004. Part-time work allows the agency to schedule workers when they are most needed, particularly peak flight times in the morning and afternoon, and allows administration to screen for exceptional workers to become permanent full-time employees in the future.

**National Aeronautics and Space Administration**

NASA has focused extensively on creating flexible arrangements for employees who seek to use them. The Glenn Research Center, for example, has allowed full-time employees to change to part-time status as a result of health, family, education, or other reasons. Administration has used term appointments to hire workers for defined periods of time, most particularly for work on special research projects. NASA has also used student employment programs to allow students to transition into long-term employment, with 80% of students remaining with NASA after program completion.

**Sources:** Adapted from Barr, 2005; Thompson & Mastracci, 2005.

Exhibit 1.5  Key Websites of Government Agencies and Professional Associations

<table>
<thead>
<tr>
<th>Government Agencies</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Labor Relations Authority</td>
<td><a href="http://www.flra.gov">www.flra.gov</a></td>
</tr>
<tr>
<td>National Labor Relations Board</td>
<td><a href="http://www.nlrb.gov">www.nlrb.gov</a></td>
</tr>
</tbody>
</table>
Managers need to be mindful not only of the changing environment, but also of several principles of human resource management. Ten tenets, in particular, should be in the forefront of managerial thinking. These are further explored in this and subsequent chapters:

1. Many roles of public service. Stakeholders expect civil servants to do many different things (ensure effective government performance, implement controversial social policies, respond to political imperatives, and others). Often civil servants are called on to respond to conflicting pressures simultaneously, but managers need to provide leadership in reconciling competing demands (e.g., designing layoffs to balance the budget and simultaneously addressing other factors, such as adhering to the principle of seniority, complying with equal employment opportunity and affirmative action requirements, meeting performance standards, and maintaining ethical principles). The overriding priority has been and will continue to be organizational effectiveness.

2. Values that matter. Neutral competence of the public service has been stressed since the beginning of the merit system in the late 1800s, but neutrality (noninvolvement of employees in partisan political activities) should not suggest that values of the workforce are irrelevant. Managers recruit and reward employees who are competent and those who exhibit integrity: Ethical behavior is consistent with higher performance and fewer legal troubles (Berman & West, 1998; Bowman, West, & Beck, 2010). In addition, public sector values are changing. Exhibit 1.6 compares the traditional system and values with the newer, competing system and values. Managers need to assess systems and values in their jurisdictions and adjust their leadership styles as appropriate.
3. **Understanding the rationale for a personnel system.** The public workforce is subject to different personnel systems (e.g., elected officials; appointed officials; federal, state, city, county, and special-purpose district employees). Each has its unique rationale and operating limitations. Effective managers understand their system’s rationale and find ways to deal with its limitations.

4. **Alternatives to civil service.** Public services historically have been delivered by civil service employees; however, alternative mechanisms have emerged (e.g., purchase of service agreements, privatization, franchise agreements, subsidy arrangements, vouchers, volunteers, self-help, regulatory and tax incentives). These arrangements affect managers by redefining relationships with service providers, altering control structures, and reshaping administrative roles (Klingner, 2009).

**Exhibit 1.6  Shifting From a Traditional Public Sector System to a System for the 21st Century**

<table>
<thead>
<tr>
<th>Traditional Public Sector System</th>
<th>Public Service for the 21st Century</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single system in theory; in reality, multiple systems not developed strategically</td>
<td>Recognize multiple systems, be strategic about system development, define and include core values</td>
</tr>
<tr>
<td>Merit definition that had the outcome of protecting people and equated fairness as sameness</td>
<td>Merit definition that has the outcome of encouraging better performance and allows differentiation between different talent</td>
</tr>
<tr>
<td>Emphasis on process and rules</td>
<td>Emphasis on performance and results</td>
</tr>
<tr>
<td>Hiring/promotion of talent based on technical expertise</td>
<td>Hire, nurture, and promote talent to the right places</td>
</tr>
<tr>
<td>Treating personnel as a cost</td>
<td>Treating human resources as an asset and an investment</td>
</tr>
<tr>
<td>Job for life/lifelong commitment</td>
<td>Inners and outers who share core values</td>
</tr>
<tr>
<td>Protection justifies tenure</td>
<td>Employee performance and employer need justifies retention</td>
</tr>
<tr>
<td>Performance appraisal based on individual activities</td>
<td>Performance appraisal based on demonstrated individual contribution to organizational goals</td>
</tr>
<tr>
<td>Labor–management relationship based on conflicting goals, antagonistic relationship, and ex post disputes and arbitration on individual cases</td>
<td>Labor-management partnership based on mutual goals of successful organization and employee satisfaction, ex ante involvement in work design</td>
</tr>
<tr>
<td>Central agency that fulfilled the personnel function for agencies</td>
<td>Central agency that enables agencies, especially managers, to fulfill the personnel function for themselves</td>
</tr>
</tbody>
</table>

5. **Rule of law.** Public sector personnel systems, processes, and rules are often based on legal requirements. The complexity of this government environment is a fundamental difference between the public and private sectors, and these elaborate structural characteristics influence how human resources are managed. For example, legal requirements establish minimum standards of conduct and specify the missions of the public workforce. Law is important, and limiting liability is a legitimate managerial concern, but administrators need to be more than compliance officers. Merely conforming to legal strictures does not ensure high performance.

6. **Performance.** Human resource management seeks optimal contributions to an organization by acquiring, developing, motivating, and retaining people. This challenge requires an understanding of human relations and what motivates workers. Monetary incentives alone are insufficient motivators. Managers must be aware of the available tools and the ways to use them to ensure high performance.

7. **Public accountability and access.** Another distinguishing feature of human resource management is that government decisions are subject to intense public visibility and scrutiny. This influences how work is done, how resources are managed, how decisions are made, and how systems are developed. Unlike the business sector where decisions usually are made in private (because the Freedom of Information Act does not apply), public sector decisions typically require greater citizen access and input. Officials must remember that they are accountable to the populace, but they often face tension between their primary responsibility to all citizens and loyalty to their organizational superiors or their own consciences.

8. **Transparency.** Related to accountability, the principle of transparency is fundamental to effective and ethical government. Open-meeting and open-records laws help to advance the ideas of government transparency and increase citizen trust in policy implementation. Those in public service should be as open as possible about all decisions and actions, providing a rationale for their decisions and restricting information only when it would jeopardize the broader public interest.

9. **Human resource management leadership.** Given the labor-intensive characteristics of public organizations, the effective and efficient use of human capital is of paramount importance. Leadership from human resource professionals is a crucial ingredient for achieving the goals and advancing the public service mission of government. Human resource managers must partner with top management in guiding organizational change initiatives. Professionals in human resources should promote and support the above principles by leadership and example.

10. **Invest in human capital.** High-performing government organizations invest in people and pursue best practices. Strategic use of human capital is crucial to the success of organizations like the General Accountability Office (GAO) and the Defense Logistics Agency (DLA) (see Bilmes & Gould, 2009). While the economic downturn limited the extent of human capital investment, the transition from the Bush administration to the Obama administration has resulted in renewed
emphasis on “insourcing” service provision that had previously been outsourced and on revitalizing partnerships with unions (Ban & Gossett, 2010). Building a people-focused culture is a challenge in many government departments. Exhibit 1.7 compares a people-focused company with a typical government agency.

**Exhibit 1.7** People-Focused Company Compared With Typical U.S. Government Agency

<table>
<thead>
<tr>
<th>People-Focused Company</th>
<th>Typical Government Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible</td>
<td>Inflexible</td>
</tr>
<tr>
<td>Generous HR benefits; highly flexible; often include wide range of benefits</td>
<td>HR benefits inflexible; not competitive in some occupations</td>
</tr>
<tr>
<td>Frequent training and skills development for all levels, especially managers; large departments and budgets dedicated to training</td>
<td>Little training; sporadic; inconsistent across agencies, occupations, and levels; low training budgets</td>
</tr>
<tr>
<td>Pay linked to performance and benchmarked to competitors; often includes stock options, bonuses linked to firmwide performance</td>
<td>Most pay fixed to classification system; limited experience with setting criteria for performance-based pay; no financial benefits if the agency performs well; bonuses often not related to performance</td>
</tr>
<tr>
<td>Additional recognition for achievement; promotions and perks usually linked to achievement</td>
<td>Few meaningful avenues of credit and recognition</td>
</tr>
<tr>
<td>Innovation and risk taking rewarded; acceptance that sometimes a new idea will work</td>
<td>Innovation and risk taking discouraged; low tolerance for mistakes</td>
</tr>
<tr>
<td>Flat organizational structure</td>
<td>Extremely hierarchical in most agencies</td>
</tr>
<tr>
<td>System accommodates individual needs and variety</td>
<td>One size fits all; limited variety</td>
</tr>
<tr>
<td>Company philosophy; caring about employees makes good business sense, and satisfied employees produce higher revenues</td>
<td>Culture focused on mission, not employees</td>
</tr>
<tr>
<td>Versatile workforce; many employees trained in multiple jobs</td>
<td>Narrow job classification; stove-piped workforce</td>
</tr>
<tr>
<td>Career development aligned with long-term strategic planning; employee training and assessment linked to firm’s long-term plans</td>
<td>Little career development; decoupled from strategic plans; employees’ priorities often shift with change of administration</td>
</tr>
</tbody>
</table>

*SOURCE: Adapted from Bilmes & Gould, 2009, p. 63.*
With this brief introduction to environmental considerations and operating principles, we turn to the past for some historical perspectives on key issues and reforms, as well as institutional arrangements that affect human resource management.

**HISTORICAL AND INSTITUTIONAL CONTEXT**

**Tides of Reform**

A useful framework for considering the history of reform efforts is provided by Paul Light (1997) in *The Tides of Reform*. He identified four reform philosophies, each of which has its own goals, implementation efforts, and outcomes: scientific management, war on waste, watchful eye, and liberation management. Although Light’s analysis focuses on these four tides as they influence the overall performance of government, Light’s framework is borrowed here to examine briefly the implications of these four philosophies for human resource management.

**Scientific Management**

The first tide is **scientific management**. Here the focus is on hierarchy, microdivision of labor, specialization, and well-defined chains of command. This philosophy, usually associated with Frederick Taylor, is manifest in the bureaucratic organizational form with its emphasis on structure, rules, and search for “the one best way.” Technical experts in this environment apply the “scientific” principles of administration (e.g., unity of command and **POSDCORB**—planning, organizing, staffing, directing, coordinating, reporting, and budgeting). The scientific management approach is evident in recommendations from two presidential commissions: the Brownlow Committee (1936–1937, changing the administrative management and government structure to improve efficiency) and the first Hoover Commission (1947–1949, reorganizing agencies around an integrated purpose and eliminating overlapping services). Herbert Hoover is the “patron saint” of scientific management, and the National Academy of Public Administration’s Standing Panel on Executive Organization is a patron organization. Light also provides examples of defining legislation (1939 Reorganization Act establishing the Executive Office of the President), expressions (1990 Chief Financial Officers Act centralizing control over financial affairs), and contradictions (1994 **National Partnership for Reinventing Government** initiative for improving government performance). The latter is a contradiction, because its employee empowerment initiatives weakened rather than strengthened top-level unified command.

Scientific management has implications for human resources. It emphasizes conformity and predictability of employees’ contributions to the organization (machine model), and it sees human relationships as subject to management control. Hallmarks of scientific management such as job design (characterized by standard procedures, narrow span of control, and specific job descriptions instituted to improve efficiency) may actually impede achievement of quality performance in today’s organizations where customization, innovation, autonomous work teams, and empowerment are required. Similarly, various human
resource actions mirroring scientific management differ from avant-garde practices. For example, training is changing from an emphasis on functional, technical, job-related competencies to a broader range of skills, cross-functional training, and diagnostic, problem-solving capabilities. Performance measurement and evaluation has been shifting from individual goals and supervisory review to team goals and multiple reviewers (customer, peer, supervisory). Rewards have been moving from individually based merit increases to team- or group-based rewards—both financial and nonfinancial. Nevertheless, current emphasis on productivity measurement, financial incentives, and efficiency reflects the continuing influence of scientific management.

War on Waste

The second reform tide is the war on waste, which emphasizes economy. Auditors, investigators, and inspectors general are used to pursue this goal. Congressional hearings on welfare fraud are a defining moment in this tide, and the Inspector General Act of 1978 is defining legislation. The 1992 Federal Housing Enterprises Financial Safety and Soundness Act is an expression of the war on waste with its provisions to fight internal corruption. The 1993 Hatch Act Reform Amendments are a contradiction to this tide because they relaxed (rather than tightened) limits on the political activities of federal employees. The “patron saints” of the war on waste are W. R. Grace, who headed President Reagan’s task force (1982–1984) to determine how government could be operated for less; Jack Anderson, the crusading journalist who put the spotlight on government boondoggles; and Senator William Proxmire, who originated the Golden Fleece Award. Citizens Against Government Waste, founded in 1984 by the late Jack Anderson and the late J. Peter Grace, is the patron organization for the fight to achieve economy in government.

The implications of the war on waste for human resource management are plentiful. Preoccupation with waste leads to increases in internal controls, oversight and regulations, managerial directives, tight supervision, and concerns about accountability. It can result in a proliferation of detailed rules, processes, procedures, and multiple reviews that are characteristic of government bureaucracy and that influence personnel management. Critics who detect waste and attribute it to maladministration of public resources or unneeded spending may focus on the deficiencies of employees. Fearful workers seek cover from criticism when they do things strictly by the book. Managers concerned with controlling waste try to minimize idle time, avoid bottlenecks, install time clocks, audit travel vouchers and long distance phone records, inventory office supplies, and monitor attendance and punctuality. Use of temporary rather than permanent staff and service privatization may be ways to contain costs while maintaining performance standards. Clearly, contemporary human resource practices are linked to the heritage of the war on waste.

Watchful Eye

The third tide of reform, the watchful eye, emphasizes fairness and openness. Whistle-blowers, the media, interest groups, and the public need access to information to ensure that rights and the general interest are protected. Congress and the courts become the institutional champions seeking to ensure fairness. The need for the watchful eye and
government that is more open became apparent after the abuses exposed in the Watergate scandal (watchful eye: the Woodward and Bernstein Washington Post investigation) and the U.S. expanded involvement in Vietnam (watchful eye: publication of the Pentagon Papers). The “guerilla government” discussed by Rosemary O’Leary (2006, pp. 5–6) describes those in public service whose watchful eyes might help to uncover and document fraud and abuse and whose tactics might involve working behind the scenes, cultivating allies, sharing data, and occasionally even sabotaging agency activities for reasons both commendable and disturbing.

The 1946 Administrative Procedure Act is the defining statute for this reform tide, and the 1989 Ethics Reform Act is its most recent expression. The former was important because it established procedural standards regarding how government agencies must operate. Specific provisions of the latter are efforts to curb lobbying influence and promote ethics in government. Two pieces of legislation are contradictions to the watchful eye philosophy: the 1990 Administrative Dispute Resolution Act (authorizing federal agencies to use a wide range of administrative dispute resolution procedures to save money and avoid litigation) and the 1990 Negotiated Rulemaking Act (authorizing negotiated rulemaking by federal agencies to resolve disputes more quickly, more satisfactorily, and less expensively). Both of these consensus-seeking laws run counter to the adversarial processes of the 1946 Administrative Procedure Act. John Gardner and Common Cause and Ralph Nader and Public Citizen provide examples of the “patron saints” and patron organizations linked to the watchful eye.

Human resource implications from this philosophy can be identified as well. Concern about ethical conduct of employees leads to greater scrutiny in the hiring process to ensure integrity, as well as job-related competence of new recruits. Attentiveness to ethics also minimizes the illegitimate use of hiring criteria such as sex, race, age, and handicap status. Such scrutiny should minimize arbitrary decisions to fire employees. Creating an organizational culture of openness, transparency, careful record keeping, and compliance with full disclosure and sunshine requirements is consistent with the watchful eye philosophy. Adoptions of minimum standards of conduct or codes of ethics along with ethics training are other examples. Union stewards are likely to cast their watchful eyes on negotiated contract violations and to blow the whistle when they occur. Professional employees will be alert to actions that conflict with ethics codes in a watchful environment. Managers should seek congruence between the standards espoused by the organization and the behavior of public workers. Calls for integrity at all levels of government reflect the contemporary influence of the watchful eye mentality.

**Liberation Management**

The final tide of reform is called liberation management. Its goal is higher performance in government. Buzzwords like evaluations, outcomes, and results are associated with this tide. Achieving high-performance goals falls to frontline employees, teams, and evaluators. At the national level, the impetus for liberation management is generally the president. The most visible participant, however, was former Vice President Al Gore and his National Performance Review initiatives. The 1993 Government Performance and Results Act is the defining statute and expression of this philosophy, and its most recent contradictions are
the 1989 Whistleblower Protection Act and the 1994 Independent Counsel Reauthorization, which expired in 1999. The latter two are contradictions because they promote vigilant monitoring to detect wrongdoing. Al Gore and Richard Nixon (because of his interest in reorganization) are identified as patron saints of this tide; the Alliance for Redesigning Government is the patron organization.

Liberation management also holds implications for managing people in government. Public administration trends toward employee empowerment, reengineering, work teams, continuous improvement, customer service, flattened hierarchies, and self-directed employees reflect the breakdown of the bureaucratic machine model and the move toward liberation. Belief in harmonious relations between employees and management increases the prospects for productive partnerships. Decentralization of personnel management expands authority and discretion of line agencies and gives managers freedom to achieve provable results. Before these strategies are implemented, it is necessary to determine the readiness of employees and units to assume new responsibilities, forge new relationships, and increase outputs. Line administrators can facilitate this state of readiness by identifying likely candidates for training and development and by tailoring incentives to the particular motivational needs of individual employees. Although the public sector will not banish bureaucracy, greater flexibility is evident at all levels of government and is likely to increase in the future.

Tide Philosophies in Legislation

Two landmark pieces of legislation affecting federal human resource management can be assessed using Light’s framework: the 1883 Pendleton Act introducing the merit system to the federal government, and the 1978 Civil Service Reform Act (CSRA) refining the merit system and modifying the institutions by which it operates. The Pendleton Act is “a signal moment in the march of scientific management, but it also involved a war on waste, a bit of watchful eye, and an ultimate hope for liberation management” (Light, 1997, p. 18). The CSRA manifests each of the four tides, as noted by Light:

[A] Senior Executive Service (SES) to strengthen the presidential chain of command (scientific management), a cap on total federal employment to save money (war on waste), whistleblower protection to assure truth telling from the inside (watchful eye), and pay for performance to reward employees for doing something more than just show up for work (liberation management). (1997, p. 71)

Understanding the tides of reform helps to appreciate the public service heritage by highlighting recurring themes that characterize such changes (Exhibit 1.8). Paradoxes are also apparent: Two of the reform tides—war on waste and watchful eye—are based on mistrust and cynicism regarding government; the two other tides—scientific management and liberation management—reflect trust and confidence in government. The paradox is that reform reflects both trust and distrust in government, and it may cause both as well. As the Pendleton Act and CSRA demonstrate, however, these conflicting impulses are embedded in these two landmark laws dealing with human resource management (and many other statutes as well).
### Exhibit 1.8 Tides of Reform

<table>
<thead>
<tr>
<th>Key Characteristics</th>
<th>Scientific Management</th>
<th>War on Waste</th>
<th>Watchful Eye</th>
<th>Liberation Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>Efficiency</td>
<td>Economy</td>
<td>Fairness</td>
<td>Higher performance</td>
</tr>
<tr>
<td>Key input(s)</td>
<td>Principles of</td>
<td>Generally accepted</td>
<td>Rights</td>
<td>Standards, evaluations</td>
</tr>
<tr>
<td></td>
<td>administration</td>
<td>practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key product(s)</td>
<td>Structure, rules</td>
<td>Findings (audits, investigations)</td>
<td>Information</td>
<td>Outcomes, results</td>
</tr>
<tr>
<td>Key participants</td>
<td>Experts</td>
<td>Inspectors general, the media</td>
<td>Whistleblowers, interest groups, the media, the public</td>
<td>Frontline employees, teams, evaluators</td>
</tr>
<tr>
<td>Institutional</td>
<td>The presidency</td>
<td>Congress</td>
<td>Congress and the courts</td>
<td>The presidency</td>
</tr>
<tr>
<td>champion(s)</td>
<td></td>
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<tr>
<td>Defining moment(s)</td>
<td>Brownlow Committee, First</td>
<td>Welfare fraud</td>
<td>Vietnam, Watergate</td>
<td>Gore National</td>
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<td></td>
<td>Hoover Commission</td>
<td>hearings</td>
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<td>Performance Review</td>
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<td>General Act</td>
<td>Procedure Act</td>
<td>Performance and</td>
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<td>Results Act</td>
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<tr>
<td>expression</td>
<td>Officers Act</td>
<td>Housing</td>
<td>Reform Act</td>
<td>Performance and</td>
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<td>Enterprises</td>
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<td>Results Act</td>
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<td>Financial</td>
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<td>Safety and</td>
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<td></td>
<td></td>
<td>Soundness</td>
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<tr>
<td>Most recent</td>
<td>1994 Reinventing</td>
<td>1993 Hatch</td>
<td>1990 Administrative</td>
<td>1989 Whistle-</td>
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<tr>
<td>contradiction(s)</td>
<td>Government</td>
<td>Act Reform</td>
<td>Dispute Resolution</td>
<td>blower Protection</td>
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<td></td>
<td>Package</td>
<td>Amendments</td>
<td>Act, 1990 Negotiated</td>
<td>Act, 1994</td>
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<td></td>
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<td>Rulemaking Act</td>
<td>Independent</td>
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<td>Counsel</td>
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<td></td>
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<td>Reauthorization</td>
</tr>
<tr>
<td>Patron saint(s)</td>
<td>Herbert Hoover</td>
<td>W. R. Grace,</td>
<td>John Gardner,</td>
<td>Richard Nixon,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jack Anderson</td>
<td>Ralph Nader</td>
<td>Al Gore</td>
</tr>
<tr>
<td>Patron organization(s)</td>
<td>National Academy of</td>
<td>Citizens Against</td>
<td>Common Cause,</td>
<td>Alliance for</td>
</tr>
<tr>
<td></td>
<td>Public Administration</td>
<td>Government Waste</td>
<td>Public Citizen</td>
<td>Redesigning</td>
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<td></td>
<td>(Standing Panel</td>
<td></td>
<td></td>
<td>Government</td>
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<td></td>
<td>on Executive</td>
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<tr>
<td></td>
<td>Organization)</td>
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**SOURCE:** Adapted from Light, 1997, pp. 21, 26, 32, and 37. © Copyright 1997 by Yale University Press. Reprinted with permission.
Institutional structures and procedures are important because managers must operate through them to achieve their objectives. These institutional arrangements have evolved over time, and understanding their purposes, functions, and limitations helps managers to think strategically about the threats and opportunities in their human resource environment and how to cope with them. Next, we examine the goals and characteristics of these institutions.

**Institutional Context**

As noted above, the Pendleton Act of 1883 and the CSRA of 1978 established the institutional framework for federal human resource management. The Pendleton Act created a bipartisan Civil Service Commission as a protective buffer against the partisan pressures from the executive and legislative branches. It also served as a model for use by reformers seeking change in subnational governments. The merit system was established as a result of this act, but its coverage was initially limited to one in ten federal workers. Competitive practical exams were introduced, and a neutral (nonpartisan), competent, career civil service with legally mandated tenure was expected to carry out the business of government. Entry into the civil service was permitted at any level in the hierarchy, unlike systems where new recruits were required to start at the entry level and work their way up.

The reform movement that led to the Pendleton Act was clear about what it was against but less clear about what it favored. This has led some observers to describe the reformers’ efforts as essentially negative. They wanted to get rid of the spoils system (appointments based on political favor) and the evils (graft, corruption, waste, incompetence) associated with it. Separating politics from administration was key to accomplishing this objective. Using moralistic arguments, reformers campaigned against what was “bad” in the civil service (politics and spoils) and, to a lesser extent, campaigned for what was “good” (merit and administration) government and improved efficiency. (See Chapter 4 for further discussion of this topic.)

Although 95 years of experience with the Pendleton Act’s institutional arrangements showed mixed results, by the mid- to late-1970s it was clear that the existing federal personnel system aimed at efficiency was, paradoxically, often inefficient. Among the problems were entrenched civil servants hindering executive initiatives, difficulty getting rid of incompetent employees, ease of circumventing merit system requirements, managerial frustration at cumbersome rules and red tape, and conflict in the roles of the Civil Service Commission. President Jimmy Carter proposed reforms to address these problems.

The CSRA of 1978 is built on the Pendleton Act and altered the institutional arrangement for federal personnel management. In place of the Civil Service Commission, two new institutions were created: the **U.S. Office of Personnel Management (OPM)** and the **U.S. Merit Systems Protection Board (MSPB)**. The OPM is charged with the “doing” side of human resource management—coordinating the federal government’s personnel program. The director is appointed or removed by the president and functions as the president’s principal adviser on personnel matters. The MSPB is the adjudicatory side, hearing...
employee appeals and investigating merit system violations. Two other important provisions in the CSRA were the creation of the Federal Labor Relations Authority (FLRA) and the establishment of the Senior Executive Service (SES). The FLRA functions as the federal sector counterpart to the private sector’s National Labor Relations Board. It is charged with overseeing, investigating, announcing, and enforcing rules pertaining to labor-management relations. The SES comprises top-level administrators—mostly career civil servants and a lesser number of political appointees. It sought (but failed to achieve) a European-like professional administrative class of senior executives who may be assigned or reassigned based on performance and ability. The structures created by the CSRA for human resource management are depicted in Exhibit 1.9.

State and local jurisdictions have varied institutional arrangements, but in many cases, these governments have patterned their structures after those at the federal level. In some instances, state and local governments provided a model for federal human resource management reforms. Parallelism between federal and subnational governments is seen in the existence of civil service commissions, guardian appeals boards protecting the merit system, executive personnel systems, and employee relations boards, among other features. Civil service reform refers to efforts undertaken by groups or individuals to alter the nature of government service. The CSRA and its state and local counterparts have been the subject of recent criticism from those who wish to reform policies and practices. The next section briefly addresses reformer’s actions and proposals.

**REFORMING GOVERNMENT IN THE CLINTON, BUSH, AND OBAMA YEARS**

**Federal Level**

Administrative change has been a recurring item on the public agenda for the past 20 years. Spurred by David Osborne and Ted Gaebler’s (1992) book, *Reinventing Government*, reforms at the federal level started in 1993 with the Clinton administration’s National Performance Review (NPR; later renamed National Partnership for Reinventing Government). The goal was to achieve government that “works better, costs less, and gets results Americans care about” (Kamensky, 1999). In Light’s framework, the National Partnership for Reinventing Government is an illustration of the liberation management tide of reform, although it also contains elements of Hamiltonian activism and scientific management. The key features of reinvention and NPR were to achieve government that is catalytic, empowering, enterprise-oriented, competitive, mission and customer driven, anticipatory, results oriented, decentralized, and market oriented.

Reformers identified the link between performance improvement and the personnel system. In general, they detected flaws in the system rather than in the individual civil servants, and harshly criticized the counterproductive civil service system that they viewed as beyond redemption. Bilmes and Neal (2003, pp. 115–116) summarized problems facing civil service systems:
Exhibit 1.9  Structures Created by the Civil Service Reform Act of 1978

- **EXECUTIVE OFFICE OF THE PRESIDENT**
  - White House staff
  - OMB
  - Other offices

- **OFFICE OF PERSONNEL MANAGEMENT**
  - Single head, appointed by President, serves at his or his pleasure

- **MERIT PROTECTION BOARD**
  - Three bipartisan members, appointed by the President for 7 years, overlapping, nonrenewable terms
  - Executive Director
  - Division of Appeals and Arbitration
  - Special Counsel for Merit Investigations–Employee Ombudsman
  - Division of Special Studies
  - Office of Administrative Services

- **DEPARTMENTS AND AGENCIES**
  - Manage and operate personnel system under general guidelines from Federal Personnel Management Agency

- **GAO**
  - Increased scope of management audits and evaluations

- **FEDERAL LABOR RELATIONS AUTHORITY**

**SOURCE:** President's Reorganization Project, 1977, p. 244.
[H]iring, firing, promotion, organizational structure, lack of lateral opportunities, insufficient training, poor compensation, limited awards and recognition, few fringe benefits, lack of career development, legalistic dispute resolution, inflexibility, poor performance measurement and evaluation, use of contractors for mission-critical activities, antiquated information technology, and unhealthy, unsanitary office facilities.

Academics and professional groups proposed administrative changes in response to such problems (see, e.g., Donahue & Nye, 2005; National Academy of Public Administration, 2004). Some of these reform proposals echoed past calls for governmentwide reorganization (e.g., the 1989 National Commission on the Public Service, also known as the Volcker Commission) and anticipated more recent reform recommendations as well (e.g., the 2003 Volcker Commission; see Exhibit 1.10). The earlier report identifies the so-called quiet crisis facing civil service, and recommends several familiar changes, including increased salaries, performance-based pay, simplified hiring, fewer political appointees, improved training, and so forth. The latter report follows characterizations of the federal civil service as a system at risk (Blunt, 2002; Lane, Wolf, & Woodard, 2003). Indeed, in 2001 U.S. Comptroller General David Walker elevated human capital to the U.S. Government Accountability Office’s (GAO’s) list of “high-risk government operations” (a designation recently renewed), stating that agencies are vulnerable to mission failure when they lack a focus on human capital development.

A retrospective on civil service reform over the years argues that the 1990s witnessed the disaggregation of the federal civil service. This little-noticed phenomenon resulted in slightly fewer than half of all executive branch employees becoming part of the excepted service, thereby relinquishing traditional civil service protections. In the quest for hyperflexibility, the Clinton administration pursued a three-prong strategy: (1) authorizing personnel demonstration projects, (2) creating “performance-based organizations,” and (3) constructing modified personnel systems for malfunctioning agencies (Thompson, 2001, p. 91).

### Exhibit 1.10 Recommendations From the National Commission on the Public Service

#### Organization
- Reorganize the executive branch into a limited number of mission-related departments.
- Select agency managers based on their operational skills and give them authority to develop management and personnel systems appropriate to missions.
- Give the president expedited authority to recommend agency and departmental reorganization.
- Realign congressional committees to match mission-driven reorganization of executive branch.

#### Leadership
- Streamline and speed up the presidential appointment process.
- Reduce executive branch political positions.

(Continued)

The first two areas are most relevant to human resource management. The administration's initiatives address people-related problems, giving greatest attention to the need for organizational restructuring, performance measurement, performance-based pay, hiring and development plans to fill key skill gaps, competitive sourcing, and information technology. For example, the 2001 Freedom to Manage Initiative and Managerial Flexibility Act sought to “eliminate legal barriers to effective management,” just as Clinton's NPR reinvention reforms sought to move “from red tape to results.” The Federal Activities Inventory Reform Act required agencies to assess the susceptibility to competition of the activities performed by their workforce in anticipation of placing federal workers in competition with the private sector. In the words of one analyst, these reforms “contain the excesses of Madisonian protection” and “promote the opportunity for Hamiltonian performance” (Behn, 2003, p. 199).

The Bush administration stressed the need for strategic management of human capital by obtaining the talent to get the job done, seeking continuity of competent leadership, and creating a results-oriented performance culture (U.S. OMB, 2004). To monitor implementation of the agenda, the administration developed a simple grading system—red, yellow, and green. Key federal agencies are assessed regarding achievement of standards for success.

Some of the proposed and adopted reforms were particularly contentious, including the increased flexibility of personnel policies in DHS and DOD, the overhaul of pay for the SES, performance-based contracting, alteration of the number of political appointees, withdrawal of collective bargaining rights for selected groups of public employees, weakening

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**Exhibit 1.10 (Continued)**

- Divide Senior Executive Service into management corps and professional and technical corps.
- Examine employee ethics regulations and modify those with little public benefit.
- Increase judicial, executive, and legislative salaries to be comparable with other professions.
- Break the statutory link tying the salaries of judges and senior political appointees to those of congressional members.

*Operations*

- Develop more flexible personnel management systems.
- Continue efforts to simplify and accelerate employee recruitment.
- Allow agencies to set compensation related to current market conditions.
- Set outsourcing standards and goals that advance the public interest and do not undermine core government functions.

of the merit system, and the requirement for competitive sourcing (Bowman & West, 2007; Kauffman, 2003a, 2003b; Phinney, 2003a, 2003b; Robb, 2003; Thompson, 2007). The history and rationale behind the personnel reforms in DHS and DOD have been summarized by Brook and King (2008), who pointed out that these reforms were claimed to be justified on the basis of national security and that increasing managerial power and flexibility were to deal with the threat from terrorist attacks. A recent analysis by Underhill and Oman (2007) provides a summary and assessment of possible impacts of the civil service reforms in DHS and DOD (Exhibit 1.11).

While reform trends in the United States involve weakening or dismantling civil service systems in order to enhance managerial control of the bureaucracy, reformers in some other parts of the world such as Ukraine are seeking to strengthen the civil service system (see Exhibit 1.12). Civil service reforms in Germany parallel some of the changes in the United States (see Exhibit 1.13).

Among the human resource management reforms of the Obama administration are modifications of the hiring process, a Work-Life initiative that emphasizes job satisfaction and wellness programs, and the Results-Oriented Work Environment initiative (Berry, 2009). Recruitment and selection reform includes process mapping with streamlined, plain-language job announcements, involvement of management in the hiring process, and timely applicant notification. SWAT teams composed of hiring managers, agency-based HR professionals, and OPM representatives map and monitor the process from beginning (identifying hiring need) to end (new recruit’s first day at work). SWAT teams are charged with identifying and removing any barriers in the process. OPM facilitates the sharing of best practices across agencies and holds training academies to disseminate information on successful hiring strategies. Metrics are used to evaluate manager involvement and satisfaction with the process.

In seeking to improve employee satisfaction and promote wellness, managers are instructed to review the Federal Employee Viewpoint Survey (formerly the Federal Human Capital Survey) to identify items and indexes on which their unit scored lowest in comparison to the rest of the government and to isolate items and indexes on which employee satisfaction in their unit declined since the prior survey. Then administrators are charged to determine the reasons for worker dissatisfaction and work with labor organizations (where appropriate) on strategies to improve worker satisfaction. Action plans are required with improvement targets specified. Regarding wellness, managers are expected to inventory current wellness activities (e.g., fitness facilities, health clinics) and to develop agency performance metrics for assessing wellness as well as to collect cost and utilization data. Health and wellness improvement targets and plans are submitted to OPM with annual budget requests.

The Results-Only Work Environment (ROWE) initiative was first implemented in the private sector at Best Buy and subsequently adapted to government by the Hennepin County, Minnesota, Human Services and Public Health Department. OPM started the federal government’s first pilot test of ROWE in 2010. Consistent with the Clinton and Bush emphasis on results-oriented management, ROWE expects managers “to manage for results, rather than process. Employees are trusted to get the work done. This is a shift in culture from permission granting to performance guiding,” according to a senior adviser.
## Summary and Critique of Proposed Civil Service Reforms

<table>
<thead>
<tr>
<th>Summary</th>
<th>Critique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduce merit pay.</td>
<td>Merit pay has had mixed results at the federal, state, and local levels.</td>
</tr>
<tr>
<td>Abolish the GS job classifications and substitute pay-banding.</td>
<td>Unless carefully managed, it may not achieve goals of improved hiring, and may prove detrimental.</td>
</tr>
<tr>
<td>Long list of items that are excluded from negotiation with unions.</td>
<td>May result in more flexibility in promotions and hiring, but pay-banding has had mixed history.</td>
</tr>
<tr>
<td>Maintenance of merit protection. DOD is not limited by any Title V</td>
<td>Results unclear.</td>
</tr>
<tr>
<td>statute on some personnel practices.</td>
<td>Employees have pride in GS system.</td>
</tr>
<tr>
<td>Performance standards will be created.</td>
<td>It is part of the organizational culture.</td>
</tr>
<tr>
<td>Agencies will create own labor relations organizations.</td>
<td>Courts have thrown out provisions for DHS.</td>
</tr>
<tr>
<td>Sets up criteria for Merit Systems Protection Board (MSPB) decisions</td>
<td>Congressional limitations pending.</td>
</tr>
<tr>
<td>on DOD and DHS appeals. DOD may overrule MSPB draft decisions.</td>
<td>Could have resulted in quicker implementation of changes; however, risks alienation of dispirited employees.</td>
</tr>
<tr>
<td>A list of mandatory firing offenses may be created.</td>
<td>Lifting of Title V statutes may provide DOD with more speed and flexibility but could open door to abuses.</td>
</tr>
<tr>
<td>Special excepted hiring authority given to Secretary of Defense.</td>
<td>This is a positive feature; however, quantitative standards are difficult. Many agencies already have good standards.</td>
</tr>
<tr>
<td></td>
<td>DHS provisions thrown out by courts.</td>
</tr>
<tr>
<td></td>
<td>Having own labor organization could speed up discipline but is subject to abuse.</td>
</tr>
<tr>
<td></td>
<td>Could speed up disciplining and firing of unsatisfactory employees.</td>
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<tr>
<td></td>
<td>MSPB chairman concerned about changed criteria for judgment and limitation of time for consideration.</td>
</tr>
<tr>
<td></td>
<td>Hard to gauge impact as list of offenses not included.</td>
</tr>
<tr>
<td></td>
<td>Thrown out by courts.</td>
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<tr>
<td></td>
<td>Could speed up hiring, but few outside controls.</td>
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<tr>
<td></td>
<td>Subject to abuse.</td>
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**SOURCE:** Adapted from Underhill & Oman, 2007.

While much of the recent New Public Management reform literature from the West advocates streamlining, dismantling, or weakening civil service systems to “let managers manage,” those familiar with management reforms in the nascent democracy of post-Soviet Ukraine suggest the opposite: A strong civil service is key to the sustained development and legitimacy of Ukrainian governmental structures. Unlike U.S. reforms prompted “from above” by the regime in power, reform in Ukraine is initiated “from within” the professional bureaucracy itself. The civil service in Ukraine since 2005 has been working to reduce corrupt bureaucratic behavior (Spector, Winbourne, O’Brien, & Budenshiold, 2006).

Ukraine’s Law on Civil Service (of November 2007) is broad. It extends civil service protection to high bureaucratic levels but excludes cabinet members, the judiciary, and the military. Article 3 of the proposed law articulates the “main principles of civil service: rule of law, conformance with the constitution, legality, professionalism, patriotism, integrity, political neutrality, loyalty, transparency, stability, objectivity, glasnost, responsibility, and equal access to civil service” (2007, pp. 2–3). The law makes it apparent that Ukraine views civil service as important and as undergirding bureaucratic legitimacy and authority. The figure below presents a heuristic model for the reform and development of civil service.

**Heuristic Model for the Development and Reform of Civil Service Systems**

The figure shows the tension between forces for professionalization and the counterforces of New Public Management that seek to empower managers, even if in opposition to traditional tenets of civil service. The model also demonstrates the inherent tension between political elites and civil servants in seeking a harmonious balance between political influence and professionalism. The overall concept is that there is no “one best way” to engender bureaucratic reform and professional government. Additionally, the model suggests that the Anglo-American-English model of management reform focus may not cure what ails post-Soviet governmental bureaucracies.

**Sources:** Adapted from Condrey, Battaglio, Slava, & Palinchak, 2008; Condrey, Purvis, & Slava, 2001.
The German civil service is based on the concept of the *Rechtsstaat*—the “rule-of-law state” that transcends political divisions and acts in the name of all citizens on the basis of administrative law. After World War II, the system was decentralized to put the focus on regional and local civil service. The German federal bureaucracy is thus relatively small, with the bulk of civil servants working in the 16 *Länder* (states) and local governments.

The system is complex, with three categories of public servants (career civil servants, public employees, and public workers) and five administrative divisions within each category. The foundations of the German service are designed to make public service the most highly respected of all professions (Dahrendorf, 1969, pp. 235–241), since civil servants act in the name of the state and reinforce constitutional principles. Most teachers and educators, including university professors, are civil servants; a large proportion is lawyers, a group constituting 63% of employees in federal ministries as of the early 2000s (Kuhlmann & Roeber, 2004, p. 8). Although this proportion is decreasing at the federal level, the high numbers still prevail in the 16 states (Zuem, 2003, p. 9). As of the late 1990s, there was an “overabundance of candidates for a small number of positions” in German public administration, leading to “a rise in the number of higher educational degrees and thus to an oversupply of highly-qualified persons” (Rothenbacher, 1997, ¶ 34), due largely, no doubt, to the traditionally high status, pay, and benefits that accompanied public service careers in Germany. Government leaders have been attempting to change what has been considered to be an overly bureaucratic civil service system since the 1970s.

After the incorporation of the former East Germany into the Federal Republic of Germany and the consequent financial crises at all levels of government after 1990, reformers in government managed to initiate a series of personnel management reforms in 1997, when the German parliament passed the Civil Service Reform Law. The goal was to introduce more flexibility and improve performance through the following measures:

- Increased employee productivity in the context of reduced costs and personnel downsizing
- Performance measures and employee evaluations based on results, not process
- The ongoing motivation of employees to excel
- Promotion and pay based on performance, not seniority
- Increased flextime and part-time work
- Probationary periods for promoted employees, with the option of denying the promotion
- Integrated personnel management to enhance employee productivity and satisfaction
- Soft management techniques to improve organizational culture and leadership development
- Outsourcing of public services to commercial and nonprofit organizations

The personal, political, and structural resistance to personnel management reforms was great. Civil servants used to generous salaries and benefits, as well as clear guidelines about promotion and pay, rebelled against performance-based outcomes and probationary periods, and the elimination of their traditional “13th month” paycheck and reduction in pensions (Zagelmeyer, 1997, pp. 2–3). Germany’s public service trade unions, more influential than those in the United States, for example, strongly resisted the reforms that reduced the benefits or job security of civil servants. A system based on codified administrative law does not easily adapt to management reforms that emphasize autonomy and creativity in the middle layers of the bureaucracy. Administrative managers tended to view personnel
strategies in terms of cost rather than productivity (Kuhlmann & Roeber, 2004, p. 21). Supervisors hesitated to implement pay-for-performance reforms or offer performance bonuses (see Chapter 7 Compensation) out of concern that this would introduce tension and resentment in the workplace; many civil servants suspected that the reforms were simply an excuse to downsize and reduce pay and benefits (Kuhlmann & Roeber, 2004, pp. 19, 21).

Analysts agreed that the 1997 law was only a first step toward meaningful reform of the German civil service (Kuhlmann & Roeber, 2004; Zagelmeyer, 1997). An important second step came when Germany’s Federal Ministry of the Interior built on the 1997 law through its Modern State–Modern Administration program in 2005, designed to modernize administrative management (Federal Republic of Germany, 2005). This government program envisions a sweeping overhaul of the civil service based on increasing efficiency and responsiveness, emphasizing motivation of and competency development in employees, improving effectiveness through strategic partnerships and privatization of services, and encouraging a more customer-oriented (i.e., citizen-oriented) civil service (Federal Republic of Germany, 2005, p. 2). The privatization of the railway system and the post office and the introduction of e-government have been big steps in this direction.

The German example is complicated by reunification, cultural predispositions, political complexities, and the legal system. Government reformers hope that the features that rendered German civil service the proudest of professions in the past will not hinder new reforms designed to make performance as important as the profession itself.

**State and Local Levels**

The National Commission on the State and Local Public Service report (National Commission on the State and Local Public Service [Winter Commission], 1993) outlines an agenda that targets, among other institutions, civil service systems. The human resource portion of this report diagnoses civil service paralysis as a problem, and prescribes deregulation of government’s personnel system. Favoring a more flexible and less rule-bound system, the commission’s recommendations include the following:

- More decentralization of the merit system
- Less reliance on written tests
- Rejection of the rule of three and other requirements that severely restrict managerial discretion in selecting from a pool of eligible applicants
- Less weight given to seniority and veteran’s preference
- Fewer job classifications
- Less-cumbersome procedures for removing employees from positions
• More-portable pensions enabling government-to-government mobility
• More flexibility to provide financial incentives to exemplary performance by work teams

These recommendations for increased managerial flexibility echoed earlier suggestions from the National Commissions on the Public Service (1989, 2003) and resembled parallel observations from the Clinton administration’s National Performance Review and the Bush administration’s Management Agenda (Thompson, 1994; Thompson, 2007). The recommendations of these National Commissions on the Public Service continue to be relevant, as they continue to guide jurisdictions in shaping human resource management policies.

Subnational reforms have included significant changes to the civil service system. Indeed, one state, Georgia, undertook radical reform—withdrawning merit protection for all new state employees beginning in 1996. Florida’s 2001 substantial reform withdrew civil service protection from more than 16,000 managers, making them at-will employees who could be terminated for any or no reason not contrary to law (West & Bowman, 2004). Six other states have experienced notable reforms (Massachusetts, Minnesota, New Jersey, Ohio, Oklahoma, and South Carolina). Reforms are most common in classification (reducing or increasing the number of job classifications; consolidating or broad-banding classifications), compensation (pay for performance, noncash incentives, bonuses, incentive-based pay), and performance evaluation (performance plans and standards). Managers’ abilities to complete their tasks successfully depends, in large measure, on their ability to attract, develop, motivate, and retain top-quality employees—the essential functions of human resource management. Reform efforts are designed to help meet these responsibilities.

The prognosis for reform efforts is more mixed than might be suggested from the emerging consensus that formed in the mid-to late-2000s. Efforts to reform human resource management were not without their critics and skeptics (Bowman, 2002; Bowman & West, 2007; Bowman, West, & Gertz, 2006; Coggburn et al., 2010; Elling & Thompson, 2007; Hays & Kearney, 1999; Hays & Sowa, 2007; Kearney & Hays, 1998; Kellough & Nigro, 2010). A sampling of some criticisms and shortcomings include the following:

• The role of public servants (e.g., privatization, downsizing) is undermined.
• Results fail to meet expectations (e.g., pay for performance).
• Too few people with the necessary skills (e.g., contract negotiating and auditing) are attracted to public service.
• Performance rewards (bonuses) are underfunded.
• Oversight of the public service (decentralization, deregulation, outsourcing) is reduced, inviting corruption.
• In-service training for continuous learning and planning is frequently inadequate.
• Pursuit of quick successes via downsizing too often takes precedence over improving performance.
• Ideas borrowed from the private sector and accepted blindly often create more problems than solutions.
• Empowerment initiatives frequently are uneven.
Overall, civil service reform efforts have experienced a combination of successes, failures, and something in between (Ban & Riccucci, 1994; Bowman, Gertz, Gertz, & Williams, 2003; Bowman & West, 2007; Coggburn et al., 2010; Cohen & Eimicke, 1994; Condrey & Maranto, 2001; Kellough & Nigro, 2006; Perry, Wise, & Martin, 1994; Pfiffner & Brook, 2000; Stein, 1994; Suleiman, 2003; Wechsler, 1994; West, 2002). One lesson is that when change advocates leave office, reform quickly loses salience as an issue. This result is likely to occur in regard to reform initiatives from the White House, state house, or city hall.

The impetus to improve performance and reduce costs, stated goals of the Clinton, Bush, and Obama administrations and implied objectives of the Winter Commission, will continue even if the strategies for achieving such goals change. Similarly, it is likely that experimentation in some form with new approaches to human resource management also will continue. These reform tides are part of the public service heritage and contain strains from earlier eras—scientific management, war on waste, watchful eye, and liberation management. Nevertheless, changing social, economic, technological, and political forces are likely to introduce new tides as well.

The final section of this chapter shifts attention from administrative reforms to the normative issues of values and ethics, and ways to manage ethics. This focus on values is important because managers need a clear understanding of the values of their community, government, and employee groups. Values serve as decision criteria when managers face choices among competing alternatives. They shape perceptions and interpretations about issues like downsizing and managing diversity. They also limit available choices by leading administrators to exclude certain alternatives because they are not viable. Finally, values help define the inducements (positive or negative) that managers may apply to actions of employees. Ethics helps address the question, “What should I do?” when confronting issues of right and wrong behavior. Although officials might feel that values and ethics are beyond their proper domain, they play an important, though not always obvious role in virtually every decision of management.

**VALUES, ETHICS, AND MANAGEMENT**

**Values**

Public managers walk a tightrope seeking to balance the jurisdiction’s basic values, the needs of workers, and the organization’s financial resources. When there is uncertainty about fundamental values, managers lack guidance and direction in dealing with workplace issues.

To address this matter, some jurisdictions and agencies have adopted a statement of values. For example, the Miami Department of Veterans Administration Medical Center has developed mission, vision, value, and pledge statements (Exhibit 1.14). Such statements have relevance because they typically contain content regarding managing the public service. The following are some important values of modern human resource management:

- Valuing employee talents
- Encouraging professional growth
- Promoting fairness
• Providing productive work environments
• Increasing efficiency
• Developing teamwork
• Demonstrating concern for others
• Fostering openness
• Maintaining ethical principles
• Ensuring high-quality service
• Meeting customer needs

Prominent among these values are the goals of various prior reform tides that constitute the public service heritage—efficiency, economy, fairness, and high performance, among others. Managers and employees need to be conscious of such values as guides to behavior.

Clarification of basic values is important, but it requires education about values. There is considerable variation among employees regarding the degree of individual or organizational value consciousness. Van Wart (1998) divided value consciousness into three levels: (1) unconsciousness, (2) elementary consciousness, and (3) advanced consciousness. Administrators at Level 1—values unconsciousness—lack understanding or basic awareness of agency values, missions, or standard operating procedures, and they may knowingly or unconsciously take inappropriate or illegal actions. At Level 2—elementary values consciousness—managers have a basic grasp of the mission, laws, and rules, and they focus on conforming in order to avoid legal violations or inappropriate actions. Managers at Level 3—advanced values consciousness—have a thorough understanding of their unit’s mission, values, and mandate. They can take actions that reflect the ideals associated with good government, such as efficiency, economy, ethics, fairness, and the public good.

The distinctions between various levels of values consciousness have important implications. If employees lack awareness of agency values, missions, laws, or standard operating procedures, managers need to educate them. For example, ignorance of sexual harassment laws, affirmative action requirements, or workplace safety procedures (Level 1) can be very costly to an organization; managers must not tolerate such ignorance. Furthermore, mere conformity to laws, rules, and standard operating procedures (Level 2) puts managers in the role of compliance officers who spend their time detecting and correcting wrongdoing. This is an important role for them, but it should not be their exclusive activity. A more expansive perspective is found at Level 3, where managers are fully conversant with agency values, missions, and requirements and view human resources as a precious resource for improving governmental performance.

Conflicts among fundamental values create dilemmas once values are applied. For instance, Americans value both liberty and equality. Nevertheless, programs such as affirmative action may promote equality by preventing discrimination, but infringe on the liberty of managers to hire or promote whomever they prefer. Other administrative values are also in tension: change and continuity, unfettered flexibility and unbending centralized control, and responsiveness to elected officials and respecting institutional memory (Smith, 1998). Seeking the proper balance among competing values is a major challenge. For example, timeliness and openness are competing values in hiring that are particularly intractable: It is difficult to hire quickly when jurisdictions require that all citizens have
Exhibit 1.14  Mission, Vision, Values, and Pledge of the Miami Department of Veterans Administration Medical Center

Mission
To provide timely, quality health care, individualized to meet the specific needs of our veterans and military patients. The mission is supported by our committed efforts to

- Customer satisfaction
- Advancements in research and education
- Respect for all
- Excellence

Vision
We will become a center of excellence in comprehensive, compassionate health care, continuing graduate education, and health care research.

Values
- Customer satisfaction
- Continuous improvement
- Quality care
- Teamwork and partnership

I pledge to
- Smile and be courteous, kind, caring, and compassionate
- Go beyond the limits of my job to find solutions
- Have a positive attitude
- Have respect for all
- Make a difference!
- Please ask ME!

Our core values
- Trust
- Respect
- Commitment
- Compassion
- Excellence

SOURCE: Adapted from materials used by the Miami Department of Veterans Administration Medical Center. Copyright by Miami Department of Veterans Administration Medical Center. Reprinted with permission.

NOTE: Miami VAMC employees wear the above information on plastic cards attached to their identification badges.
access to jobs. An additional example of conflicts is filling a vacancy quickly when a qualified candidate is already known but laws and organizational values require public announcement, open competition, and recruiting to ensure a diverse talent pool.

**Ethics**

Clarifying values, raising consciousness of values, and balancing conflicting values must be accompanied by an emphasis on ethics. Ethics involves behavior that is concerned with doing the right thing or acting on the right values.

Here, too, managers have a difficult task: Discretion must be exercised in addressing specific ethical issues. Ethical judgment is required of managers facing complex issues such as the following (Brumback, 1991; Grensing-Pophal, 1998; Legge, 1996; Menzel, 2010; Theedom, 1995):

- Responding to instructions to fire a public health nurse for refusing on religious grounds to distribute birth control (e.g., condoms or birth control pills) to unmarried individuals
- Honoring a request to refuse to consider female job applicants age 30 or older
- Censuring a military officer for publicly opposing a ban on gays in the military
- Investigating a report by a third party that an employee was abusing legal substances (prescription drugs or alcohol) at work
- Reporting to coworkers who accidentally discovered information about pending layoffs
- Resolving a struggle between the benefits administration and the medical department over the length of time an employee can be absent from work following a surgical procedure
- Reprimanding those who shirk distasteful responsibilities or scapegoat personal failures
- Reporting to supervisors observations of loafing and loitering
- Coping with pressure to fire newly hired minority supervisors because they do not “appear to fit” the prevailing organizational culture
- Questioning the high pay levels and job security given to core staff when employees on the periphery are paid low wages and offered minimal job security

In dealing with the above issues of legality, ethics, and fairness, managers are indeed required to weigh competing pressures. They are often squeezed from above and below in resolving such matters. Officials are also expected to conform to the organization’s stated values and ethics codes. At a minimum, they must communicate the organization’s policies and codes to employees (Level 1). Ideally, such policies or codes should be brief, be clear, and provide practical guidance to help managers and employees deal with problems. Typical provisions might include conflict of interest, gift giving or receiving, confidentiality, sexual harassment, political activity, equal employment opportunities, and moonlighting.
(Pickard, 1995; Van Wart, 2003; West & Berman, 2006; West, Berman, & Cava, 1993). If policies or codes are adopted, they need to be observed so that there is no gap between expectations and behavior.

Management

Understanding the work culture and the ethical imperatives of public service is crucial. Cultures vary from agency to agency and government to government, but the ethical imperatives remain constant and provide continuity. Managers are expected to help their units develop from Level 1 to Level 3 consciousness. Doing so increases ethical awareness, which may reduce ethical shortfalls as well as create a positive climate for professional development. The strategies for ensuring integrity at work might differ from setting to setting and from one subsystem to another, but ethics management is an important responsibility for administrators. The following approaches to ethics management are repeatedly suggested in the personnel literature (Lewis & Gilman, 2005; Menzel, 2007; Richter & Burke, 2007; Svara, 2007; Tenbrunsel, Smith-Crowe, & Umphress, 2003; West, 2009; West & Berman, 2006):

1. Modeling exemplary moral leadership to top officials
2. Adopting an organizational credo that promotes aspirational values
3. Developing and enforcing a code of ethics
4. Conducting an ethics audit
5. Using ethics as a criterion in hiring and promotion
6. Including ethics in employee and management training programs
7. Factoring ethics into performance appraisal

SUMMARY AND CONCLUSION

Managers need to be prepared for the challenges that will confront them. Human resource issues involve improving the ways people contribute to organizations and concern such values as efficiency, economy, fairness, and high performance. The recognition that many issues and the alternatives for addressing them are not new but rather are recurring manifestations of problems and solutions from earlier historic periods is fundamental. The tides from the past—scientific management, war on waste, watchful eye, and liberation management—provide lessons for the present and future. Good managers will heed these lessons and pursue best practices. Failure to do so will be costly. As Franklin D. Roosevelt observed, “A government without good management is a house built on sand.”

As they seek to improve performance and rebuild a firm foundation of public trust, government managers need to hark back to the basic principles of reformers from years past and reexamine the heritage of public service. They must continue to exhibit professionalism, promote merit, ensure accountability to political leaders, and avoid partisan
bias. Beyond this, managers should also work to reduce waste, demonstrate vigilance in pursuit of the public interest, reconcile competing demands for flexibility and consistency, and advance a strong sense of public service ethics. Reformers of today are still searching for ways to improve the system by which people are managed; this, too, requires continued creative effort. These are tall tasks, but Alan Ehrenhalt has it right in the quotation that opened this chapter. As he put it, good things are possible “when government has the right people, and the right system, and the right intentions” (1998, p. 11). A vision for the future of the public service emerged from the Wye River Conference, which points to a shift from a traditional public sector system to a system for this century (see Exhibit 1.6).

Effective human resource problem solving also requires that managers combine right intentions with personal integrity and that they engage in careful values assessment. Defining core values and being guided by bedrock principles help administrators make the critical ethical judgments often required in resolving nettlesome human resource issues. Public values are continuously changing, and managers must recognize and guide that change process. Thomas Jefferson said, “In matters of style, swim with the current; in matters of principle, stand like a rock.” Managers must decide, amid the turbulence in the public sector environment, when to swim with the current and when to stand against it, not succumbing to pressures that would compromise core values and ethical principles.

Changes are also occurring in the way government does business and the way the public service is managed. Reforms at all levels of government are being proposed and implemented at a dizzying pace. These reforms influence the ability of administrators to do their jobs—favorably or unfavorably—so it is incumbent on them to keep abreast of new developments and guide this change process as well. The chapters that follow will highlight best practices, paradoxes, problems, and solutions to the tricky human resource challenges facing managers as change agents in the 21st century.

**KEY TERMS**

- Civil service
- Civil service commission
- Civil service reform
- Civil Service Reform Act of 1978 (CSRA)
- Ethics Reform Act of 1989
- Federal Labor Relations Authority (FLRA)
- Generation X
- Human resource management
- Inspector General Act of 1978
- Liberation management
- Merit system
- National Partnership for Reinventing Government
- Neutral competence
- New Millennials
- Pendleton Act of 1883
- Personnel administration
- POSDCORB
- Scientific management
- Senior Executive Service (SES)
- Spoils system
- Tides of reform
- U.S. Merit Systems Protection Board (MSPB)
- U.S. Office of Personnel Management (OPM)
- War on waste
- Watchful eye
- Whistleblower Protection Act of 1989
EXERCISES

**Class Discussion**

1. Do you think Maria Hernandez is an example of a good human resource director? Why? What advice would you give her? Explain.

2. Identify and discuss some paradoxes and contradictions in the public service heritage. Why are they significant? To what extent do they reflect the two underlying paradoxes discussed in the Introduction?

3. What are some fundamental differences between the public and private sectors that influence how human resources are managed?

4. Use da Vinci’s parachute (Exhibit 0.2) as inspiration. Now answer these questions: Which trends in the government environment are likely to continue in the future? Why? How will future trends influence human resource management?

5. Identify the tides of reform. What are the implications of these four philosophies for human resource management? Evaluate the tides. Which do you consider to be the most valuable philosophy for human resource management?

**Team Activities**

6. Employing the “25 in 10” technique (Exhibit 0.2), brainstorm the types of ethical dilemmas related to human resource management you think line and staff managers are likely to encounter at work.

7. Discuss the lessons from each of the four historical tides of reform and how they can influence human resource management decisions today.

8. What are the human resource management consequences of different levels of value consciousness?

9. Which ethics management strategies do you think are most effective? Why?

10. Evaluate the Miami Department of Veterans Administration Medical Center values statement. Does it communicate the values of the government or department adequately? How would you modify the statements to improve them?

**Individual Assignments**

11. Identify several trends that affect managers and show how the listed principles of human resource management might influence the way you respond to each trend.

12. What is the purpose of the value statement? How does it further the goals of an organization?

13. Interview a public manager and ask him or her to describe the most difficult human resource issues he or she has had to deal with. What areas of human resource management did the issues fall into? How were they handled?
14. Has the public service been significantly affected by civil service reform initiatives? How? Why?

15. Select one of the four tides of reform and (a) identify a public organization that demonstrates the characteristics of this reform philosophy, and (b) describe these characteristics and their consequences for government performance.

NOTES

1. For example, reforms that simultaneously reflect and cause distrust in government, national policies that contradict reform tides, contradictory restructuring themes embedded in the same statute.


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