

Effects of Personnel Policy on the Public Administration Paradigm Shift: From Merit to Neo-managerial

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ABSTRACT The literature in the field of public administration details the factors that have given rise to a new method by which government agencies provide public services. These factors range from a shift in the curriculum of Public Administration graduate programs to the emerging emphasis on global citizenship. This study presents a balanced overview of how these factors have contributed to this paradigm shift, which is a continuous and ongoing transformation. They include an emulation of the private-sector business model, a redirected educational focus of public administration programs, human resource policy changes, reactions to the terrorist attacks on September 11, 2001, decentralization, and the contracting of public services to private providers.

INTRODUCTION

There is considerable discussion among Public Administration scholars regarding the degree of change that is presently occurring in the way public-sector personnel departments carry out their business. The interaction among management, personnel, and elected officials has sparked some unique and revolutionary ideas that are precipitating a shift in how personnel services are delivered in the public sector.

The fact that public administration has undergone several changes throughout the history of this country is not in dispute. One could contend that these changes began formally in 1883 with the passage of the Pendleton Act (Civil Service Act of 1883), which began the slow process of the professionalization of the Civil Service at the federal level in the United States. They were supported with Woodrow Wilson's landmark 1887 piece, *The Study of Administration*, credited with introducing a politics-administration dichotomy contending that the political sphere be divorced from the adminis-

trative sphere (which was later formalized by Goodnow's 1900 essay, *Politics and Administration*). The process gained momentum with ideas such as Taylor's scientific management, executive control of the budget, and the notion of neutral competence and control by administrative law. The ideas culminated in the full-scale implementation of the merit-system in the 20th century (Lynn 2001). The goals of these reforms have alternatively been to stress efficiency, economy, fairness, and higher performance (Cogburn 2005).

The most recent paradigm shift has given birth to a "new public management" that has been, and is, replacing traditional bureaucratic management; which has produced another noticeable transformation in the way government agencies conduct their affairs (Janet Denhardt and Robert Denhardt 2000; Kearney et al. 2000; Lynn 2001; Cogburn 2005; Battaglio 2007). This change from the old orthodoxy, otherwise known as the bureaucratic paradigm (i.e. merit system), to the new management, dubbed the "Neo-managerial" system, variably constitutes a paradigm shift.

This revolution, according to Lynn (2001), has been long overdue owing to the unfilled promises and restricting nature of the merit-system. He contends that, owing to the constraints inherent in the bureaucratic paradigm, managers were actually focused on little more than perpetuating their own bureaucratic existence; their task was simply to deploy available resources to efficiently achieve mandated objectives. He maintains that instead, the system should have fostered a mindset of serving the public, not its own purpose (Lynn 2001).

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Support for this notion has been evidenced throughout the past decade by the push to “reinvent” government using business-world models and practices (Kearney et al. 2000; Pollitt 2000; Cogburn 2005). Reinventing Government was first introduced formally at the federal level during the early days of the Clinton administration (spearheaded by Vice-President Al Gore), and was formalized by the Government Performance and Results Act of 1993. This movement facilitated governmental adoption and integration of private business practices and nomenclature. It views citizens as “customers” or “consumers,” and focuses on results of public policies rather than administrative procedures, turf battles, and rules. Additionally, it advocates “contracting-out” some government services (Government Performance and Results Act of 1993).

Furthermore, as articulated by Frederickson (1999), the discipline of public administration as a whole, including public personnel administration, has undergone a “repositioning,” moving away from the frenzied nature of political competition towards a model of cooperative governance.

The core of the repositioning of American public administration argument is this:

theories and concepts of the clash of interests, of electoral and interest group competition, of games, and of winners and losers have dominated and continue to dominate political science. Public administration is steadily moving away from these theories and concepts toward theories of cooperation, networking, governance, and institution building and maintenance. Public administration, both in practice and in theory, is repositioning itself to deal with the disarticulation of the state. In short, a repositioned public administration is the political science of making the fragmented and disarticulated state work.

(Frederickson 1999, 702)

The purpose of this study is to identify and describe the many factors that have given birth to the *neo-managerial* ideology. Utilizing a review of the current literature it will be demonstrated that the use of “at-will” employment practices have virtually come full circle from the spoils system, through the merit-system, and are returning now to what amounts to a modified political patronage system (under the guise of the neo-managerial model).

LITERATURE REVIEW

Public administration officials are currently operating in a shifting environment. A review of the literature reveals a number of factors that are fueling the fires of this transformation (Kearney, Feldman and Scavo 2000; Cogburn 2005; Kellough and Nigro 2006). Not among the least of those factors was the push to modernize operations and cut waste by emulating the “business model” of administration, which was supposed to produce a leaner, more efficient government (Janet Denhardt and Robert Denhardt 2000; Bryson, Ackermann and Eden 2007). While the political-administrative separation acted as a check on the corruptive influences of the spoils system, it has traditionally limited a manager’s functionality at the same time, hence the move to “reinvent” (Kearney, Feldman and Scavo 2000). This new model was to supposedly free managers from the strait jacket-like constraints produced by the old orthodoxy and the politics-administration dichotomy (Campbell 1978; Romzek and Dubnick 1987; Dilulio et al. 1993).

The push to reform was precipitated by the realization that bureaucracies are slow to react to the changing demands of managerial, employee, and customer needs. An alternative factor for change is the necessity to respond to various crises-like conditions that have continually confronted administrators; they include the energy shortage, environmental pollution, and scarce economic resources (Kearney et al. 2000). As Romzek and Dubnick (1987) contended, legal and bureaucratic competition can breed accountability (or lack thereof), which can bring about reform.

Condrey and Battaglio (2007) identified elements of the working environment that have impacted public organizations in recent years, such as an aging workforce (who put increased demands on retirement resources), shrinking staff resources (that were forced upon managers by administrators who embraced a “do-more-with-less” mindset), strategies that strive to achieve merit-based pay (for performance-based output), and increasing service-delivery expectations (by a new generation of government “customers”). These elements have produced concrete policy-changes in the push to develop market-based incentives that would apply private-sector management principles to government services. Their aims include decentralizing operations, empowering employees with decision-making

capabilities, and embracing customer-friendliness (Kearney et al. 2000).

Critics of these policy changes say that the term “reinventing government” is nebulous and vague. They contend that it is a confusing jumble of various ideas that seem to be based on political whim. Additionally, the critics suggest that private-sector management will reverse the gains achieved by the merit-system in terms of even-handed promotion and fairness. They contend that it constitutes an attack on bureaucratic neutrality, which could undermine professional public service (Hays and Kearney 2001). Others contend that the simplistic terminology is deceptive and contradictory as well (Kearney et al. 2000).

Proponents countered that the thrust of these reforms is a greater attention to developing organizational and individual employee performance. Some ancillary benefits of the change processes, such as Affirmative-Action and-Equal Employment-Opportunity policies, have most certainly diversified the public workplace for the better. Others have led to an array of sophisticated staffing techniques, expanded employee benefits, and creative job processes (Hays and Kearney 2001).

Overall, there is agreement that the system is in a transitional state, best articulated by Frederickson (1999) in his discussion of a repositioned public administration functioning in with “administration conjunction.” Additionally, the literature demonstrates there are advantages and disadvantages to the changes that are occurring in personnel management. The task now is to identify some specific factors that are playing a role in steering these changes, and then look to the future of public personnel administration to determine what we can expect for the next decade and beyond.

DISCUSSION

While conditions that brought about the changes in personnel administration, and the outcomes that have occurred as a result of those conditions, make up the current fabric of the modern public workplace, it is necessary to sort out the many factors that brought about this paradigm shift. Therefore, a discussion of the factors that are impacting the civil-service environment follows as an exploration of the reasons why this pendulum is swinging from

political patronage, to merit system, and back again.

Education

The shift in personnel policies seems to parallel a differing educational focus by many public administration programs (usually M.P.A. or M.P.P.), particularly at the graduate level. Modern-day students of public administration are being exposed to a revised curriculum in order to better prepare them for the civil workplace. For example, Chetkovich and Kirp (2001) discuss how the Kennedy School of Government at Harvard University has changed the thrust of its curriculum, which had previously centered on neutrality of goals and outcomes of governmental policy. The revised curriculum is intended to produce a new breed of professionals equipped with the tools from, not just public administration, but all the social sciences, particularly political science and economics.

This new scholarship intends to produce a generation of administrators capable of navigating this complex and changing landscape (Chetkovich and Kirp 2001). Although this approach is not without criticism, the goal is to transform traditional programs that produced only *administrators*, into a new generation of public-policy schools that produce *policy-managers* and *policy-analysts* (Chetkovich and Kirp 2001).

This multi-disciplinary educational approach is designed to produce administrators and organizational leaders who are not only prepared for the managerial and administrative challenges they will encounter, but also the political, ethical, and economic challenges present in the modern public sector work environment. A student who receives an education incorporating more interdisciplinary skills will be better prepared to meet the demands of an ever-changing organizational climate.

Human Resources

It is clear that Human Resource (HR) departments are at the forefront of the overall reform movement (Kellough and Selden 2003). According to Fontaine (2005), this revitalized HR approach needs to function as an extension of, and as a complement to, the organization’s overall strategic plan. This strategic thinking is evident in the para-military approach embraced by

contemporary administrators. This approach first outlines the mission and vision of the organization, while taking into account the values of the community; it typically then goes on to establish specific objectives and measurable goals. Under any model of administration, the reality is that 50% to 80% of many local-government budgets are consumed by personnel-related expenses (salaries, benefits, retirement, and training). Fountaine (2005) believes that the 1980's-style of HR development has hindered its capability to meet long-term work requirements. The new "relationship" approach allows local managers to structure activities for the current year and beyond.

Additionally, HR professionals have come to the realization that employees can no longer be treated as "costs" or "resources" as they were under the bureaucratic paradigm. Instead, they should be viewed as "assets" that must be valued, or more importantly, as investments that can be managed strategically so that their usefulness can be maximized (Fountaine 2005; Nathanson 2005). This is not only occurring in large federal agencies; increased emphasis is being placed on the role of HR professionals in local government units to employ efficient and effective management as well. Additionally, it applies to all of the basic functions of HR, including motivation, development, and training (Coggburn 2005).

Another element of this personnel policy-shift is mirrored in the way managers emulate the "business" approach to infrastructure. While government buildings now have equipment that features advanced environmental controls to maximize the efficiency of government facility and building "utility" operations (such as electric, water, and gas), the new-management model includes a push to provide for detailed, specific plans that can save money on human capital as well. This approach is being used to effectively manage salaries and benefits, which are most costly in terms of the budget (Fountaine 2005).

9/11

Brook and King (2007) suggest that the terrorist attack of September 11, 2001, profoundly influenced a shift in thinking and the formulation of policy in public administration. The Homeland Security Act of 2002 enabled high-level government officials to recreate a management structure that is unique to the federal system.

These authors suggest that this reform effort has succeeded where previous attempts at large-scale reform have failed, largely because presidential and congressional policy-making is now associated with national-security instead of management reform. They recommend that policy makers approach future management reform agendas in a similar fashion. This hints at how a wartime-mindset can inspire unique reforms that may not otherwise arise in a peace-time environment. It is evidenced by the fact that the 9/11 inspired change(s) were "... potentially the broadest and most significant change in civil service law since the Civil Service Reform Act of 1978" (Brook and King 2007, p. 400).

Decentralization

It is no surprise that a salient factor in the reinvention movement is the importance reformers have placed on decentralization (Hays 2001; Kellough and Selden 2003). Under the centralized format, which was the earmark of the civil-service system, the personnel inequalities typically found in the patronage system tended to even out through centralized hiring. Centralization also brought about cost savings through economy of scale, and produced the most "qualified" applicants through a standardized screening process; this also gave birth to various Equal-Employment-Opportunity and Affirmative-Action programs.

However, as we have come to find out over the past decades, the disadvantages of the civil-service approach included several complex and inflexible managerial constraints that surfaced in three stages of the work-cycle: during the hiring process, during employee-development efforts, and at removal. As administrators came to realize how badly managers were hamstrung by this system, support for a return to decentralization materialized; the decentralization effort is intended to give managers discretion and autonomy over hiring, compensation, evaluation, sanctions, and recruitment (Coggburn 2005; Hays 2001).

This organizational emphasis on decentralization is predicted to persist as mid-level managers, rather than the centralized HR department, continue to undertake the bulk of personnel-related duties, including hiring, firing, evaluation, coaching, mentoring, and discipline. Therefore, managers should receive institutional incentives, encouragement, and support to develop and

augment their personnel-related management techniques and strategies.

Contracting

Another factor driving the shift towards the neo-managerial model is the contracting out of services to private-sector businesses. Not only has this changed the face of the civil-service worker population, it has totally re-worked the supervisor-employee relationship (Gooden 2007). In its most recent rendition, the “team-focused” and “relationship-building” approaches toward contracting and negotiation have fostered a reworking of the management and policy process, which in turn has impacted how administrators think about planning, budgeting, and personnel administration.

Whereas public managers were being held accountable primarily for policy outcomes alone, they have now found that relationship-building practices are succeeding where practices that utilized a technical approach to contracting have floundered or failed altogether. According to Gooden (2007), “The increase in government contracting is changing the public manager’s role from direct provider of services, to arranger and negotiator for them” (p. 34).

Clearly there are a number of factors contributing to this radical change. The goal was to present those factors in a concise and coherent manner in an attempt to identify the multiplicity of conditions that are working in concert to change the public workplace. Simply stated, managers must develop a new skill-set to be able to effectively deal with contractors providing government services. These skills are grounded in business-world models and accepted practices that may be foreign to, or under-utilized by, public-sector administrators and managers; they may have never had to use them, or they may have never learned them in the first place. This reality is coupled with the aforementioned need to re-vamp and reconfigure the curriculum of public administration programs to be better-equipped to deal with these challenges.

A New Environment

This article has outlined the changes in public administration over the past century, primarily with regard to personnel administration, and has demonstrated that government employment is

returning to a modified civil-service system. With an eye toward the future of personnel policies, what can we expect for the government manager as the new millennium unfolds? To the extent that it is possible to predict the unpredictable, Hays and Kearney (2001) attempted to provide an informed forecast of the future of modernization within public policy management. Those authors found that personnel professionals agree about the status of public personnel management, particularly among proponents of strategic planning. Moreover, there is likely to be a greater concern for the “organizational fit” of an employee, and greater utilization of unit-management and team-management. This, according to the authors, will give rise to a greater use of team-based pay, skill-based pay, and bonuses.

They suggest that traditional cost-of-living-adjustments (COLA) will not be as commonplace in the future, but performance-based pay will become more common. Not surprisingly, they found that defined-contribution pension plans, elderly care, and child care are predicted to grow in importance. The findings of this study suggest that there will be a more strategic approach to HRM, and a significant growth in innovative and technology-driven strategies for redesigning and reengineering jobs. It is also forecasted that job security and position classification will decline (Hays and Kearney 2001).

Another forecast was given by Knott (1998), who suggested that the problems associated with bureaucratic unresponsiveness can be attributed to our political structure. He says that because many people in various power positions have benefited from, and are now insulated by, civil service protections, the return to political patronage will lead to a partisan battleground bureaucracy. This bureaucracy will defend itself against attack by introducing rigid rules, more hierarchy, and various standard operating procedures, thereby protecting individual bureaucrats from vulnerability to political attack. Their protection from accountability is to hide behind civil-service rules and regulations. He claims that “The rigid system of rules, regulations, and job protections promotes political goals but does not enhance the effective and efficient implementation of government programs” (Knott 1998, p. 663).

Knott (1998) also suggested that party-loyalty would inevitably creep into the hiring process, wherein who an applicant knows, and her or his

political ideology, may trump the applicant's knowledge-base or skill-set. He maintains that persons hired on this basis would not be sensitive to harmful choices, nor would they be willing to put limitations on abusive policies made by their party.

This author also points out that party loyalty will inevitably creep into the hiring process; who you know and what your ideology is would become more important than what you know. He maintains that persons hired on this basis would likely to not be sensitive to harmful choices or limitations of abusive policies made by their party.

Does this changing environment signal a shift back towards political patronage as Knott (1998) suggests? Will these conditions give rise to a return to the spoils-system? Is it possible that, just as the Pendleton Act terminated the votes-for-jobs practices of the 19th century, the notion of hiring "at-will" is sounding the death-knell for civil service protections?

Condrey and Battaglio (2007) studied radical civil-service reform practices in Georgia, Florida, and Texas; although they determined that managers do not fear a wholesale return to the corrupt practices of the 19th century, they discovered some marked (and possibly disturbing) trends. The contemporary method for circumventing the merit-system hiring process is "at-will" employment, meaning that employees serve without job security, protections, or tenure. At-will employment, along with the above-described factors, point to a dismantling of the traditional social contract for government service: job security with good pay and benefits in exchange for employee commitment and loyalty. The logical conclusion from this practice suggests that civil-service protections are no longer viewed as strength, but are now viewed as a problem, or hindrance, that is detrimental to government performance.

The goal of civil-service reform is, and always has been, strengthening the authority of middle and lower managers. This is in line with the thinking of private-sector management's push to decentralize and delegate. Critics contend that decentralization is likely to erode merit protections, and linking pay to performance is likely to reduce checks on managerial excesses (Condrey and Battaglio 2007). This model is not expected to demonstrate that the move toward at-will employment will result in unequal pay for equal work. Preliminary findings of Condrey and

Battaglio's (2007) study indicate that the corruptive excesses of the spoils system are still a distant probability. The at-will status applies to newly hired employees and those accepting promotions or transfers to other positions in state government. However, it has in essence abolished traditional civil service protections. Although it was first utilized in the State of Georgia, it has now spread to 28 (56%) states. This has resulted in a transition from the formerly conventionally-centralized, rule-oriented processes that once characterized these state personnel systems to decentralized, at-will, agency-specific, manager-centered HR systems (Condrey and Battaglio 2007).

"Reinventing" government will modify the civil service system and most likely bring about a greater use of the merit-based performance system. Rather than burn down the barn to get rid of the mice, it may be more prudent to keep some form of tenure through renewable appointments and thereby correct the flaws of the rigid civil service system. This approach could keep the loyalty-inspiring aspects of stability in government service, while fighting the corruptive policies that a total decentralization strategy might produce, despite the inevitability of further managerial decentralization in the public workplace.

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