

Chapter Three

The Personnel Office: Friend or Foe?

In Chapter Two, we examined constraints on managers that come from within—from their own backgrounds and experiences and from their own definitions of their role as managers. But managers also labor under very real external constraints. At the top of their lists of things that make their lives difficult are the formal rules and regulations that they see as limiting their discretion and creativity. And high on this list is the civil service system. When I asked managers in the focus groups to characterize the system, the most common adjective they used was “cumbersome,” but many of their comments were more colorful, and included such words as “illogical,” “inflexible,” “confusing,” “encrusted,” “ponderous,” “out of date,” and “irrelevant.” At the EPA, where people do not mince words, one manager in a group interview summed up the consensus view bluntly: “It sucks!” Most would tend to agree with the federal managers and personnelists interviewed for a recent Merit Systems Protection Board (MSPB) study, who felt that “the tens of thousands of pages of personnel laws, rules, regulations, and written procedures that encrust the Federal personnel system are too much, too prescriptive, and counter-productive” (U.S. Merit Systems Protection Board, 1993, p. viii).

A major theme of this book is that the rigid formal system so deplored is actually used and interpreted differently from one organization to another. Thus, we need to look at (and perhaps reform) not just the formal rules as they appear in the books, but the ways in which they are interpreted and applied in practice. And the key people in this process are the personnel staff in individual agencies.

They are given great power by the current system. How they work with line managers depends on their own organizational culture and on whether or not that culture is congruent with that of the managers. This chapter examines the backgrounds and cultures of the personnel offices and the ways managers choose to work with (or around) their personnel staff.

The analysis has direct bearing on the reform debates of the mid 1990s. First, reformers advocate deregulation of the personnel system, arguing that the rules have become a straitjacket—limiting discretion, causing inefficiency, and forcing managers to spend inordinate amounts of energy trying to beat the system. Second, reformers argue in favor of decentralization, which would delegate authority to line managers as far down as possible in the organization, rather than to staff offices (National Performance Review, 1993a). Both reforms would change the roles of personnel staff and their relationships with line managers.

The organizations in this study provide us with a range both of structural arrangements and of cultural values and styles in personnel operations, allowing us to decouple personnel roles from formal structures and to look at the effects of each. This chapter begins with a general discussion of the role conflicts that personnelists face and of the backgrounds that most personnel specialists share. We then examine both the structures and cultures of specific personnel offices and the effects of each on the relationships between personnel staff and line managers.

Conflicting Roles of Personnel Staff

For well over twenty-five years, research has documented the fact that personnel staff have traditionally felt torn between two roles—control and service (Krause, 1979; Nalbandian, 1981; Straus, 1991; Ban, 1994a).

Traditionally, personnel staff placed strong emphasis on the control role and defined their job as upholding the rules. Given

the history of the civil service and its emphasis on preventing abuses, this is understandable. Personnel staff saw themselves as the "keepers of the flame," charged with preserving merit in the merit system—a probably accurate reflection of congressional intent. This view of their role was also instilled by their socialization, both inside most agencies and particularly in training given by the Office of Personnel Management (OPM) and its predecessor, the Civil Service Commission (CSC), which reinforced in budding personnelists an adversarial view of the system. They were conditioned to see managers as the people asking them to break the rules—to violate the merit system. They were supported in saying no, and many of them used the threat of OPM or CSC oversight to keep managers at bay.

For many years, personnelists have been exhorted to deemphasize the control function and to define their role more in terms of service, helping managers find ways to solve problems rather than simply enforcing the rules (Ban, 1994a). Changing the orientation of personnel staff was a major theme for the drafters of the Civil Service Reform Act (CSRA) of 1978. Alan Campbell, who spearheaded the effort for CSRA and became the first head of OPM, told personnelists that they "must be a part of management, rather than either servants of management or policemen of the civil service system," and he excoriated them for "rigidity, inflexibility, and a turn of mind . . . that thinks in terms of protecting the system; can't do, rather than can do" (Campbell, 1978). The same message was echoed by scholars who called for personnelists to move "from compliance to consultation" (Nalbandian, 1981). As we shall see, some personnel offices have successfully made this leap and redefined their role primarily as one of service. But this is by no means universally true (Ban, 1994a).

One can speculate about why many personnel offices have not succeeded in changing. Certainly, part of the answer is in the laws and regulations themselves, which impose, at least to some extent, a control function on personnel staff. But another part of the answer

lies in the traditional mind-sets of personnelists, reflecting values that are resistant to change.

In fact, personnel staff often feel that they are walking a tightrope in attempting to balance the two roles. A study by the U.S. Merit Systems Protection Board (1993) found that "many of the personnelists felt torn between conflicting demands. On the one hand, they felt strong pressure to help the manager achieve the desired result by 'getting around' the system. On the other hand, they felt strong pressure to enforce strict compliance with the rules, often obstructing the desired result" (p. 28).

The inability of many personnel offices to resolve this conflict puts considerable psychological pressure on individual personnelists. It may also help explain the divergence between the way personnel specialists view themselves and the way they are viewed by line managers. For example, the report by the U.S. Merit Systems Protection Board (1993) cited above found that, in all areas of personnel work, personnelists rated their own performance much more positively than did managers.

The continuing failure of personnel staff to please their customers has led to sustained pressure for change, most recently from the National Performance Review (NPR). The NPR report on OPM stressed the need for formal deregulation, but also urged OPM to change its culture to emphasize service and to act as a model for similar changes throughout the government (National Performance Review, 1993d). Looking at the personnel offices of the organizations in this study helps us to see the extent to which personnel staff have succeeded in making this culture change and what the effects have been on their relationships with managers.

We look in the next section at the backgrounds of the personnel staff, which shed some light on the tension between personnelists and managers. We then turn to the distinct cultures and approaches of personnel staff in individual agencies.

Personnel Staff: Moving Toward Professionalism

If the personnel staff control many of the key personnel processes, then their competence is critical. If, for example, hiring a new staff member takes months longer than it should because the personnel specialist handling the process has mislaid the papers or made a technical error and thus has to redo critical steps, line managers certainly have a legitimate gripe. Managers' views of personnel staff vary greatly, as we shall see below, and many feel that they get excellent service from their personnel office. To the extent that they have unfavorable views, these may be based either on actual negative experiences or on differences in backgrounds and in rank and power relationships.

The backgrounds of personnel staff are indeed different from those of line managers. On the one hand, as we saw, line managers typically move into management after working as technical experts. Most have a college education, and a sizable number have advanced degrees. Although the number of women and minorities at management levels is increasing, line managers are still primarily a white male group, particularly in the higher echelons.

The personnel function, on the other hand, has not traditionally required a college degree prior to government service.¹ While the number of personnel staff with college degrees, and even advanced degrees, is increasing, many personnel specialists started out in low-level government positions; personnel has been a route to upward mobility for these people. Among the agencies I studied, there was some difference in educational background of personnel staff members. For example, at FCS, almost everyone I talked to had at least a B.A., and several people had advanced degrees, while in the Navy, less than half of those I interviewed had completed a B.A., but 50 percent were currently in college working toward a degree. Overall, of the personnel specialists interviewed, 60 percent had completed at least a B.A. or B.S. degree. This is slightly higher

than the figure found by the MSPB. In the four federal agencies MSPB studied, 53 percent of personnel specialists and 8 percent of personnel assistants held a bachelor's degree or higher.² Personnelists themselves recognize the increasing need for a higher education. As a senior personnel manager at the Navy told me: "The role of the personnelist is changing, and yes, it does require a different person with different training. At one point, people just evolved into the personnel office. Education is going to become more important, if only because most people are walking around with a college degree. It has to be more than just, 'I like people.' When people say that, I always say, 'Do you like paper?'"

Personnel staff also followed a quite different career path from those followed by managers. The personnel function is quite transferable, and very few personnel specialists I talked to got their start in their current agencies. At each agency, only one or two people were hired right out of school. Most had moved from another federal agency. What is striking here is that none of these agencies consistently grows their own. As we saw in Chapter Two, agencies differ in the extent to which their managers came from outside the organization. But on average, personnel staff are considerably more mobile than managers because their knowledge of the federal personnel system is easily transferable to any federal organization.

The U.S. Merit Systems Protection Board (1993) found a relationship between career path and education. Most personnel staff hired from outside government came with a bachelor's degree or higher academic qualification (86 percent), but only 39 percent promoted into personnel positions internally from personnel assistant or clerical positions had a bachelor's degree.

The personnel staff also *look* different from management. They are much more likely to be women or people of color. Personnel has traditionally been a field open to women, and that continues to be the case. In each of the four agencies, women made up approximately half of the people I interviewed, and they were often in leadership positions in personnel offices. Representation of people of

color was more uneven, reflecting to some extent the labor pool in the area. At EPA and FCS, in particular, there was considerable diversity. At FCS, close to half the personnelists interviewed were African Americans or Latinos. On balance, the personnelists were a much more diverse group than the managers in their agencies.

These demographic differences raise the difficult question of whether some of the negative views of personnel staff held by line managers are based on negative gender or racial stereotypes. Not surprisingly, given that they were being interviewed by a woman, no managers expressed sexist views to my face. But one manager did explicitly link the racial backgrounds of personnel staff to his perceptions of their competence, and a few others made more guarded comments that could have been interpreted similarly. For the most part, managers' negative comments focused on lack of education rather than on race or sex explicitly. Managers sometimes disparaged the backgrounds of personnel staff and particularly their lack of technical training and their inability to understand what the organizations they worked with were actually doing. The recent MSPB study uncovered similar reactions. According to that report, "A number of managers expressed concern . . . that many personnelists with whom they had worked were not as capable and competent as they needed to be, in part, because they lacked adequate career development training or some type of formal preparation such as that gained through a college education" (U.S. Merit Systems Protection Board, 1993, p. 29).

Differences in background and in demographics are compounded by the fact that managers clearly outrank personnel specialists, particularly those who are not supervisors. Supervisors are used to seeing differences in rank as meaning differences in power. The personnel system, however, gives power over managers to people whose rank is often several grades below theirs. And when such people say, "No, you can't do this," the managers often question the decision on the basis not of the personnelists' knowledge or competence but difference in rank.

To summarize: Looking at the backgrounds of personnel specialists does not tell us a great deal about their actual abilities (some of the ablest people I talked to, for example, did not have a college degree). But it does help us understand how the personnel staff are viewed by the line managers who work with them. While managers' views of the personnel staff are certainly shaped by their actual experiences, they may also be colored by the differences in backgrounds between the two groups and by the values managers place on education, on race and gender, and on rank.

Personnel Office Cultures and How Managers Cope with Them

As we have seen, personnelists face conflicting pressures. On the one hand, their socialization and their formal responsibilities emphasize their control function. Their responsibility to uphold the values of the merit system can easily become a tendency to emphasize process and compliance with formal rules. On the other hand, they have been exhorted for years to shift their orientation toward service, so that they help managers find ways to do what they feel they need to do, carving out a broader, strategic role as consultants to management rather than simply saying no.

Personnel offices have responded to these conflicting pressures quite differently. Several of those in the agencies included in this study have, as a result of strong leadership, changed their cultures to stress the service function. Others are still uncomfortably attempting to balance the two, while still putting considerable emphasis on the control function. The structure of personnel offices ranges from quite decentralized to highly centralized. As a result, they provide good case studies of what happens to the relationship between personnel offices and line managers both when values are relatively congruent and when they diverge; the different structural arrangements supply an additional dimension of comparison. We look first at two cases where the personnel

staff are conflicted about their role and then consider cases where the personnel office has more successfully internalized the service approach.

Coping Informally with a Traditional Personnel Office

On the continuum from control to flexibility, the FCS personnel office was further toward control than the other personnel offices in this study. Individual personnel specialists were quite aware of the role conflict between their service and control functions and struggled with the task of balancing them. While they wanted to help managers, they tended to put adherence to the rules (or protecting the system) first. As one told me, "Upholding the integrity of the merit system is the more important role. That is what you were hired to do."

Conflict also exists for those in the area of employee relations, who work on disciplinary cases. As one explained: "Yes, there is a conflict. . . . We are the disciplinarians, but also we are the counselors to troubled employees who have grievances. We give advice to managers, but also we assist or give guidance to employees seeking redress. . . . I don't think one is more important, but, on the other hand, personnel is management. But the other role is more satisfying and provides opportunities to help people."

While the balance is slightly more toward the control side at FCS, individual personnelists vary in how they choose to resolve this conflict. That variance appears to reflect the lack of a consistent message from management about how personnelists should define their role. As we shall see, some personnel offices have radically redefined their role in recent years and have developed a strong internal culture. That has not happened at FCS. Indeed, two managers in the personnel office responded very differently in discussing the problem of balancing different roles. One of them strongly stressed service and was trying to change the personnelists' role definition while still recognizing the need for balance:

We are responsible for upholding the integrity for the rules and regulations. But we are a service organization. We are preaching that you can do both by knowing the rules and being creative in their interpretation. The classifiers see themselves as policemen: "We control this, and if you want to do something, you have to do what I tell you." I'm trying to change that. If [managers] come and say they want a [grade] 12 for this person, if it's legally possible, they should get it. It's a scratching, screaming, kicking, drag-me-along approach [to get people to change]. If you can get someone new and train them, it's easier. But there's not a lot of turnover.

But in contrast to that strong message of culture change, the other manager, while recognizing the "pressure between conservative and liberal classifiers," told me that "we don't encourage them to take either role. We are neutral. We have moved . . . away from compliance to technical assistance, but we do very little with the classifiers."

Lacking either strong leadership from inside or concerted pressure from outside (that is, from line managers) in the direction of change, the FCS personnel office remained fairly traditional, striving to give managers good service but also staying very mindful of its role as protector of the merit system. The culture of the personnel staff in the regional office that I visited seemed quite similar, with the difference that, given the small size of the office, relationships were even more informal than at headquarters. The FCS personnel operation was also quite traditional in structure, with a staff serving headquarters and making general policy and separate regional staffs enjoying a moderate amount of independent authority.

How do FCS managers view their own personnel office, and what strategies have they developed for working with it? Reactions to the personnel staff directly reflect the role conflict the personnelists express: managers sense that the personnel office lacks consistency, both in quality and in values, and many see the office as

emphasizing control. One manager stated it very directly: "Personnel is not service-oriented. They see themselves as the guardians of the system. The personnel office thinks we want to abuse the system, and their role is to prevent us from doing whatever we want, because we must be trying to get around them." Managers in the region were much more likely than those at headquarters to see their personnel staff as responsive to their needs.

Where personnel is not seen as actively getting in the way, it is perceived as passive—as willing to help when asked but rarely taking the initiative to identify problems and help correct them. It is also seen as not very creative or innovative. For example, in the area of recruitment, one person noted, "I think we recruit the way we recruit because we always recruited that way. They're not looking for new ideas."

Managers' perceptions of the competence of the personnel staff they worked with were also decidedly mixed, with less than half of those interviewed rating them as good or pretty good. Again, ratings in the region were higher. A typical assessment stressed the wide variation in quality: "In some cases, they're not very competent. The quality of service leaves something to be desired. Routine actions are slow. Their tracking system doesn't always work, so you can't even tell whose desk it's on. You get the runaround. On the other hand, sometimes they're very prompt. It has to do with their workload, and if the individual feels like going out of his way. . . . It varies a lot, depending on the circumstances—what the issue is, who said they would do it, what the competing priorities are."

Managers attribute variability in the quality of service to several causes. First, some recognize that FCS has failed to define a clear mission for the personnel office, thus permitting considerable personal variation. Second, some attribute the problems in personnel either to understaffing or to lower grades in the personnel office. Third, they recognize how severely personnel staff are constrained by the civil service system itself. As one manager put it, "I sort of see them as captive too. I think their captivity has tended to douse

the flames of their creativity." Finally, they wonder to what extent the control orientation at FCS is a reflection of the Department of Agriculture's conservative style or a response to department directives to hold the line in such areas as classification.

FCS managers' strategies for working with the personnel office reflect both their diagnosis of the problem and their own cultural values. As we saw in Chapter One, FCS is a small organization with a clan culture. Given these values, managers tended to rely on informal solutions rather than direct confrontations or challenges to the system. Since many recognized wide variability in the competence and responsiveness of personnelists, their preferred approach was to develop a personal relationship with an individual personnel staffer whom they saw as responsive and reasonably competent and to work as much as possible through that person. As one first-line supervisor told me: "I think the key is individuals, and we know the person to go to and that individual is helpful. . . . There are some in personnel that are not helpful. I think it's the person. We've been dealing with one or two personnel staffing people that are just excellent. And no matter what the problem is, they seem to resolve it, or get the answer. You always go to that person."

To summarize: The most common strategy that managers use reflects their organizational culture and the way they deal with each other—using informal networks and building personal relationships. This is not a group of managers that, by and large, is aggressively challenging the system or demanding a greater role in personnel. Rather, they have learned ways to work more or less comfortably within the confines of the system by establishing informal relationships with the individual personnel specialists they find most helpful.

EPA: Tough Customers

Structurally, EPA looks like FCS: a human resources staff at headquarters and quite autonomous regional offices. But particularly at

EPA headquarters, the approach of the personnel staff and their relationship with line managers differ sharply from those at FCS. EPA personnel specialists would fall quite far out toward the flexibility end on the control-flexibility dimension. But some individual personnelists appear uncomfortable and conflicted about how far they have gone in that direction. One possible reason is that they have done so in response to pressure from outside, particularly from managers. As a result, they sometimes conveyed the impression that their behavior had changed, but their beliefs and values had not, which resulted in considerable internal conflict.

I found a similar reaction at other agencies, particularly among classifiers, but EPA staff expressed it most pungently, often with black humor. A typical example: "Yes, there's conflict. It's time for a joke. A couple of days ago, the queen of England decided to watch the Baltimore Orioles play baseball. I said to my office director, 'If those umpires worked here, they would be in deep trouble for not letting the Orioles win so as not to embarrass the queen and the president.' My office director said, 'At least they should have been winning at the time the queen left.'"

As we shall see in more detail later, in some cases, the vehicle for changing the culture of the personnel office was the adoption of Total Quality Management (TQM). At the time I visited EPA headquarters, TQM was being implemented in some parts of the agency, and personnel was just starting to adopt it. The skepticism that certain staff members expressed about TQM was related directly to concerns about their role conflict. As one explained, "The TQM focus on the client doesn't deal with clients who have unreasonable demands. You can't go to Burger King and ask for a Big Mac."

While one can attribute this awareness of conflict to the difficulty personnelists have in giving up traditional values, a critical source of conflict is the managers themselves. One sometimes gets the feeling, talking to managers, that no matter how far the personnel staff goes in bending the rules, it will never be enough to

please them. Particularly at headquarters, their assessment of the personnel staff is mixed to negative. This appears to be a reflection not just of some real problems in the exercise of the personnel function, but also of the fact that EPA managers are really "tough customers"—they are impatient with the niceties of personnel rules and regulations and demanding of immediate service. This is congruent with the EPA adhocracy culture, discussed in Chapter One, which values innovation and risk-taking far more highly than stability or compliance with formal rules.

EPA managers certainly recognize that some of their problems with personnel are a function of the rigidity of the regulations that the personnel staff must navigate. As one manager explained it: "I think I've dealt with excellent people in personnel and some not so good people, like any organization. I think the big problem [comes] back to the rules. They are so arcane and cumbersome and don't fit—a lot of them were written maybe twenty or thirty years ago . . . and personnel people have every right to try and help us, but they have got to live within those rules. And I think that that is the root source [of the problems]."

The rules notwithstanding, what EPA managers want and expect is service—a strong customer orientation. Their assessments of personnel staff, positive and negative, focus entirely on this dimension. Some see the personnel staff as very responsive. As one put it, "They take this dinosaur set of rules, and they've got them stretched right to where they're going to break." Others see the quality of service as varying across different parts of the personnel office. One person explained the differences in terms of the history of the personnel function. He felt that, in the past, "they were not helpful. It used to be that it was the kind of place where you traditionally had to know what you wanted to do and then come in and tell them how to do it." EPA then commissioned a study on the personnel function from the National Academy of Public Administration (NAPA) (1984). "The agency took the NAPA study to heart and created a human resources (HR) office, which coexisted

uneasily with the existing personnel office, and eventually HR won and took over the personnel function." But even though the two functions have theoretically merged, this person saw the human resources office as "fairly proactive," but the personnel office as "totally reactive."

Many of the negative comments portrayed the personnel staff not so much as unresponsive but as stretched too thin and uneven in quality. Several people recognized that while they were asking the personnel office to do more, the office's resources had not increased to handle the greater workload. Further, some felt that, as one person put it, "several [people in the office] are service-oriented, but overall the ability to get the job done is poor. Volume is a very important aspect of it, but it's also the knowledge of the [personnel staff]."

Expressions of concern about quality were often accompanied by stories, some quite detailed, of getting the runaround from personnel. There were complaints about receiving contradictory advice from different personnelists and about sitting in a meeting where a personnel supervisor told the managers they could do something but the supervisor's staff "quietly said, 'No, we can't.'" Several stories focused on the problem of what one interviewee called "sequential information requests." As this person explained it: "You do it, and they come back and have you do it again. It's very hard to get all the steps done the first time if they don't give you all the information." One specific area of conflict, which came up frequently, was the competence of the personnel staff to review the qualifications of job candidates in highly technical fields. We will return to this problem in more detail in Chapter Four.

The strategies that EPA managers use when they are in conflict with their personnel office differ dramatically from those at FCS. Particularly at headquarters, there was far less emphasis on building personal relationships. Rather, what managers describe most often is a strategy of confrontation and escalation. As one person summarized it, "Unless you're willing to push, you're just

blocked all the time in the people you want to hire.” EPA managers do not easily take no for an answer. They are quite willing to take a disputed matter to the individual’s supervisor or even to the highest levels if they think the issue is important enough. Given the outspoken EPA style, some managers are not above bullying the personnel staff. One described the process as seeing if they are going to provide the services you need, and “if they aren’t going to be responsive, you go to the second phase—of clubbing them; no, cajoling them.” Another told a long story of a conflict with personnel. Even the edited version gives a clear flavor of his personal style:

I’ve read the classification manuals. I mean, I’m a goddamn scientist, and a goddamn manager, I shouldn’t have to read the goddamn classification manuals. I have to quote chapter and verse occasionally. I pull the goddamn manual over to the goddamn personnel specialist. I have taken a classification course, so that I’m more facile in it. Ironically, if you read the OPM regulations, they are reasonably flexible. But I talk to “beebee brain”—I call her a “beebee brain” to her face—I had to yell at a section chief so much, my whole goddamn branch cleared out, they were afraid of what was happening. That’s what it takes to get people on. . . . My time has been spent more in trying to get around them than in working with them. [*Describes a specific conflict over hiring.*] That’s where I was quoting chapter and verse, and that’s where I went over with the manuals that I had underlined. It was like interpreting the Bible, for Christ sake. It was ridiculous. That took me, literally, three person-weeks, full-time. I didn’t do any thing else. I mean, my branch went to hell.

What is striking about this story, apart from the language, is the lengths to which this manager has gone to learn about the system in order to take an active role in the personnel process, and the amount of time and energy he devotes to taking on the personnel staff. This is clearly not a passive consumer of services.

A second, less confrontational strategy for dealing with personnel conflicts emerged from the interviews: offering to give the personnel staff additional resources to deal with extraordinary demands. Several people mentioned trying this approach, with mixed results. One person who found it effective described a situation where his unit was given increased resources for a large number of new positions and "ended up detailing people over there to help them get our people processed." On the other hand, another person shared a similar story that had a different outcome: "One time, I even hired an AARP [a person in a special program for hiring retired people] and a clerk-typist and another person and gave them to personnel and said, 'I'll double your staff if you give me better service.' And I gave them a computer. When I asked for better service, they said, 'That wouldn't be fair. We have to treat everyone the same.'"

To summarize: Despite a fairly strong customer orientation among the personnel staff, there remains a significant amount of conflict between personnelists and managers, with managers pressing the personnelists to go further, do more, and move faster. EPA managers are not content to be passive users of personnel services; they tend rather to push the system and the personnel staff aggressively to meet their needs.

A Human Resources Success Story

While headquarters presents us with a mixed picture of considerable conflict and of a personnel office struggling, not always successfully, to meet the demands placed on it, the picture in the region is remarkably positive. In both the individual and group interviews, managers consistently rated the service they received from the personnel office as good to excellent. While there were some complaints about timeliness, most people saw their personnel staff as responsive and helpful. A number of factors explain the differences. One is size. In a smaller organization, more informal

relationships develop, and people frequently talk about having "friends over there" who are helpful. Another factor may be differences in management styles and cultural values between headquarters and the region. In the region, I heard few stories about direct confrontation. A typical interviewee was one who told me that the service he received was excellent, saying, "I guess that's because I've worked with these people for so long. If you were nice to them when they were a staff person, when they are personnel officer you have it made."

Finally, managers feel that, as one person put it, "personnel got better in the last few years in helping people." This person attributed the change to leadership: "I think it's due to one or two individuals that came into personnel that made a great change."

While leadership plays a role here, so does structure; the relatively loose EPA structure allows regional offices considerable autonomy, which permits different cultures to develop there, among both line managers and personnelists. In the case of Region Three, these cultures appear to be both congruent and quite positive.

TQM Comes to Personnel Management

Both the culture and the structure of the personnel function at APHIS are in marked contrast to those at FCS, even though both are parts of the Department of Agriculture. First, APHIS has centralized most of the operating personnel functions (as well as some other administrative functions, such as procurement) in a single office, the Field Servicing Office (FSO), which serves all APHIS offices nationwide from Minneapolis. FSO provides an example of dramatic culture change—driven primarily by strong internal leadership—based on the newest management reform, Total Quality Management (TQM). A central value in TQM is service to the customer. The director of the FSO had discovered TQM about five years before this research was conducted and had moved aggres-

sively to implement it, with consulting assistance from 3M Corporation. When I arrived, TQM had been up and running for some time, and its values permeated the organization. As the director himself articulated it, "Here, we've been able to communicate to people that customer service was the priority, and it will stay the priority." His staff had gotten the message loud and clear, and most of them liked it just fine. As one of them described it: "TQM does affect me. We've made a tremendous amount of improvement. . . . I come out of a stodgy environment at the [Veterans Administration]. This is a more open environment. I think it's really helped here. We are very involved here. We as individuals work really closely together."

When I arrived, FSO had taken the next step and was starting to pilot self-managed teams, in which groups of employees would work together to provide coordinated services to the customer. Each group would also, in many respects, manage its own activities. While the first group had just been formed, the energy and excitement of the members were contagious. Overall, FSO felt like an organization on the cutting edge—one that had moved well beyond the traditional role definition of the personnel office and was actively exploring future roles and structures for the personnel function.

I should note, however, that changing an organizational culture, even with strong commitment at the top, is not without costs. The organization devoted considerable resources to training all staff in TQM, a process which took two or three years, and even hired a full-time TQM coordinator. Some staff members were unwilling to make the needed changes and went elsewhere or retired. While FSO sent a clear message to its employees that the dominant value should be one of service, it was impossible to completely eliminate the conflict between flexibility and control. One employee expressed discomfort about the balance being tipped so far toward the service function and described the operating style as "fast and loose" and as "totally out of control." While most FSO staff would not agree with these characterizations, it is clear that

control is downplayed as much as possible. As another staff member explained, "We do as much as we can for them without violating the law or the merit system."

How do APHIS managers rate the service they receive from this centralized, service-oriented personnel staff? Their reactions are surprisingly mixed. First, one senses a distinct cultural gap. APHIS management has been reluctant to adopt TQM. In some cases, there has been active hostility on the part of the top leadership. This is a management approach that challenges many of the values of a traditional, hierarchical culture.

Second, many line managers have very little direct contact with FSO staff. They tend to work through administrative officers (AOs) in their own organizations or through regional personnel staff who handle liaison with FSO. Managers in Washington also sometimes have direct contact with the small Washington "Customer Support Office" set up as an arm of FSO.

APHIS managers told few stories of open conflict with FSO. This may simply reflect the fact that conflict is mediated through the AOs or regional offices. It appears also to be a reflection both of the service orientation of FSO and of the fact that the APHIS management style is more laid-back and less confrontational than is typical of EPA, for instance. Further, the Department of Agriculture as a whole is seen as rather conservative on personnel matters, so while conflicts (over classification, for example) sometimes get referred to the department level, this is not a safety valve that is often used. Thus, while APHIS managers grumble frequently about the constraints of the personnel system, they tend to blame the formal rules and regulations more than the personnel staff and to be resigned to living within the limits of the rules.

In spite of FSO's service orientation, some managers are still uncomfortable with the logistics of a centralized personnel function. They would prefer to walk down the hall and talk face-to-face with someone than to call Minneapolis, particularly on complex or delicate personnel issues. As one manager explained it:

Now, the [staff at the] Field Servicing Office [are] supposed to be the ones who counsel all employees in the agency, whether headquarters or field, about retirement. It's been my experience that employees here at headquarters are very reluctant to get on the phone and talk to someone about their retirement. They would like to just go into an office, sit down, and have someone counsel them on their options, forms to fill out, and so on. But the way we are structured, that doesn't exist. . . . I think that is a real failing in the agency—thinking that all things can be done impersonally over a phone or through a fax or telecommunications.

FSO created the Customer Service Office at headquarters to respond to this need for personal “hand-holding,” but most actions still need the approval of FSO staff in Minneapolis.

The issues related to centralization are complicated by a fair amount of structural confusion built into the personnel function at APHIS. While the operating personnel function is located with FSO in Minneapolis, the human resources policy function is the responsibility of a separate organization (Human Resources, or HR), which has remained at headquarters. To further complicate things, recruitment programs, as well as training and development, are managed by a third office, also at headquarters (Recruitment and Development, or R&D), created in the late 1980s to cover functions that were falling between the cracks. As a result, management dissatisfaction is sometimes a result of confusion—of not being sure whom to call for what.

While centralization does cause some problems in communication, most (though not all) managers recognize and appreciate FSO's service orientation.

Two Naval Victories

While reform at APHIS came largely through the internal impetus of strong leadership, my sense is that change in the Navy's

Consolidated Civilian Personnel Office (CCPO) in Crystal City, Virginia, was the result both of strong leadership and of serious customer dissatisfaction. I had expected, when I began this study, that centralized personnel offices would be less responsive; evidently, CCPO in the past had fit this description. Several years ago, the personnel function had been taken away from a number of separate Navy organizations, all clustered in a strip of buildings in Crystal City. Not only did the individual organizations lose control of the process, but they were quite dissatisfied with the service they received from the new organization. Navy managers may not be quite as outspoken in style as the average EPA manager, but there was no doubt that they made their dissatisfaction known.

When the current director took over in 1989, he began a process of culture change that had close parallels to the FSO story, with the same strong emphasis placed on service to the customer. He sent people regularly to meet with line managers in their offices; upgraded training for personnel staff (and in more recent years, added specific TQM training); and integrated the staffing and classification functions, to try to improve service. When I arrived, CCPO was also starting to experiment with an integrated team approach. Further, in large and small ways, the director tried to improve the professional image of the office. As a rank-and-file staff member told me, "[The current director] has made a big thing about looking professional—how you dress, how you act, eating at your desk. We never could get a lunch room. Now we have one, and that is where you are supposed to eat. The cleanliness issue in the office was a big cultural issue."

At CCPO, as at FSO in APHIS, there was some initial resistance to the changing culture. Some people could not adjust and left, but most of those who remained have embraced the focus on service, as one person explained: "I think Navy has come a long way from when I first started working with them. Probably [because] they got rid of the old classifiers [*laugh*]. The whole role of the personnel office has changed. I try to assist managers in get-

ting whatever they want. Before, it would just have been *no*. We definitely stress customer service more. The relationship had started to change six years ago, and [the current director] put even more emphasis on it."

The picture is slightly different at the Portsmouth Naval Shipyard. The personnel office there is called the Industrial Relations Office (IRO), a reflection of the distinct culture in a heavily blue-collar production organization. This is an office with a very positive reputation within the Navy. When I asked its director how he managed to serve such a large organization with such a small staff, he gave considerable credit to the "strong New England ethics" of his staff. Their esprit de corps was evident when I visited. While Portsmouth's personnel office seemed less innovative than CCPO, at least in terms of adopting TQM or a team structure, the sense of customer orientation was (with one possible exception) obvious. In contrast to CCPO, IRO staff tried to avoid working directly with line managers—of whom there were over one thousand—preferring to work through administrative officers in each part of the organization, who served as liaisons with the managers. We will return more generally to the role of administrative officers later in this chapter.

Managers served by CCPO gave it the most consistent high marks of any personnel office in this study, and they frequently drew comparisons with the past. Navy managers were very aware of the difference between a control orientation and a service orientation in personnel. As an SES member explained it, "Personnel people tend to be a lot like ADP [Automatic Data Processing, that is, computer] people and a lot like travel people. They've got rules and some of them can help you find the way to get the job done within the rules, and some can throw up a thousand ways that can prove to you that you'll never get anywhere. . . . So it's a function of whether your personnel people are helping you get the job done within the rules, or whether they're trying to throw rusty mufflers and tail pipes in front of your car as you go down the highway."

Almost everyone I spoke to saw the current CCPO staff as helpful, cooperative, and going out of their way to provide service. They were seen as knowledgeable about the rules and how to work within them. Managers credited the turnaround of CCPO to its current leadership. As one person explained it: "You have one individual who has a decent view of what's going on. He's come in, he's tried to motivate the organization, and he personally, I believe, has done a great deal to turn the organization around. . . . Of course, he would have been hard-pressed to make it worse, in terms of his predecessor!"

Some of the comparisons with the preceding leadership were rather droll: "I accused a former head of CCPO of being a Russian mole, because they had absolutely brought us to our knees. Even though we could hire, we found people and we couldn't get them in the door, because the people in the personnel office didn't know how to hire anybody."

The positive relationship between Navy managers and CCPO staff is quite apparent. Managers told me remarkably few stories about conflict with personnel. There was much more extensive discussion of conflict inside their directorates (the major operational units) with the people who controlled the purse strings. This makes sense in an agency going through major cutbacks (an issue discussed in more depth in Chapter Seven). Permission to hire, even on a replacement basis, is very hard to obtain, and the process may take months. Once approval is granted, working with personnel is a snap by comparison.

The one area where some tension persists is that classic area of conflict, position classification. Interviewees raised concerns over the level of knowledge of personnel staff in highly technical fields. The difference in backgrounds and grade levels between managers and personnelists clearly rankles some managers. One said of personnel staff, "If they had any college-level degree or anything, it often might be in psychology or some other thing." Another complained about the frequent rotation of classifiers and the fact that

"classifiers are not experts and do not hold the series of the jobs they classify. And I really think that's a problem, because they are trying to classify something they really don't have a feel for."

This conflict is less severe than in other agencies, because in much of the Navy, the managers hold the final authority on classification, and personnel's role is advisory. Chapter Five will look at how this has worked out in practice.

Managers' assessments of the service they received from the personnel office at the shipyard, IRO, were somewhat more mixed. Most of those interviewed gave the office positive ratings and saw it as both helpful and competent. But close to a third gave mixed or negative responses. Among the sources of tension were the conduct of a recent reduction in force (RIF) and subsequent battles over plans to reorganize the staff and upgrade some classifications as people took on new responsibilities. (See Chapter Seven for a discussion of the RIF process.)

But managers at Portsmouth had much less direct contact with IRO than did Navy managers at headquarters with CCPO, because, as we saw, IRO has followed a strategy of working with the administrative officers (AOs) in each office rather than dealing directly with supervisors. The implications of working through AOs are discussed later in this chapter.

Overall, the Navy, like APHIS, provides a positive example of a professionalized, service-oriented personnel office. Unlike FSO, it has not resorted to national centralization; given the size of the Navy, this would probably be unworkable. But CCPO is an example of moderate centralization, providing service to a large number of Navy components in one geographic area.

Culture and Structure of the Personnel Function

As we have seen, the personnel offices in the four agencies differ both in their culture and values and in how they have chosen to structure the personnel function. Comparing them allows us to

make some generalizations about the effects of culture and structure on the relationships between personnelists and line managers. One of these is that cultural differences between the two sets of actors can increase friction. In the case of EPA, even though the personnelists perceived themselves as extremely service-oriented, they were still criticized by managers as not going far enough. It is questionable whether they ever could go far enough to suit EPA managers. The staff role in an adhocracy will probably always be uncomfortable, because the values of that management culture are antithetical to the traditional bureaucratic respect for rules and standard operating procedures that are the underpinning of the formal personnel system. However, the Field Servicing Office at APHIS was implementing a culture change, based on TQM, that may have taken the office out in front of its line managers, who still strongly adhered to traditional hierarchical values. As we shall see in later chapters, these cultural differences affected such issues as the proper division of labor between personnelists and line managers.

Unintended Consequences of Centralization

Two key structural issues emerge from our earlier discussion: the advantages and disadvantages of centralization, and the use of shadow personnel offices.

Scholars and practitioners have debated the pros and cons of centralized and decentralized structures for years. One private sector source, speaking to researcher Fred Foulkes, described what happens when one decentralizes personnel: personnel "becomes much closer to the action, really learns to understand what pressures line people are under, and becomes actively involved in working with line managers to meet their goals." However, this same source recognized that "from a corporate standpoint, this results in a somewhat fragmented personnel function. The separate groups tend to function independently, and as a result, much effort is spent in rein-

venting the wheel. It is very difficult to coordinate with this type of organization" (Foulkes, 1986, pp. 166-167).

Two of the four organizations in this study had centralized the personnel function, at least to some extent. In the Navy, the centralized organization serviced offices in one geographic area, while at APHIS the centralization was nationwide. Centralization does have certain obvious advantages: it permits some specialization, and it may provide adequate resources for development of a truly professional staff. Moreover, as we have seen, it allows a strong manager to instill a consistent culture—something much harder to do if the function is decentralized. Nonetheless, my expectation was that managers would resist centralization, and that they would rank the service they received less positively than did managers in agencies where the function was more decentralized. This simple prediction was not borne out. In fact, CCPO got the highest marks overall from the managers it serviced.

One obvious difference between CCPO and its APHIS counterpart, FSO, is geographical. At CCPO, although the personnel office is not down the hall from managers, it is within a ten- or fifteen-minute walk. Furthermore, CCPO has assigned teams to work with specific offices. These teams spend a considerable amount of time in the offices they service; they meet personally with managers and often hand-carry paperwork to speed things up. Managers are very appreciative of this service. As one midlevel manager described it: "The people who support me physically come over a couple of days a week and are working out of our administrative spaces. It's worked well. They do know the organization. They try to tailor responses to the organization."

In spite of this hands-on service, a few Navy managers still felt that they got better service at Navy installations that had their own personnel office, which would pull out all the stops for them in a pinch. One told of bringing in over sixty people in less than a year, through extraordinary effort, and concluded: "I cannot imagine, in my wildest dreams, ever getting CCPO to help me do

something like that. Never." Still, most managers would agree that the level of service they get from CCPO is more than adequate to meet their needs.

The more mixed reactions to FSO at APHIS may reflect, in part, the greater physical distance between the service provider and the customer and the preference for informal, face-to-face communication on complex or sensitive issues.

In short, while centralization works pretty well in most cases, some managers are still uncomfortable with it, and they cope with the problems it creates in ways that may be functional for them but have dysfunctional consequences for the organization as a whole. At APHIS headquarters, managers tended to look "throughout the building" for informal experts who had some personnel knowledge and could help them. Even though FSO added a small office at headquarters, it did not meet all needs.

Managers' discomfort with a centralized office arises from more than just their communication styles and preference for personal interactions. Moving the personnel function further away from them removes it from their direct authority (particularly if they are senior managers) and increases their fear that it will be used to constrain what they can do. Stressing the service function, as both these centralized offices do, goes only so far in alleviating this anxiety. One of the most common reactions to the anxiety, as well as to the distance of the personnel office, is the creation of "shadow" personnel offices.

The Shadow Personnel Office

The existence of shadow personnel offices is a phenomenon that, as far as I can tell, has never been discussed in the academic literature. Yet they are fairly commonplace in organizations, and they play an important role in mediating between the line manager and the personnel office proper. Most frequently, the person or people playing this role are termed administrative officers or admin-

istrative assistants. The line between staff support and a shadow personnel office is a fine one. On the one hand, most managers rely on a staff member for such routine clerical functions as filling out the forms necessary to process a personnel action. But when the AO's responsibility includes strategic planning of staffing needs, detailed knowledge of the civil service rules, and finding creative ways around the rules, the function mirrors, at least to some extent, the activities of the official personnel office. This may be seen as usurping the personnel office's functions or as getting it off the hook because it no longer needs to provide these services, but the net effect is to develop shadow offices that report directly to line managers.

In the four agencies, there was fairly widespread use of shadow personnel offices. Only the Food and Consumer Service, which is quite small, made no use of them. At EPA and at NAVSEA and SPAWAR, the pattern was mixed, while at the naval shipyard and at APHIS, virtually all managers worked through an administrative officer, who was often clearly functioning as a shadow personnel office.

Why create a shadow personnel office instead of working directly through the official one? For managers, it is a way of bringing the personnel function back under their direct control. Their perception is that the new office will be more understanding of what they do and more responsive to their needs. Further, the shadow office relieves them from having to learn the nitty-gritty details of the personnel system. For example, the shadow office takes care of such details as filling out forms and even writing job descriptions—tasks the official personnel office usually will not do for managers.

Rather than seeing shadow offices as competition, personnel offices often prefer to work through them for the same reason: the personnel office responsibility for providing certain services to managers is reduced. The arrangement also shields personnelists from direct pressure from managers; they may prefer to work with an

administrative officer, who often comes from a personnel background and speaks their language.

But creating shadow personnel offices has its downside, too. For one thing, it is to some extent duplicative. If one of the goals of centralization is to provide economies of scale and to reduce the overhead spent on staff functions, extensive use of shadow offices undermines this effort. Further, the shadow offices created to make life easier for managers can actually create one more hurdle and slow things down. Managers now need to worry not just about the skills and values of the personnel staff but also about those of the shadow staff. To what extent are the shadow staff keeping up with changes in the personnel rules? Are they really giving their managers the best possible advice? Finally, while saving managers time, shadow personnel offices may also increase the tendency of line managers to see the personnel process as someone else's responsibility and not central to their own role.

Conclusions

Personnel staff in both official and shadow personnel offices play an important role by:

- Providing services directly—for example, recruiting job candidates
- Interpreting the formal rules and telling managers what they can and cannot do
- Coaching and counseling managers—for example, on how to deal with a problem employee

How managers perceive the personnel staff—whether they see them as sharing their values or as competent—will have a powerful effect on how managers cope with the constraints of the personnel system. Are the personnelists allies, helping to find ways

around the rigidities of the system, or are they "part of the problem"? In subsequent chapters, we will examine this relationship in more detail.

The findings presented in this chapter also shed light on the issues raised by the current movement for administrative reform. Reformers, including the National Performance Review, have advocated formal deregulation of personnel as well as of budgeting and procurement. For example, the entire *Federal Personnel Manual*, which gave detailed guidance to personnelists, has been eliminated (although what this means in practice is not yet clear). At the same time, the NPR stressed the need to change the culture of personnel and other staff offices to emphasize the service function and to downplay control. The four agencies in this study are located along a range of this dimension; three of the four already give strong emphasis to providing service to management. Although personnelists, like managers, are hampered by having to operate within the constraints of rigid civil service procedures, strong support from top management has enabled many of them to give managers considerable assistance in finding whatever flexibility the system possesses. Deregulation of the system would not only give managers more discretion, it would also lift burdensome requirements from personnel staff and enable them to provide better service to line managers.

Defining their customers as line managers and focusing on the provision of better service are vital first steps. But what is missing, even in some of the more service-oriented personnel offices, is a focus on *strategic human resources management*. This focus aligns the human resources function with the core mission and the strategic planning processes of the organization (Anthony, Perrewe and Kacmar, 1993). The client becomes not the individual manager but the organization as a whole, and the human resources function is closely integrated with planning, budgeting, and other management functions. While the private sector has been moving in this direction for some time (Miles and Snow, 1984), the concept is still quite new

for public sector organizations (Perry, 1993). Moving to a strategic focus will require a different role for the Office of Personnel Management. For example, the National Performance Review report on OPM envisions it as providing "planning for development of the workforce of the future and identifying strategies for providing the training essential to achieving culture change" (National Performance Review, 1993c). The agency personnel offices in the present study, even those providing good customer service, have yet to make the leap to strategic human resources management. As we shall see later, human resources functions have yet to be fully linked to budget and planning functions in many government agencies. Strategic human resources management is particularly important as organizations make the hard decisions needed to downsize; without use of appropriate workforce planning methods, cuts may have seriously adverse long-term consequences.

The National Performance Review also raises interesting questions in linking deregulation and an increased focus on customer service with structural change; the NPR has a clear bias in favor of decentralized structures. But looking at the four agencies in this study leads one to question such a linkage. The personnel function is not always more responsive if it is decentralized. The centralized personnel offices we have looked at are highly professionalized and service-oriented. In fact, a new organizational culture may be more easily instilled in a more centralized organization.

One way that centralized personnel organizations have been able to provide high-quality service is by moving away from structures based on narrowly specialized functions and toward work teams that provide coordinated service to managers. In such organizations, the need for both flexibility and coordination has led to operations structured "around core points of integration, not based on subfunctions such as classification and pay" (Perry, 1993, p. 66). Crosstraining has also been conducted, so that individual employees, often working as teams, can handle both staffing and classification.

One issue that is ignored by many proposing reforms—as well as by academic observers—is the role of shadow personnel offices. Yet many of the reforms proposed could have the effect of increasing reliance on shadows. That will be the case if personnel functions are overcentralized and the centralized offices are not seen as providing adequate customer service. Sharp cuts in the staff of formal personnel offices may lead to reduced levels of services and, hence, increased reliance on shadow personnel offices. But greater dependence on shadows is also the likely outcome if responsibility for personnel functions is delegated to line managers who do not want it and are unsure what to do with it. Reformers need to look carefully at the costs, both in dollars and in quality of service, of using shadow personnel offices that duplicate the functions of existing personnel staff.