THE PUBLIC SERVICE HERITAGE

Context, Continuity, and Change

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 environment, key principles, and operating characteristics of public human resource management (HRM)
- 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 HRM in the present
- Assess the contributions of the Bush administration’s reforms to effective management
- Show how values influence managers in addressing human resource issues
- 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 arguing that breakdown in government performance is an “incompetent people” problem and another arguing 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 above quotation suggests, good intentions and the ethical actions that ideally result from them are critical to creating 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
are 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 HRM. 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/Benefits. Like most large city HR directors, Ms. Hernandez faces a thorny set of issues that pose challenges, threats, and opportunities to her and to city government. Her work life is complicated by a rapidly changing workforce, an increasingly cumbersome legal/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. Maria 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 HR director, a position she has held for the past 10 years.

Rising at 6:00 a.m., Maria is dressed and having morning coffee when she hears a local TV news brief reporting 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 the area of transportation and tree trimming/planting, and 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 rejecting demands from the city’s sanitation workers for salary hikes and changes in work rules. 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.
Maria 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, and 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 promptly investigate every rumor about possible sexual harassment.

Hernandez arrvies at work by 7:30 a.m., having dropped her children at school and carpooled to work with fellow city workers. The car pool conversation reveals concerns among dual-career couples who have 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 a set of employee-friendly initiatives for consideration to the city manager. 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.

Hernandez reviews her day’s schedule (see Exhibit 1.1). Many of these topics can 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, and a cafeteria-style employee benefit plan. She also hopes to start a preretirement training program for all city employees over 55 and to broaden the description of job classes. 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., Maria

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**EXHIBIT 1.1** Maria Hernandez’s Monday Schedule

- 8:00  Staff meeting with human resource professionals
- 9:00  Conduct employee orientation for new hires
- 10:00 Department heads—implementing new performance measurement program
- 11:30 Assistant city manager, budget officer, and department reps (discuss recruitment plan)
- 12:00 Lunch with legal counsel—review status of pending lawsuits and sexual harassment charge
- 1:45  Labor negotiating team—update on bargaining issues and impasses
- 2:30  Media briefing—tout elements of family-friendly policy initiative for city employees
- 4:00  University contractors—review design of training program regarding computer network
- 5:30  Administrative assistant—review plans for updating all job descriptions
picks up her children at the day care center. After dinner, she reviews two reports on subjects that will occupy her attention at work early the next morning.

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-responsive 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).

These challenges suggest 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. This includes employee and organizational development, organizational design, performance management, reward systems and benefits, productivity improvement, staffing, employee-employer relations, and health and safety (Abramson & Gardner, 2002; Bernardin & Russell, 1998; Elliott, 1998; Sylvia, 1998). 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 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 is highlighted, as are some ways to manage ethics.

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 is smaller, grayer, and composed of more women and minorities than in previous years (Condrey, 2005). Paradoxically, there is a need for workers with higher-level skills, knowledge, and ability to meet the call for "learning organizations" (i.e., those that succeed in creating, accumulating, and transferring knowledge...
and adjusting its actions based on new knowledge). Today's employees also have different expectations and priorities than did their predecessors. For example, Generation X workers (those born between 1960 and 1980) 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 (Brackey, 2000; Gilles, 2000; Kirch, 2002).

- **Declining confidence in government.** In spite of a brief spike in 2001 after 9/11, opinion polls since the 1960s have shown a 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 1994, only one in five made that claim, and since then trust has improved somewhat but remains well short of the levels of the early 1960s (Edwards, Wattenberg, & Lineberry, 2004). 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.

- **Downsizing/upsizing.** The size of the federal civilian workforce was cut by 351,000 (to 1.8 million) between 1993 and 2003; buyouts and early retirements were the preferred approach rather than disruptive layoffs. Staff in human resource offices have been especially hard hit by layoffs at all levels, with reductions at the federal level averaging more than 20% from 1992 to early 1999 (Hornestay, 1999). 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) to warn of a looming brain-drain and to predict further decreases in government-centered public service with a corresponding increase in multisectedored service. By contrast, the size of the state and local government workforce increased by 2,159,211 (to 15,602,141 full-time equivalents) from 1993 to 2002 (U.S. Bureau of the Census [U.S. Census], 1993, 2002). Despite this, many individual jurisdictions have experienced workforce reductions. These reductions are often linked to privatization, deregulation, budget/service cuts, and program terminations.

- **Demands for productivity.** Doing more with less leads to initiatives to improve performance without raising costs. A survey by the U.S. Merit System 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). The federal Human Capital Survey reported that just 30% of employees believe awards programs offer an incentive to do their best (Office of Management and Budget [OMB], 2004).

- **Emerging virtual workplace/virtual government.** With the advent of new information technologies, some traditional 9-to-5 workplaces with fixed central office locations are being replaced in innovative organizations with more flexible arrangements (telecommuting, contract labor). 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; 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


**EXHIBIT 1.2** Key Web Sites of Government Agencies and Professional Associations

<table>
<thead>
<tr>
<th>Government agencies</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Bureau of Labor Statistics</td>
<td>stats.bls.gov</td>
</tr>
<tr>
<td>Federal Labor Relations Authority</td>
<td><a href="http://www.flra.gov">www.flra.gov</a></td>
</tr>
<tr>
<td>Merit Systems Protection Board</td>
<td><a href="http://www.mspb.gov">www.mspb.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>

<table>
<thead>
<tr>
<th>Professional associations</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>American Society for Public Administration</td>
<td><a href="http://www.aspanet.org">www.aspanet.org</a></td>
</tr>
<tr>
<td>Council of State Governments</td>
<td><a href="http://www.cos.org/csg/default">www.cos.org/csg/default</a></td>
</tr>
<tr>
<td>Ethics Section, American Society for</td>
<td><a href="http://www.aspanet.org/ethics/index.html">www.aspanet.org/ethics/index.html</a></td>
</tr>
<tr>
<td>Public Administration</td>
<td></td>
</tr>
<tr>
<td>International City/County Management Association</td>
<td><a href="http://www.icma.org">www.icma.org</a></td>
</tr>
<tr>
<td>National Academy of Public Administration</td>
<td><a href="http://www.napawash.org">www.napawash.org</a></td>
</tr>
<tr>
<td>National Association of County Governments</td>
<td><a href="http://www.naco.org">www.naco.org</a></td>
</tr>
</tbody>
</table>

electronically. Indeed, the 1998 Government Paperwork Elimination Act (GPEA) 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 7); key Web sites of government agencies and professional associations are included in Exhibit 1.2.

- **Reforming/reengineering initiatives.** Alternative approaches to the delivery of goods and services are being proposed and implemented with increasing frequency (discussed later in this chapter).

- **Centralization/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) 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.

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).

**HRM PRINCIPLES**

Managers need to be mindful not only of the changing environment but also of several principles of human resource management. Seven tenets, in particular, should be in the forefront of managerial thinking and are further explored in this and subsequent chapters:
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). 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 EEO/AA requirements, meeting performance standards, and maintaining ethical principles). The overriding priority has been and will continue to be organizational effectiveness.

Values 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 who exhibit integrity, because ethics is consistent with higher performance and fewer legal troubles (Berman & West, 1998; Bowman, West, Berman, & Van Wart, 2004). In addition, public sector values are changing. Exhibit 1.3 compares traditional values with newer, competing values. Managers need to assess values in their jurisdictions and adjust their leadership styles as appropriate.

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.

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 & Lynn, 1997).

Rule of law. Personnel systems, processes, and rules are often based on legal requirements. The complexity of this environment is a fundamental difference between the public and private sectors, and it influences 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 structures does not ensure high performance.

Performance. Human resource management seeks optimal contributions to an organization by acquiring, developing, motivating, and retaining people. This 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.

Public accountability/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
# Exhibit 1.3 A Comparison of Traditional Public Sector Values With Those Competing for Emphasis

<table>
<thead>
<tr>
<th>Traditional</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Macrolevel values</strong></td>
<td></td>
</tr>
<tr>
<td>Monopoly</td>
<td>Competition</td>
</tr>
<tr>
<td>Regulation (organization for control)</td>
<td>Market incentives (organization around mission)</td>
</tr>
<tr>
<td>Reduction vs. growth</td>
<td>Continuous improvement</td>
</tr>
<tr>
<td>Adding programs</td>
<td>Changing programs</td>
</tr>
<tr>
<td><strong>Values about structure</strong></td>
<td></td>
</tr>
<tr>
<td>Centralized</td>
<td>Decentralized</td>
</tr>
<tr>
<td>Supervisor as controller</td>
<td>Supervisor as helper</td>
</tr>
<tr>
<td>Nondemocratic</td>
<td>Participative</td>
</tr>
<tr>
<td>Individual work</td>
<td>Teamwork</td>
</tr>
<tr>
<td>Hierarchical organization</td>
<td>Flat organization</td>
</tr>
<tr>
<td>Simple jobs</td>
<td>Multidimensional jobs</td>
</tr>
<tr>
<td>Single service</td>
<td>Multiple versions of service</td>
</tr>
<tr>
<td><strong>Values about work</strong></td>
<td></td>
</tr>
<tr>
<td>Expert focus (internally driven)</td>
<td>Customer focus (externally driven)</td>
</tr>
<tr>
<td>Focus on tradition (status quo)</td>
<td>Focus on innovation (change)</td>
</tr>
<tr>
<td>Problem analysis</td>
<td>Seeing possibilities</td>
</tr>
<tr>
<td>Measurement is feared</td>
<td>Measurement is an opportunity</td>
</tr>
<tr>
<td>Protective</td>
<td>Productive</td>
</tr>
<tr>
<td>Performance</td>
<td>Ability</td>
</tr>
<tr>
<td>Inspection and control</td>
<td>Prevention</td>
</tr>
<tr>
<td><strong>Values about employees</strong></td>
<td></td>
</tr>
<tr>
<td>System indifference</td>
<td>Employee needs</td>
</tr>
<tr>
<td>Employee as expense</td>
<td>Employee as asset</td>
</tr>
<tr>
<td>Manager focus</td>
<td>Employee focus</td>
</tr>
<tr>
<td>Appraisal/sanction/ranking</td>
<td>Development/learning/recognition</td>
</tr>
</tbody>
</table>


private (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.

With this brief introduction to environmental considerations and operating principles, attention is turned 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 in *The Tides of Reform* (1997). He identifies 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 briefly examine 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, 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 a 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 HR actions mirroring scientific management differ from avant-garde practices. For example, training is changing from 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/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 1978 Inspector General Act 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 for 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 is the patron organization for the fight to achieve economy in government.

The implications of the war on waste for HRM 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 so 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 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 war on waste heritage.

Watchful Eye

The third tide of reform, "the watchful eye," emphasizes fairness and openness. Whistleblowers, 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 more open government became apparent after abuses of Watergate (the Woodward and Bernstein Washington Post investigation) and Vietnam (Pentagon Papers, Gulf of Tonkin). The 1947 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 1989 Ethics Reform Act 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 ADR 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 Administrative Procedure Act. John Gardner and Common Cause as well as Ralph Nader and Public Citizen provide examples of the patron saints and 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. It also minimizes the illegitimate use of hiring criteria such as sex, race, age, and handicap status. Such concerns 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 (the latter 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 HRM 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 of 1978 manifests each of the four tides:

[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). (p. 71)

Understanding the tides of reform helps to appreciate the public service heritage by highlighting recurring themes that characterize such changes (Exhibit 1.4). 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 HRM (and many other statutes as well).

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

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**Exhibit 1.4  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 administration</td>
<td>Generally accepted practices</td>
<td>Rights</td>
<td>Standards, evaluations</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 champion(s)</td>
<td>The presidency</td>
<td>Congress</td>
<td>Congress and the courts</td>
<td>The presidency</td>
</tr>
<tr>
<td>Defining moment(s)</td>
<td>Brownlow Committee, First Hoover Commission</td>
<td>Welfare fraud hearings</td>
<td>Vietnam, Watergate</td>
<td>Gore National Performance Review</td>
</tr>
<tr>
<td>Key Characteristics</td>
<td>Scientific Management</td>
<td>War on Waste</td>
<td>Watchful Eye</td>
<td>Liberation Management</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------------</td>
<td>--------------</td>
<td>--------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Patron saint(s)</td>
<td>Herbert Hoover</td>
<td>W. R. Grace, Jack Anderson</td>
<td>John Gardner, Ralph Nader</td>
<td>Richard Nixon, Al Gore</td>
</tr>
<tr>
<td>Patron organization(s)</td>
<td>National Academy of Public Administration (Standing Panel on Executive Organization)</td>
<td>Citizens Against Government Waste</td>
<td>Common Cause, Public Citizen</td>
<td>Alliance for Redesigning Government</td>
</tr>
</tbody>
</table>


strategically about the threats and opportunities in their human resource environment and how to cope with them. The next section examines 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 HRM. The Pendleton Act created a bipartisan **Civil Service Commission** (CSC) 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 1 in 10 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 (appointment 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/spoils) and, to a lesser extent, for “good” (merit/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 became 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 Civil Service Reform Act 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 Office of Personnel Management (OPM) and the **Merit Systems Protection Board** (MSPB). The OPM is charged with the “doing” side of HRM—coordinating the federal government’s personnel program. The director is appointed/removed by the president and functions as his principal advisor 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 (NLRB). 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 1.5.

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 HRM 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. Exhibit 1.6 provides differing perspectives from local HR managers on whether civil service is outdated or necessary. 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 their actions and proposals.
EXHIBIT 1.5

PRESIDENT

EXECUTIVE OFFICE OF THE PRESIDENT
- White House Staff
- OMB
- Other Offices

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

MERIT PROTECTION BOARD
Three bipartisan members, appointed by the President for 7 years, overlapping, non-renewable 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

CONGRESS

GAO
- Increased scope of management audits and evaluations

FEDERAL LABOR RELATIONS AUTHORITY

SOURCE: “Final Staff Report” (1977, p. 244).
EXHIBIT 1.6  Civil Service: Outdated or Necessary?

The civil service system is one of the last bastions of democracy, according to James Hutt, personnel administrator for Waterbury, Connecticut. Everyone should have an equal right to compete for public jobs, and he believes that the civil service system protects that right. On the other hand, Mark Gregersen, human resource director of Vallejo, California, finds the civil service system outdated. In his opinion, employment laws and collective bargaining units today provide the same protections once offered by civil service systems. Gregersen also believes that civil service rules reduce the number of people considered for government jobs rather than “screen in” employees with the highest potential for success. New Britain, Connecticut’s personnel director, John Byrne, believes civil service systems are still useful, providing continuity and consistency while newly elected officials become oriented to government operations.

Olufemi Folarin, director of human resources for Elgin, Illinois, thinks it is difficult to develop an effective affirmative action program when there is a civil service system, although he acknowledges that his government has successfully increased the number of minorities and women it employs through more aggressive recruiting efforts. Finally, Vallejo’s Gregersen notes that civil service commissions do play one valid role: hearing employee appeals. The civil service commission not only protects employee interests by providing an impartial third-party opinion in the matter of employee suspensions, demotions, and discharges, but it can also reduce the cost and time of arbitration and litigation.


REFORMING GOVERNMENT IN THE CLINTON
AND BUSH YEARS: IMPLICATIONS FOR HR

Federal Level

Administrative change has been a recurring item on the public agenda for the past dozen or more 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 and costs less.” In Light’s framework, the NPR was 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, enterprising, 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 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:

... hiring, 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, 2003; National Academy of Public Administration [NAPA], 2004). Some of these reform proposals echoed past calls for governmentwide reorganization (e.g., the 1989 National Commission on the Public Service, or Volcker Commission) and anticipated more recent reform recommendations as well (e.g., the 2003 Volcker Commission, see Exhibit 1.7). The earlier report identified the “quiet crisis” facing civil service and recommended several familiar changes, including increased salaries, performance-based pay, simplified hiring, fewer political appointees, improved training, and so forth. The latter report followed characterizations of the federal civil service as a “system at risk” (Blunt, 2002; Lane, Wolf, & Woodward, 2003). Indeed, in 2001 U.S. Comptroller General David Walker elevated human capital to the GAO’s list of “high-risk” government operations, stating that agencies are vulnerable to mission failure when they lack a focus on human capital development.

A retrospective on civil service reform during the Clinton years argues that the 1990s witnessed the disaggregation of the federal civil service. This little noticed phenomenon resulted

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**EXHIBIT 1.7 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.
- 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.

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 "hyper-
flexibility," the Clinton administration pursued a three-prong strategy: authorizing personnel
demonstration projects, creating "performance based organizations, and constructing modified
personnel systems for malfunctioning agencies" (Thompson, 2001).

The George W. Bush administration had its own management reform agenda to address
management dysfunctions. Five key areas were highlighted: human capital, competitive sourcing,

The first two are most relevant to human resource management. The administration's
initiatives address people-related problems, giving greatest attention to the need for organiza-
tional restructuring, performance measurement, performance-based pay, hiring and develop-
ment 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 reinvention reforms
sought to move "from red tape to results." The Federal Activities Inventory Reform (FAIR)
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 protec-
tion" and "promote the opportunity for Hamiltonian performance" (Behn, 2003).

The Bush administration stresses the need for strategic management of human capital by
obtaining the talent to get the job done, seeking continuity of competent leadership, and cre-
ating a results-oriented performance culture (OMB, 2004). To monitor implementation of
the agenda, it developed a simple grading system—red, yellow, and green. Key federal agencies
are assessed regarding achievement of standards for success. Exhibit 1.8 reports the scorecard
for 28 agencies during the quarter ending on June 30, 2003 (latest available) on the dimen-
sions of human capital and competitive sourcing. A green designation indicates progress in
implementing the president's management agenda. This is more evident on human capital
than it is on competitive sourcing, and although a green designation is evident for many agen-
cies on the progress dimension, no agency has yet to receive such a designation on the cur-
rent status dimension for either human capital or competitive sourcing.

Recent reforms have been the target of critics. For example, the second Volcker report was
opposed by the American Federation of Government Employees and the National Treasury
Employees Unions, the two largest federal employee unions, but was warmly received by the
Bush administration, which favored the increased flexibility resulting from restructuring
(Kaufman, 2003a). Similarly, the Bush administration's outsourcing initiative, which seeks to
subject as many of the government's approximately 850,000 "commercial" jobs as possible to
privatization, has been opposed by the American Federation of Government Employees, other
unions, and some lawmakers. Opponents claim the privatization/contracting-out agenda would
diminish service quality in search for the lowest price (Phinney, 2003a). They protest the des-
ignation of certain positions as "commercial jobs" and seek to shield selected jobs from pri-
vatization (Phinney, 2003b).

Some of the proposed and adopted reforms have been particularly contentious, including
the increased flexibility of personnel policies in the Departments of Homeland Security and
Defense, the overhaul of pay for the Senior Executive Service, performance-based contrac-
ting, reducing the number of political appointees, and competitive sourcing (Kaufman, 2003a,
## Exhibit 1.8 Executive Branch Management Scorecard

<table>
<thead>
<tr>
<th>Agency</th>
<th>Current status as of June 30, 2003</th>
<th>Progress in implementing President's management agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>Red</td>
<td>Green</td>
</tr>
<tr>
<td>Commerce</td>
<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>Defense</td>
<td>Yellow</td>
<td>Green</td>
</tr>
<tr>
<td>Education</td>
<td>Yellow</td>
<td>Green</td>
</tr>
<tr>
<td>Energy</td>
<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>EPA</td>
<td>Red</td>
<td>Yellow</td>
</tr>
<tr>
<td>HHS</td>
<td>Red</td>
<td>Green</td>
</tr>
<tr>
<td>Homeland</td>
<td>Red</td>
<td>Yellow</td>
</tr>
<tr>
<td>HUD</td>
<td>Red</td>
<td>Green</td>
</tr>
<tr>
<td>Interior</td>
<td>Red</td>
<td>Green</td>
</tr>
<tr>
<td>Justice</td>
<td>Red</td>
<td>Green</td>
</tr>
<tr>
<td>Labor</td>
<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>State</td>
<td>Yellow +</td>
<td>Green</td>
</tr>
<tr>
<td>DOT</td>
<td>Yellow +</td>
<td>Green</td>
</tr>
<tr>
<td>Treasury</td>
<td>Red</td>
<td>Green</td>
</tr>
<tr>
<td>VA</td>
<td>Red</td>
<td>Green</td>
</tr>
<tr>
<td>AID</td>
<td>Red</td>
<td>Yellow</td>
</tr>
<tr>
<td>Corps</td>
<td>Yellow +</td>
<td>Green</td>
</tr>
<tr>
<td>GSA</td>
<td>Red</td>
<td>Green</td>
</tr>
<tr>
<td>NASA</td>
<td>Yellow</td>
<td>Green</td>
</tr>
<tr>
<td>NSF</td>
<td>Red</td>
<td>Green</td>
</tr>
<tr>
<td>OMB</td>
<td>Red</td>
<td>Yellow</td>
</tr>
<tr>
<td>OPM</td>
<td>Yellow</td>
<td>Green</td>
</tr>
<tr>
<td>SBA</td>
<td>Yellow +</td>
<td>Red</td>
</tr>
<tr>
<td>Smithsonian</td>
<td>Red</td>
<td>Red</td>
</tr>
<tr>
<td>SSA</td>
<td>Yellow</td>
<td>Green</td>
</tr>
</tbody>
</table>

Plus (+) indicates change in status since evaluation on March 31, 2003.

**SOURCE:** OMB (2004).
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) outlined an agenda that targeted, among other institutions, civil service systems. The human resource portion of this report diagnosed "civil service paralysis" as a problem and prescribed deregulation of government's personnel system. Favoring a more flexible and less rule-bound system, the commission's recommendations included 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 and more recent 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).

Subnational reforms have included significant changes to the civil service system. Indeed, one state, Georgia, has undertaken radical reform—withdrawning merit protection for all new state employees beginning in 1996. Florida's 2001 radical 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 reform (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 broadbarding classifications), compensation (pay for performance, noncash incentives, bonuses, incentive-based pay), and performance evaluation (performance plans and standards). Managers' ability 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 1990s. Efforts to reform human resource management were not without their critics and skeptics (Bowman, 2002; Bowman, West, & Gertz, in press; Hays & Kearney, 1999; Kearney & Hays, 1998). A sampling of some criticisms and shortcomings included 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, auditing) are attracted to public service.
- Performance rewards are underfunded (bonuses).
- 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 & Ricucci, 1994; Bowman, Gertz, Gertz, & Williams, 2003; Cohen & Eimicke, 1994; Condrey & Maranto, 2001; 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 and Bush administrations and implied objectives of the Winter Commission, will continue in the future 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 will proceed. These tides are part of the public service heritage and contain strains from earlier eras—scientific management, war on waste, watchful eye, and liberation management—but 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, ethics, and ways to manage them. This focus 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 as 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 (VAMC) has developed mission, vision, value, and pledge statements (Exhibit 1.9). 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:
EXHIBIT 1.9  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.
- 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) divides this value consciousness into three levels: unconsciousness, elementary consciousness, and advanced consciousness. Administrators at Level 1—values unconsciousness—lack understanding or basic awareness of agency values, missions, or standard operating procedures (SOPs), 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, and 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 SOPs, 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 SOPs (Level 2) puts managers in the role of compliance officers who spend their time detecting and correcting wrongdoing. This is an important role, but 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; however, programs such as affirmative action may promote equality by preventing discrimination but infringe on the liberty of managers to hire or promote whomsoever 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 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:

- Responding to instructions to fire a public health nurse for refusing on religious grounds to distribute condoms and/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, 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
- Disciplining an employee for going on a “fiscal binge” of purchasing activity at the end of the fiscal year
- 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 “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 (Brumbaﬁ, 1991; Grensing-Pophal, 1998; Legge, 1996; Theedom, 1995)

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, clear, and provide practical guidance to help managers and employees deal with problems. Typical provisions might include: conflict of interest, gift giving/receiving, conﬁdentiality, sexual harassment, political activity, equal employment opportunities, and moonlighting (Pickard, 1995; Van Wart, 2003; 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. Exhibit 1.10 reports the extent to which various ethics management strategies are used in city government and the changes in their use. It is paradoxical that ethical behavior is expected of municipal employees and stressed by their professional associations (the American Society for Public
EXHIBIT 1.10 Use of Ethics Management Strategies 1992 and 2002

<table>
<thead>
<tr>
<th>Strategy</th>
<th>1992 (A)</th>
<th>2002 (B)</th>
<th>Change from 1992 to 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemplary moral leadership by senior management</td>
<td>73 %</td>
<td>81.3 %</td>
<td>8.3 %</td>
</tr>
<tr>
<td>Adopting a standard of conduct</td>
<td>41</td>
<td>68.2</td>
<td>27.2</td>
</tr>
<tr>
<td>Exemplary moral leadership by elected officials</td>
<td>57</td>
<td>62.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Adopting a code of ethics</td>
<td>41</td>
<td>60.0</td>
<td>19.0</td>
</tr>
<tr>
<td>Requiring financial disclosure</td>
<td>53</td>
<td>55.9</td>
<td>2.9</td>
</tr>
<tr>
<td>Monitoring adherence to a code of ethics</td>
<td>29</td>
<td>55.5</td>
<td>26.5</td>
</tr>
<tr>
<td>Requiring approval of outside activities</td>
<td>56</td>
<td>53.9</td>
<td>-2.1</td>
</tr>
<tr>
<td>Required familiarity with code of ethics</td>
<td>29</td>
<td>53.5</td>
<td>24.5</td>
</tr>
<tr>
<td>Regular communication to employees about ethics</td>
<td>29</td>
<td>50.4</td>
<td>21.4</td>
</tr>
<tr>
<td>Using ethics as a criterion in hiring and promotion</td>
<td>27</td>
<td>48.4</td>
<td>21.4</td>
</tr>
<tr>
<td>Voluntary ethics training for employees</td>
<td>41</td>
<td>43.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Making counselors available for ethical issues</td>
<td>22</td>
<td>37.2</td>
<td>15.2</td>
</tr>
<tr>
<td>Mandatory ethics training for all employees</td>
<td>29</td>
<td>37.2</td>
<td>8.2</td>
</tr>
<tr>
<td>Mandatory ethics training for violators</td>
<td>6</td>
<td>25.3</td>
<td>19.3</td>
</tr>
<tr>
<td>Surveying opinions about ethics issues</td>
<td>7</td>
<td>14.6</td>
<td>7.6</td>
</tr>
<tr>
<td>Establishing an ethics hotline</td>
<td>3</td>
<td>11.6</td>
<td>8.6</td>
</tr>
</tbody>
</table>

SOURCE: Adapted from West & Berman (2004).

Administration, International City/County Management Association), but ethics management strategies are generally underdeveloped in local government: Most jurisdictions have no ethics training programs (West & Berman, 2004).

Ethics and Human Resource Management Subsystems

Ethics in HRM can be further considered by focusing on two key subsystems: (a) selection, socialization, and performance and (b) appraisal, reward/recognition/incentive, and development. Most administrators are involved in selection, socialization, and performance management of their employees. Managing the “joining up process” in a Level 1 work culture would be handled differently than it would be in a Level 2 or Level 3 culture. When workers lack basic consciousness about values and appropriate ethical conduct, then ethics and integrity are often managed using fear, threats, and punishment. At Level 2, there is an effort to have employees conform to work processes and comply with externally mandated standards. When employees and managers have a well-developed sense of ethics and the reasoning behind such standards (Level 3), there is an emphasis on democratic participation and collective responsibility for setting moral standards.

Similar observations can be made about the second subsystem—appraisal, rewards, and development. In a Level 1 culture, responses are nonexistent, selective, or reactive. Managers disregard or are slow to punish/reward unethical/exemplary conduct. Such an environment is characterized by the absence of any career guidance (no feedback, career ladder, organizational development efforts) and by the absence of empowerment or other initiatives to develop
intrinsic motivation in workers. In a Level 2 culture, this subsystem is characterized by policies to appraise, reward, and develop employees. Conformity to conventional standards and legal compliance is commended and hailed as superior ethical behavior. The work environment provides occasional career guidance and fosters some empowerment and intrinsic motivation. Level 3 work cultures take into account ethical behavior in individual and group appraisal and in allocating rewards and recognition. Career development systems are pervasive, are fair, and exceed legal requirements. Moral exemplars are praised and ethical wrongdoers are criticized. Performance feedback, empowerment, and intrinsic motivation are found throughout the workplace (Petrick & Quinn, 1997).

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 (Berman, West, & Bonczek, 1998; Bonczek, 1998; Brumback, 1991; Van Wart, 1995):

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

Finally, those with responsibilities for human resource and ethics management need to bear in mind three misconceptions identified by Thompson (1992) as “paradoxes of government ethics.” First, because other issues are more important than ethics, ethics are more important than any issue. Here he highlights the relative importance of government ethics as a precondition for good government, a way to restore confidence in government, and a guideline to maintain focus on policies and practices rather than disputes about wrongdoing. Second, private virtue is not public virtue. In this paradox, Thompson is making a key distinction: Personal morality and political ethics are different; restrictive standards of behavior are required for those in public life (e.g., avoid giving preference to close friends, observe postemployment practices, disclose financial holdings, comply with conflict-of-interest provisions). Third, appearing to do wrong while doing right is really wrong. Although the appearance-of-impropriety standard may seem subjective, Thompson reminds us that it is important to recognize that in ethics as in politics, “appearances matter.” Those who serve in government and manage employees need to heed the messages: Ethics is of central
importance, adhering to restrictive ethics standards is expected, and appearances count. These lessons are not learned intuitively, and the seven approaches will help to reinforce them: Those with human resource responsibilities must push for their implementation.

**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. Fundamental is 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. 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: Good things are possible when government has “the right people, and the right system, and the right intentions.” 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 1.11).

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 helps 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 prevailing tides and when to “stand,” 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.
### EXHIBIT 1.11  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>1. Single system in theory; in reality, multiple systems not developed strategically</td>
<td>1. Recognize multiple systems, be strategic about system development, define and include core values</td>
</tr>
<tr>
<td>2. Merit definition that had the outcome of protecting people and equated fairness as sameness</td>
<td>2. Merit definition that has the outcome of encouraging better performance and allows differentiation between different talent</td>
</tr>
<tr>
<td>3. Emphasis on process and rules</td>
<td>3. Emphasis on performance and results</td>
</tr>
<tr>
<td>4. Hiring/promotion of talent based on technical expertise</td>
<td>4. Hire, nurture, and promote talent to the right places</td>
</tr>
<tr>
<td>5. Treating personnel as a cost</td>
<td>5. Treating human resources as an asset and an investment</td>
</tr>
<tr>
<td>6. Job for life/lifelong commitment</td>
<td>6. Inners and outers who share core values</td>
</tr>
<tr>
<td>7. Protection justifies tenure</td>
<td>7. Employee performance and employer need justifies retention</td>
</tr>
<tr>
<td>8. Performance appraisal based on individual activities</td>
<td>8. Performance appraisal based on demonstrated individual contribution to organizational goals</td>
</tr>
<tr>
<td>9. Labor-management relationship based on conflicting goals, antagonistic relationship, and ex post disputes and arbitration on individual cases</td>
<td>9. Labor-management partnership based on mutual goals of successful organization and employee satisfaction, ex ante involvement in work design</td>
</tr>
<tr>
<td>10. Central agency that fulfilled the personnel function for agencies</td>
<td>10. Central agency that enables agencies, especially managers, to fulfill the personnel function for themselves</td>
</tr>
</tbody>
</table>


### KEY TERMS

- Civil service
- Civil service commission
- Civil service reform
- Civil Service Reform Act of 1978
- Ethics Reform Act (1989)
- Federal Labor Relations Authority (FLRA)
- Human resource management
- Liberation management
- Merit system
- Merit Systems Protection Board (MSPB)
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. Using “da Vinci’s parachute” (Introduction, Exhibit 0.3) as inspiration, 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 0.3), 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 VAMC values statement. Does it communicate the values of the government or department adequately? How would you modify the statements to make them better?

Individual Assignments

11. Identify several trends that affect managers and show how the seven principles of human resource management might influence the way you respond to the trend.
12. What is the purpose of a value statement, and 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 do they 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, restructuring proposals advanced by structureless “virtual” organizations, and conflicting themes embedded in the same statute.


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