

PUBLIC PERSONNEL MANAGEMENT—

A Contingency Approach

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Public Personnel Management— A Contingency Approach

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Preface and Acknowledgments

Public personnel management is a complex, interesting, and crucial subject that is concerned with the recruitment, selection, motivation, and compensation of the more than 16 million Americans who work at all levels of government. These workers, who represent one out of six employees in the United States, determine whether public laws and policies are implemented as intended and with vigor and integrity. Their salaries constitute nearly two-thirds of all state and local budgets. Public personnel management should assure that this vast expenditure of public funds produces efficient, productive, and compassionate public employees. All public managers, students of public administration, and those truly concerned about effective government must understand the basic elements and the context of public personnel management.

One persistent criticism of public personnel management texts is that they lack a unifying theory that integrates topics in various chapters. This text avoids this pitfall by using the contingency theory of management as a unifying systems model for discussion of different topics. As a result, the student can better see how a personnel function—job evaluation, for example—is related to other personnel activities such as compensation, recruitment, motivation, and job design. The contingency approach stresses that public personnel management must change in response to various environmental influences, and suggests that there is no one best way to manage personnel activities. Rather, the appropriate way is contingent; that is, it depends upon the stability of the organization's environment, the complexity of its tasks, and the education and expectations of its employees.

Too often public personnel texts discuss technical nuts-and-bolts issues without first providing a theoretical base for those discussions. Public personnel management, however, is much too crucial to be treated simply as a collection of activities performed by technical specialists. Therefore, this text examines public personnel management activities within the broad context of public organizations' needs and the demands of their environments. In addition, theoretical models or frameworks, which help integrate theory and practice, are included in many chapters.

Because most students find their first jobs in state and local governments, this book covers personnel management at the local level as well as at the federal level. By concentrating on generic principles, problems, and applications, this text helps students understand the basic personnel management approaches and problems that are found in a variety of organizations. In addition, the use of contingency theory helps students recognize the best approach for a particular organization.

Public personnel management can be viewed from three primary perspectives—political, behavioral, and legal. Some texts emphasize one and give little attention to the other approaches, but this book gives balanced attention to all three views. The history of the U.S. merit system presented in chapter 2 reveals how different political movements have affected public personnel management. The influence of politics is evident in nearly every personnel activity from job evaluation to collective bargaining. Indeed, the primary difference between public-sector and private-sector personnel management is politics.

The behavioral approach to public personnel management is most apparent in chapter 5, “Motivation and Performance.” This model of the motivation process provides a basic behavioral analysis for the discussions of performance appraisal, compensation, training, development, and productivity improvement found in chapters 6, 7, 8, and 9. The contingency theory of management is also useful for integrating these discussions.

The legal approach to public personnel management emphasizes the role of judicial decisions in the continuing development of the public service. Courts have a dramatic impact on all personnel functions from job evaluation (chapter 3) and recruitment (chapter 4) to performance appraisal (chapter 6) and retrenchment (chapter 9). Moreover, courts have great influence in assuring equal employment opportunity and affirmative action in the public service (chapter 11) and in defining the rights and responsibilities of public employees (chapter 12).

Although this book emphasizes the theoretical context of public personnel management, it does not neglect the contemporary issues in the field, such as affirmative action, comparable worth, merit pay, and retrenchment. Similarly, this text reviews recent decisions, changes, and innovations that affect public personnel management, including the 1984 *Stotts* decision, the 1978 Civil Service Reform Act, quality circles, flexitime, productivity bargaining, and assessment centers. In addition, recent research on private-sector organizational and personnel behavior is included. This text’s integration of theory and contemporary issues, its emphasis on public personnel management at all levels, and its multifaceted perspective should appeal to a wide and varied audience. It is particularly appropriate for graduate and undergraduate courses in public personnel management.

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1

The Context of Public Personnel Management

Key Words

Organizational environment
Open-system approach
Robert Fried's three performance criteria
Maintenance subsystem
Boundary-spanning subsystem
Production subsystem
Managerial subsystem
Contingency approach
Complexity and volatility of environments
Organic and mechanistic organizations

The Importance of Public Personnel Management

The management of public personnel is vitally important because of the number of people involved. More than 16 million individuals, or one out of six workers in the United States, are employed by government. Most of these (more than 13 million) are employed by state and local governments. Furthermore, more than a third of all professionals are employed by governments. The occupations represented in government employment are numerous and diverse, including physicians, attorneys, engineers, computer scientists, social workers, chemists, teachers, plumbers, welders, carpenters, typists, purchasing agents, auditors, and a host of others.

Public personnel management is also crucial because of the money involved. Generally, two-thirds of all state and local budgets are allocated to personnel

costs. Such a large proportion of government budgets is spent on personnel because governments, particularly state and local governments, provide services and people, not machinery, are needed to provide much of what citizens expect of government. Citizens want their children better educated, their streets free from crime, their homes safe from fires, their mail delivered promptly, and their health protected. Fulfillment of these needs and others depends heavily on the skills, motivation, and dedication of public employees. Public personnel management is concerned with the recruitment, selection, training, motivation, evaluation and compensation of the millions of employees who must answer citizen demands on government.

This expansive view of public personnel management corresponds to the approach taken in this book which assumes that personnel management functions are performed by both personnel specialists and general line managers. According to this view, personnel management functions are intimately involved with the general management of organizations. This book, therefore, does more than stress the relationship of each personnel function to other personnel functions (for example, the relationship of job classification to training and promotion); it also emphasizes the intimate involvement of personnel management with general management's efforts to meet the needs of the organization.

This chapter will explain how public personnel activities are vital to public organizations' adaptation to their environments. Before this can be done, however, we must describe the environment of public organizations. One method of describing this environment is to note the differences between public-sector and private-sector management, because the contrasts between the two sectors bring the public organization's environment into sharper focus. After discussing the differences between the two sectors, we will examine in greater detail the effect of the general and specific environments of public organizations on public personnel management.

After examining the environmental impacts on public organizations, one is better able to see that those organizations must adapt to their environments to survive. This necessary adaptation indicates that there is no one best way to design or manage all public agencies, which is the thesis of the contingency approach to organizational design and management. The usefulness of this approach as a framework for integrating public personnel management activities is described at the end of this chapter.

Public versus Private Personnel Management

Although the similarities between public and private personnel management are numerous, an examination of the differences provides a sharper focus of public personnel management's unique environment and special problems.

No Profit Motive in the Public Sector

The most significant difference between public and private personnel management results from the lack of the profit motive in public organizations. Because managers of private organizations must worry about their profit margins and the “bottom line,” they actively avoid overstaffing. Furthermore, they have very real interests in attracting the most productive employees, rewarding outstanding performance, and dismissing unproductive personnel.

Conversely, public organizations are judged by how well they provide a service or correct a problem. The public generally knows little about the cost of a government service, but they do recognize and complain about the quality, quantity, and timeliness of public services. As public organizations acquire more employees to perform the same number and type of services, they generally are able to provide better and more timely services. The astute public manager, therefore, may seek more than the minimal number of employees required to deliver a service. Moreover, because public organizations generally do not sell their services directly to citizens, they need not worry that excess personnel will increase the price of services and therefore reduce the demand for them. Indeed, the reverse could be true; as additional personnel improve services, demand for those services may increase.

These disincentives to control labor costs in public organizations can affect public personnel management in several ways:

1. There may be less concern about attracting and selecting the most productive employees. Other values, such as political loyalty, interest group representation, affirmative action, and veterans preference, may have a larger impact in selection than they would if profit and market concerns were primary in public organizations.
2. There may be less interest in defining and measuring employee performance and productivity. Moreover, the lack of profit motive deprives public organizations of a comprehensive, easy-to-measure indicator of performance. Therefore, measurement of performance and productivity in public organizations is much more difficult.
3. Because performance measurement is difficult, public organizations may rely more on seniority and step increases for determining rewards and employee compensation. Merit pay or pay-for-performance is generally difficult to administer in public organizations.
4. Public managers have less incentive to correct substandard performance or to dismiss nonproductive or problem employees. Moreover, the extensive procedural and due-process rights bestowed on public employees by legislatures and courts to protect them from partisan or arbitrary supervisors act as an additional disincentive to correct substandard performance. A public manager may find that it is frustrating, time-consuming, and risky to discipline or dismiss an em-