Rethinking the Conceptual Foundations of Public Administration: An Exchange

James R. Thompson
University of Illinois

The Federal Civil Service: The Demise of an Institution

James R. Thompson

Recent changes in federal personnel practices, ostensibly for the purpose of "performance," serve to deprive the civil service of its moral content and hence to undermine its viability as an institution.

In the preceding essay, Patricia Wallace Ingraham contends that the civil service system must be reformed if merit ideals are to be preserved. The term civil service, she notes, has come to be associated with dysfunctional, bureaucratic government personnel practices. These practices impede effective performance as implied by the term merit and require modernization.

Drawing heavily on institutional theory, I conclude that current manifestations of reform that center around the concept of performance actually threaten rather than promote merit ideals. Implicit in the "performance paradigm" is the premise that government agencies serve primarily instrumental purposes. This conception of government work substantially deprives the civil service of its moral content. As a result of this trend, the broad, value-laden concept of merit that Ingraham identifies is displaced by a much narrower, utilitarian version.

Management Reform and Governance

Discussions of civil service reform are dominated by a managerial rhetoric. The system must be changed, it is argued, because hiring processes are too slow, managers lack sufficient authority over hiring decisions, and poor performers are paid the same as high performers. To solve these problems, pay-for-performance systems have been proposed, category-ranking processes implemented, and hiring processes expedited. Implicit in the changes is an assumption that, to the extent that government agencies perform better as a result, good governance is promoted.

Politics as a Deterrent to Reform

At least two broad lines of attack against this argument can be identified. The first is that the management and performance shortcomings of federal agencies are rooted in the political rather than the managerial system. According to this argument, reforms such as those being incorporated in the new Department of Defense (DoD) and Department of Homeland Security (DHS) personnel systems can have little impact in the face of institutional dynamics that militate against their success. Rosenbloom (1994) takes this perspective, noting that the relaxation of "process controls" as a means of giving managers more discretion over personnel matters would "broadly threaten the congressional incumbency system" by requiring members of Congress to forgo their propensity to micromanage the bureaucracy. Peters and Savoie (1994) also find that many purported problems with the way public agencies are managed are inherent in the institutions of which they are part. Excessive regulation, for example, derives from "the need to ensure fairness among all the recipients of the service" (422). They point out that the politicians of an earlier era politicized the upper ranks of the bureaucracy and diminished the policy role of the civil service, leaving many critical policy challenges "unattended" (424).

According to this line of thought, political considerations will always trump managerial considerations. To the extent that performance-oriented changes conflict with the interests of political actors, those changes will be compromised and their impact dampened.

Incompatibility of Market Models With Public Service Ideals

A second argument against the reform model that is now being imposed is that it incorporates market-based principles that are fundamentally at odds with the positive governance role for civil servants endorsed by Ingraham and others. In this regard, Kearney and Hays comment, "Until quite recently, the need for governments to establish and maintain stable, career-based public administration grounded in the values of neutrality, competence, accountability, and attention to the public interest was taken as conventional wisdom," but that as a result of changes driven by the reinventing government and New Public Management
dogmas, "merit, neutral competence, and professionalism all stand to lose ground under the wholesale rush toward such values as marketplace efficiency, managerial accountability for results, and executive leadership" (1998, 50). Kearney and Hays add, "If current trends continue, the benefits of a professional public service characterized by independence of judgment and indifference to political pressures ... may gradually dissipate" (50).

Gregory (1999) also dissent from the proreform consensus. His analysis refers specifically to reforms in New Zealand that have come to be regarded as an exemplar of the New Public Management (Norman 2003). Gregory contends that New Zealand's creation of executive agencies headed by chief executives who are held contractually accountable for achieving specific performance objectives represents a corporate model and, as such, is inappropriate to the public sector. The new model, Gregory argues, undermines in a fundamental way the values and norms of public servants who are increasingly invited to think of themselves as agents not of the public interest but as agents of commercial, quasi-commercial, or pseudo-commercial interests" (1999, 67). In danger is the "ethos of public service as public trust" that has long been a hallmark of the civil service (64).

The Performance Paradigm as a Threat to Merit Ideals
My argument, which subsumes the other two, includes several elements:

- The civil service as an institution is in the process of being deinstitutionalized. The Bush administration is the immediate agent, but the process is seated in long-term secular trends that extend beyond any one administration.
- The most immediate threat to the values with which the civil service is associated is a set of ideas that I have labeled the performance paradigm, implicit in which is the notion that government agencies should be assessed exclusively on the basis of whether and to what extent they meet specified performance objectives. Justified on the basis of accountability and efficiency, the performance paradigm compromises the capacity of the civil servant to act according to public service ideals.
- The dominance of a means-oriented, instrumental conception of government work is coincident with a broad trend toward the rationalization of different life spheres identified a century and a half ago by Max Weber.

A core feature of the New Public Management as it is defined by Hood is the development of "explicit standards and measures of performance" according to which government agencies are to be assessed (1991, 4). In the United States, this doctrine has taken the form of the Government Performance and Results Act of 1993 and its associated programs. Pursuant to this act, each federal agency is required to develop "an annual performance plan covering each program activity set forth in the budget of such agency." Furthermore, performance goals for each activity are to be set forth in "an objective, quantifiable, and measurable form."

The Bush administration's President's Management Agenda (PMA) adopts the performance theme. Under the heading "Improving Government Performance," the Office of Management and Budget states that the reform program "reflects the Administration's commitment to achieve immediate, concrete and measurable results in the near term" (OMB 2002, 4). In the PMA, the administration proposes to link program outcomes in the form of measures more closely to the budget. The PMA further promotes strategic human capital management, whereby "human capital strategies" are to be "linked to organizational mission, vision, core values, goals and objectives" (OMB 2002, 14).

Strategic Human Capital Management and the Disaggregation of the Federal Personnel System
A core principle of strategic human capital management, as adopted from the private sector, is that human resource management practices should be tailored to a firm's strategy. The idea is that performance, as defined in each agency's strategic plan, is enhanced to the extent that human resource management practices are aligned with that strategy. This reasoning has provided justification for the creation of separate personnel systems at the DoD and DHS. A direct consequence of these new systems, however, is the disaggregation of the federal personnel system into multiple, agency-specific systems. Disaggregation, in turn, represents a fundamental threat to an institution whose viability is contingent on its inherently collective nature (Thompson 2001). The existence of a common set of employment practices contributes in an important way to a collective orientation that is integral to the civil service as an institution.

The importance of this idea becomes apparent when we examine the institution's historical roots. In first recommending the creation of a unified civil service in Britain in 1853, Northcote and Trevelyan referenced "the evils which result from the fragmentary, character of the Service" (Northcote and Trevelyan 1854/1954, 15). The authors of the report expressed concern that the fragmentation that then existed would "cramp the energies of the whole body [and] ... encourage the growth of narrow views and departmental prejudices" (5). Also of concern was the loss of a collective sense of responsibility for promoting the public interest.

The Demise of an Institution 497

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.
Cascading Performance Objectives as an Inhibitor of the Exercise of Individual Judgment

A second principle of strategic human capital management is that objectives set at the agency level are to be “cascaded” down. Agencies are encouraged to “link the goals and performance measures for each organizational level to successive levels and ultimately to the organization’s strategic goals” (GAO 1996, 24). This cascading process extends even to the individual employee (see GAO 1998). The DHS’s new performance appraisal system emphasizes goal alignment. The DHS managers have been directed to “create a clear line of sight” to ensure that every employee’s individual goals focus on delivering the most important outcomes for DHS mission accomplishment” (DHS 2005, 15).

The cascading mechanism represents a powerful device for gaining the compliance of careerists with the policy and program priorities of their political superiors. While accountability criteria mitigate in favor of such mechanisms, merit criteria do not. As Mosher points out, merit implies a “subjective responsibility . . . more nearly synonymous with identification, loyalty, and conscience than it is with accountability and answerability” (1982, 10). Merit invokes a certain ethical responsibility whereby the individual employee screens directives according to whether they comply with “the public interest.” This responsibility may require the civil servant to act in ways that are contrary to what the principle of hierarchical accountability would dictate.

The performance management systems incorporated into the new DoD and DHS personnel systems have created a significant additional bias against countenancing hierarchical authority in ways that work against the exercise of merit ideals. The rigidity of the traditional pay and classification systems has provided a degree of protection for civil servants from retribution by their superiors in instances of noncompliance with inappropriate directives. However, the new pay-for-performance systems being implemented at the DoD and DHS allow supervisors greater ability to influence the size of the annual pay increases their subordinates receive than has occurred under the General Schedule. The consequences of noncompliance in these circumstances are much more severe. The problem is exacerbated by labor management relations provisions of the new systems, which curtail the rights of employees to appeal disciplinary actions (see Thompson, forthcoming). These systems are likely to work primarily in a prospective manner by introducing bias in favor of compliance in instances in which broader considerations might dictate resistance.

Pay-banding and pay-for-performance systems that make performance more consequential inevitably exacerbate the tensions between enhancing performance and acting pursuant to a public service ethic.

The dysfunctional consequences of this focus on measures of performance is apparent from the experience of the Internal Revenue Service (IRS) during the late 1990s. The agency got into trouble because, as a consequence of organizational pressures for enhanced performance, some agents became overzealous in their collection methods. Congressional hearings were held, individuals were sanctioned, and a system of ranking district offices according to measures of business results was repealed. The IRS Restructuring and Reform Act of 1998 included a provision specifically prohibiting the agency from assessing individual performance on the basis of enforcement results such as taxes assessed or taxes collected.

In light of the Government Performance and Results Act’s requirement that measures of performance be identified, the agency implemented a set of balanced measures whereby each office was to be assessed according to measures of customer satisfaction and employee satisfaction, as well as business results. The intent was that customer-oriented measures would balance the agency’s traditional focus on business measures, including those associated with enforcement results.

However, the problem is an ethical one for which no technical fix is likely to suffice. Even prior to the 1998 law, Congress had prohibited the use of enforcement results to assess individual performance, only to have those prohibitions disregarded by some managers under pressure to perform (Thompson and Rainey 2006). Pay-banding and pay-for-performance systems that make performance more consequential inevitably exacerbate the tensions between enhancing performance and acting pursuant to a public service ethic.

A Civil Service Logic of Action

The concept of logic of action, which derives from institutional theory, is valuable to understanding why the IRS case is not aberrant and why there exists an implicit tension between merit ideals and the performance paradigm. Institutions are defined, in part, by the fact that the people who are influenced by them exhibit certain patterns of behavior. These patterns of behavior derive from institutional rules that create incentives to act in one way or another. They also derive from norms that have arisen over time that govern what behaviors are considered “appropriate.” Important for the purpose of this argument is the existence of an underlying logic according to which behavioral patterns, incentives, and norms are interlocked.

The civil service incorporates a distinctive logic of action that derives from the specifics of civil service
legislation, the bureaucratic structures with which the civil service has come to be associated, and the norms that its members have come to share. One important norm is that of public service—that government employees labor together for a higher public purpose. Ingraham captures this idea when she refers to "the public-service character of merit" and when she states that "Merit ... rests on a foundation of common purpose among members of the public service, elected officials, and citizens."

At a higher level—and implicit in the value-laden conception of merit that Ingraham describes—public service implies working in the public interest even, and especially, when one is subject to pressures to do otherwise. The ability to act in an autonomous manner, however, is contingent on the bureaucratic elements of the civil service system that reformers criticize.

For example, applicable legislation gives civil servants protection from arbitrary dismissal. Not coincidentally, tenure of office is also a core feature of the bureaucratic model specified by Weber. Tenure is consistent with his concept of "office as a vocation," which promotes technical competence and ensures that decisions are made primarily on the basis of technical rather than political criteria.

Tenure of office is not immediately threatened by the current reform program. However, the idea that the livelihood of career public servants should be contingent on strictly technical considerations is under threat by pay-for-performance systems that introduce a high degree of subjectivity into annual pay increase decisions. Under the new pay-for-performance systems that are now being implemented at the DoD and DHS, these increases are linked to performance as assessed by one's supervisor. Although performance appraisal judgments have always been subjective, for the first time, those judgments now have real consequences. By virtue of the fact that there will always be suspicion of partisan considerations on the part of some supervisors, a bias against defying those same supervisors—even instances in which public interest considerations might dictate otherwise—is introduced into the system.

**A Market-Based Logic of Action**

Just as the civil service represents a distinctive logic of action, the new performance paradigm incorporates a logic of action that has an instrumental orientation in common with the private sector. Implicit in the logic of the Government Performance and Results Act is that agencies and their members provide value only to the extent that they achieve specific objectives that are set at some superordinate level. Accorded no importance in the new paradigm are elements of public life that are not subject to measurement and not tied to agency mission. The intangible elements of public employment, those that serve to bind its members in a common mission of service, are thus devalued. Gregory comments that, in the new framework, "ideas of self-interested, utility-maximizing, market-driven consumptionship increasingly supplant notions of citizenship and civic duty in society at large" (1999, 67). The term public interest invokes an ethical responsibility on the part of the civil servant to act in accordance with the greater good that is not present when the focus is simply on organizational goals.

From an institutional perspective, a central problem is that performance has no value content. It is the same argument made a half century ago by Dwight Waldo with regard to efficiency. Efficiency, said Waldo, "cannot itself be a value. Rather, it operates in the interstices of a value system; it prescribes relationships (ratios or proportions) among parts of the value system" (1948, 202). In other words, efficiency is not an end but a means to an end. Similarly, performance is not an end but a means to an end. Performance is good or bad only with regard to its purpose. Waldo comments on efficiency, "it receives its 'moral content' by syntax, by absorption" (202). In promoting performance as the end, the new paradigm effectively diminishes the value content of government work and contributes to the diminution of the civil service.

**Rationalization and the Decline of Value-Oriented Behavior**

The challenges facing the civil service are similar to those facing other institutions—in particular, the professions. Institutionalist scholars identify a broad trend whereby market-based logics of action threaten to displace "value-oriented action" in private as well as public sector venues. For example, Thornton (2002) and Cooper et al. (1996) describe the penetration of the publishing and legal professions, respectively, by a market-based logic. In both instances, an ethic that valued professional autonomy was displaced by concerns for efficiency and productivity. For example, in describing how Canadian law firms changed archetypes from the "professional partnership" to the "managerial professional business," Cooper et al. comment that "The attributes which sociologists of the professions used to identify as the hallmarks of a professional, such as education, vocation, esoteric knowledge, self regulation and civility, have been replaced, or at least augmented, by an interpretation that stresses punctuality, style, dynamism, financial success and entrepreneurialism" (1996, 631).

Dacin, Goodstein, and Scott characterize a similar trend in the health care field as one of "demoralization," whereby business considerations have "influenced the character of professionals delivering health care services and their loyalties, commitments, and perceptions of their ethical obligations to patients and..."
It is a development that Weber anticipated a century and a half ago in distinguishing between substantive and formal rationalities. Substantive rationality, according to Weber, exists only in relation to "a value postulate," which creates a basis for assessing behavior as ethical or unethical (Kalberg 1980). "The Judeo-Christian world view," for example, provides a "point of reference for major groupings of substantive and ethical rationalities" (Kalberg 1980, 1173). Formal rationality, in contrast, is associated with an orientation of action to formal rules and laws that are associated in Western society with the legal, economic, and scientific spheres. Substantive rationality has ethical content, whereas formal rationality does not. Weber found that "formal rationalization processes strongly dominate substantive rationalization processes in modern Western societies" (Kalberg 1980, 1173), such that action is increasingly driven by a utilitarian rather than a value orientation.

In Weber's terms, performance represents a kind of formal or instrumental rationality—it emphasizes means over results. A system dominated by formal rationality dissolves into a contest over who controls the means. Actions are driven not by what is right but by who is in power. For Weber, according to Kalberg, nonsubstantive forms of rationality, including formal rationality, "are rooted in interests and fail to legitimate themselves adequately at the level of values ... they are suppressed whenever a more powerful constellation of antagonistic interests appears on the horizon" (1980, 1173).

The Deinstitutionalization of the Civil Service

Although the dynamics underlying the deinstitutionalization of the civil service are deep-seated, the actualization of those dynamics takes immediate form. The most immediate threat to the federal civil service is posed by the creation of separate personnel systems at the DoD and DHS. That those systems are being implemented in an environment that is overtly hostile to merit ideals is consistent with the theory of deinstitutionalization.

The Politics of Reform

There is evidence that the long-term increase in the number of political appointees documented by Ingraham, Thompson, and Eisenberg (1995) and by Pifflner (1992) has persisted under President George W. Bush. For example, the number of Schedule C jobs increased 24 percent between 2000 and 2004 (Forsythe 2005). In many agencies, positions that were traditionally held by careerists—such as the chief counsel for the Food and Drug Administration, the deputy director for operations at the Social Security Administration, and the regional directors at the Natural Resources Conservation Service—have, under the Bush administration, been designated as political (Forsythe 2005; Singer 2005; Thompson 2000).

The Bush administration has also been aggressive in asserting its authority to make decisions that have traditionally been made by careerists. In 2005, it was revealed that the Department of Justice had barred staff attorneys from offering recommendations in Voting Rights Act cases. As a result of the policy, described by the Washington Post as "a significant change in the procedures meant to insulate such decisions from politics," recommendations by careerists on two redistricting cases that had important political implications were overruled (Eggen 2005). Justice Department staff recommendations regarding the amount of damages to be sought from companies as part of tobacco litigation were also overturned by political appointees (Sherman 2005). During congressional debate over the Medicare prescription drug benefit program in 2003, the head of the Centers for Medicare and Medicaid Services threatened to fire Medicare's chief actuary if he disclosed cost estimates of the program to Congress (Heil 2004). The Bush administration has also not hesitated to take action against career civil servants who publicly challenge administration policies—for example, the top climate scientist at NASA, whom the administration attempted to muzzle for endorsing a policy on greenhouse gases that was at odds with that of the administration (Revkin 2006).

Dacin, Goodstein, and Scott (2002) highlight the fact that politics and political considerations are features of the deinstitutionalization process. They cite "shifts in the interests and underlying power distributions that have supported and legitimated existing institutional arrangements" (46) as a proximate cause of deinstitutionalization. Also important in this context has been the loss of influence under Republican rule of the federal employee unions, which have been among the most stalwart defenders of the traditional system.

Value Shifts

A second factor that abets the deinstitutionalization process is simply that values associated with the civil service are out of fashion. That institutions incorporate values is a point made by Selznick (1957). To institutionalize, Selznick says, "is to infuse with value
Beyond the technical requirements of the task at hand" (1957, 16–17). In its report on reinvigorating the civil service, the Volcker Commission commented that "the notion of public service, once a noble calling proudly pursued by the most talented Americans of every generation, draws an indifferent response from today’s young people and repels many of the country’s leading private citizens" (2003, 1). Similarly, Klingner and Nalbandian find that "the contemporary context of public personnel management is shaped by three emerging antigovernment values: personal accountability, limited and decentralized government, and community responsibility for social services" (1998, 5). In this sense, Republican policies are not aberrant but simply a reflection of popular sentiment.

Performance Shortcomings
A third factor that precipitates deinstitutionalization, according to Dacin, Goodstein, and Scott, are perceived problems in performance levels or the perceived utility associated with institutionalized practices" (2002, 46). That the civil service is not fulfilling its intended purpose is a common theme of reformers, including the Volcker Commission, which commented that "those who enter the civil service often find themselves trapped in a maze of rules and regulations that thwart their personal development and stifle their creativity. The best are underpaid; the worst, overpaid. Too many of the most talented leave the public service too early; too many of the least talented stay too long" (2003, 1).

Governance Consequences of Deinstitutionalization
Implicit in the arguments of reformers is a belief that, to the extent the new systems result in improved performance, governance benefits will accrue. However, institutional theory highlights the rhetorical nature of most reform exercises. "The history of administrative reorganization in the twentieth century," according to March and Olsen, "is a history of rhetoric" (1983, 282). In politics, symbolism is important. Thus, March and Olsen observe that "actions have symbolic meaning that is independent of their instrumental consequences," and that, for politicians, "Reorganization sometimes appears to be a code word symbolizing a general frustration with bureaucracy and governmental intrusion in private lives" (289–90).

To the extent that symbolism reigns, the instrumental value of reform is called into question. March and Olsen find that "most observers agree on the limited success of reorganization in achieving manifest instrumental goals" (1983, 289). The pay-for-performance features of the new personnel systems at the DoD and DHS appear to be particularly problematic in this regard. A study by Perry (1992) found that the merit pay system implemented as part of the Civil Service Reform Act of 1978 failed to achieve its primary objective of relating pay to performance. And a separate study, according to Perry, "failed to find any association between the introduction of merit pay and office performance in the Social Security Administration" (1992, 201). Many managers, the study authors found, viewed the program as largely symbolic, "intended by the political leadership to communicate its dissatisfaction with bureaucratic inefficiency to the electorate rather than to actually reward high performers" (Pearce, Stevenson, and Perry 1985, 274). In her broad review of pay-for-performance systems in government, Ingraham (1993) finds little evidence of success and concludes that these systems have achieved primarily "symbolic significance" by virtue of their wide dissemination.

Conclusion
That considerations of performance and results should come to be the dominant orientation within the federal bureaucracy represents a triumph of formal over substantive rationality. The traditional civil service effectively nurtured an ethic of public service pursuant to which officials were expected to act in ways consistent with their "subjective responsibility" (Mosher 1982). Instead, the performance paradigm emphasizes the instrumental dimension of the work.

The most important consequences have to do with a diminished role for the civil service in our system of government generally. Heclo (2000) effectively captures the critical change to which that system is subject in his discussion of the difference between an "office" and a job, as does Ingraham, who identifies two alternative "visions of ... public service systems; ... One is that of a public service integrated into governance, with a clear sense of its democratic and constitutional responsibilities, marked by personal accountability and widely held ethical norms" (1995, 5). In the second, more instrumental conception of bureaucracy, "the career service must be utilized ... under the direct authority and personal supervision of the political leader" (6). Apparent from this discussion is that the second vision will prevail.

Notes
1. Under “Human Capital Approaches Tailored to Meet Organisational Needs,” the General Accounting Office described as a “critical success factor” that “the agency tailors its human capital strategies to meet its specific mission needs” (GAO 2002, 12).
2. The federal personnel system has never covered all civilian employees. There have always been exceptions, such as the Foreign Service, the Veterans Health Administration, the Central Intelligence Agency, and more recently, the Postal Service. But a majority of federal civilian employees have been...

The Demise of an Institution 501
covered, until the past decade, by the same set of personnel rules (see Thompson 2001).

3. Bacharach and Mundell (1993) define logics of action as "constructs to designate 'forms of coherence among objectives'" (Karpik 1978, 46) (goals), which then become criteria that can be used to evaluate individual decisions and procedures and organizational practices (means). Rather than each ambiguous means and goal being separately subject to negotiation, means and goals are all interlinked in a network of underlying logic. Key to the concept of logic of action is that institutional environments serve as important drivers of individual behavior because they incorporate both "ideologies ... that legitimize specific actions and intents," and "policies ... that guide and direct specific actions" (Bacharach and Mundell 1993, 47). That there is a logic of action within any particular institutional setting implies that individuals in those settings are subject to the same set of rules and incentives and that certain patterns of behaviors will therefore be in evidence.

References


