Transforming Federal Civil Service

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Can federal human resource management become more strategic, adaptive, and responsive to managers’ needs? The answer is a resounding yes! But major changes are needed.

Human knowledge, skills, and experience have become increasingly pivotal for the successful performance of federal missions. Because human resource management focuses largely on the acquisition, use, and development of human assets, it too has attained new significance.

The changing role of human resource management is part of broader organizational changes. Many of the changes are well known. Organizations are giving subunits autonomy and holding them accountable for specific results. They also rely more frequently on ad hoc groups, teams temporarily brought together for specific projects. Jobs are vertically and horizontally broader in scope and less likely to require direct supervision, thereby eliminating organizational layers. The expansion of job responsibilities also facilitates autonomy and entrepreneurship. Organizations also are becoming more attentive to the costs of internal rules, striving to ensure that they add value to goods or services.

In this emerging model of organizations, human resource management is conceived as integral to organizational strategy. A strategic perspective requires focusing first on organizational goals in defining the role of human resource management. “To manage strategically means that traditional HR objectives such as turnover or performance are superseded by organization-wide goals designed to complement a specific business strategy (Dyer and Holder, p.1).”

How do practices in the federal government measure up to evolving visions of strategic human resource management? Federal human resource management is perceived to be heavily constrained by statutory requirements and regulations directed toward preventing failures. Managers and their agencies thus feel limited in their ability to tailor personnel policy to their own goals and missions. The system is, in the words of former Office of Personnel Management Associate Director Claudia Cooley, “complex and undecipherable to the unannointed (Cooley, p. 1).”

The federal personnel system’s chief failing is that it does not meet the needs of line managers. This problem is partly a result of the gulf between cultures—that is, between line managers and personnel professionals—that produces adversarial relationships. Line managers perceive personnel specialists as obstructionists. For their part, personnel specialists perceive line managers as uncooperative and either disinterested or, worse, antagonistic to merit principles. The two cultures are indeed separate and alien, limiting the prospects for making personnel an integral part of the management process.

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Expand OPM’s Research and Development Capacity

What changes are necessary? A start would be to change the role of the Office of Personnel Management. When it was created in 1978, OPM was intended to be the leader of the federal public service. However, the General Accounting Office and the Volcker Commission have found OPM’s performance falling far short of expectations. To become a credible leader, OPM needs to expand its research and development activities. Terry Newell illustrates OPM’s limited research and development capacity using a comparison with the Army Research Institute:

The two offices in OPM that handle civilian research and development had a combined fiscal 1991 budget of about $4.5 million and a combined staff of 70. By comparison, the Army Research Institute, which conducts R&D mostly on uniformed Army personnel, has a budget 10 times as large and more than 300 staff (Newell, p. 42).

Greater research and development capacity would permit quicker and more effective responses to the types of problems that have beset federal human resource management in recent years in areas such as pay, performance management, labor relations, and automation.

Use Performance Contracting for Oversight

OPM and departments should negotiate broad performance contracts covering a fixed time span, for example,
five years. These contracts would permit the department to articulate the goals for human resource management, specify objectives, and measure progress using appropriate indicators such as productivity, employee satisfaction, and contribution to mission accomplishment. During the course of the performance contract, departments would report progress against their goals. OPM would assist agencies in setting realistic and constructive goals and monitor progress.

Performance contracting has several advantages over current practices. First, it allocates a high degree of autonomy to departments and agencies, which gives them the flexibility to tailor their human resource management systems to their mission and goals. For example, an agency such as EPA might be given the latitude to eliminate individual appraisals and rewards for its professional staff and instead use group appraisal and incentives exclusively to meet the needs of a highly technical, research-oriented workforce. The flexibility of the performance contracting approach would eliminate the “one size fits all” nature of the present system and maintain meaningful oversight.

A second advantage is that performance contracting shifts attention from compliance with rules to showing results. The central question confronting OPM and the departments becomes: What results do we want to achieve and how do we achieve them?

The shift to performance contracting does not necessarily mean immediate or radical change. Agencies would be free to develop new tools at their own pace. What this more flexible arrangement would mean is a shift in responsibility for human resources and new criteria by which agency activities would be assessed.

An idea similar to agency-level performance contracts is already being tested in Great Britain. In 1988, The Next Steps report found that the civil service was too big and diverse to be managed centrally under common rules. By 1991, responsibility had been transferred to 34 agencies, and actions involving another 28 agencies were pending.

Give Departments Responsibility for Making Policy

Departments and agencies should assume responsibility for policymaking and programming to meet organizational mission requirements. Allocating policymaking responsibility to departments and agencies is the first step in locating accountability for human resource management where it is used—by program units and line managers. As a manager at an agency exempted from title 5 U.S.C., observed at a 1990 National Academy of Public Administration symposium: “We know we can never be on automatic pilot. We’re responsible for our managing people well. If something isn’t going well we can’t blame some ‘regulations’ someone else issued. It’s up to us to fix it.”

One means for creating line management’s commitment to human resource management is to integrate it more effectively with agency mission. The most direct way of doing so is to give greater latitude to departments and agencies for policy development.

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“Gee, I didn’t realize there’d be so much red tape.”

Make Greater Use of Adhococracies

OPM has been moving toward establishing adhococracies—temporary, fluid, flexible structures—in areas such as testing and training. This trend should be accelerated.

Several features will be hallmarks of the adhococracies. One feature is that a variety of people from throughout government, both line and staff, will contribute expertise, leadership, and vision. OPM will often play a supporting role. Another feature is that the adhococracies will permit choices about sources for internal services. A third feature is that they will be funded by revolving funds or similar mechanisms, much like many training services are presently supported (Agresta, p. 48).

Enhance Human Resource Information Systems

Information systems can link actors throughout the federal human resource network. The design and operation of most personnel information systems are presently driven by the regulatory needs of personnel offices. These systems are less management information systems than they are personnel record keeping systems. Terry Newell provides an example of the present gap between data availability and usable management information:

In short, OPM collects 57 types of demographic, occupational, and salary information from more than three million civilian workers, generating more than 400 reports a year. But attempting to use the data to help managers manage better would be like trying to explain what makes the space shuttle fly by looking at a list of its parts (Newell, p. 42).
New general-and special-purpose decision support and expert systems are vital for moving the personnel function toward a consultative role.

**Break Down Barriers Between Managers and Personnel Specialists**

The functional bias of personnel units must be dealt with explicitly. Creating greater flexibility and responsiveness requires that personnel be structured around core points of integration, not subfunctions such as classification and pay. Personnel units could be organized around client groups or activities such as planning, research, and information systems organizations that use ad hoc, flexible structures also stress services such as career and human resource planning, job rotation, organization development, and teambuilding.

Job rotation also could contribute to reducing barriers between managers and specialists. Rotating line managers through personnel units and personnel specialists through line positions would help to reduce existing organizational barriers. Private firms where human resource executives have substantial line experience are better able to link strategy making and human resources. Their success is attributable to two factors:

- broadly experienced human resource executives have a good knowledge of the organization and its human resources and are thus in a good position to integrate the two; and
- because of their line experience, functional managers are perceived as credible by top managers and thus are given a fuller role in strategy making.

Another step toward integration would be to redefine the job of personnel specialist. When personnel specialists at each level of federal organization dominate policymaking about particular issues, such as classification or pay, it is difficult to distribute ownership for human resource management. The role of the personnel specialist must become broader. These jobs must be enlarged and enriched as a means of integrating functional activities. For example, the Bureau of Labor Statistics has experimented successfully with customer-focused teams of personnel generalists as a way of broadening personnel positions.

Training managers in people skills also would promote integration. To the extent that line managers have people skills, they will be better able to accept responsibility for managing human resources effectively. At the same time, when line managers are able to manage human resources effectively, the personnel office can devolve responsibility and play a more consultative role.

**Conclusion**

This article proposed restructuring federal civil service to align it more closely with emerging visions of strategic human resource management. The proposed changes would substantially decrease the regulatory character of current systems and diffuse ownership for human resource management more widely. More important, such changes would renew the capacity for the federal civil service to pursue meritocratic values.

The impetus to effect fundamental change requires political leadership. Executive leadership must begin with a perspective that recognizes the dynamic relationships among strategy, structure, human resource management, and performance. Furthermore, as a recent National Academy of Public Administration report (NAPA, 1993) argues, a vision that is sensitive to the needs of all stakeholders is vital for effective human resource management.

Executive leadership entails more than a vision for federal human resource management. As the short history of OPM reflects, a president's choice for director of OPM has considerable influence on the performance of the agency. The OPM director establishes a course for the agency, makes important decisions about staff that affect agency capacity, and creates a climate for congressional and interagency relations. Each activity is essential to the long-term effectiveness of federal human resource management.

Given the size and scope of the federal government, transformational leadership must diffuse well beyond the Executive Office of the President and OPM. Cabinet members, assistant secretaries, and personnel directors must work to ensure that authority and responsibility for human resource management is delegated to the lowest possible levels in their organizations. This process would be facilitated by opportunities for cabinet members to develop close working relationships with the OPM director.

Another leadership issue is congressional-executive relations. The authorization and long-term implementation of the changes outlined above will require development of constructive, trusting relationships between Congress and the executive branch. Such relationships are the mutual responsibility of Congress and the executive branch. However, steps by the president and the director of OPM can go a long way toward encouraging a mutually satisfactory response from Congress.★

**REFERENCES**


