CHAPTER 8

HUMAN RESOURCES MANAGEMENT

Current and Future Challenges

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The field of human resources management (HRM) in the public sector is diverse, dynamic, and extensive. Sometimes referred to as public personnel, or more lately human capital management, it includes functions such as training and development; recruitment, testing, and hiring; promotion; position classification; compensation and retirement; and performance evaluation, human resources planning, and labor relations. While HRM and public personnel textbooks provide ample coverage of the mechanics of these and other HRM functions, there are a few topics that have lent themselves to more extensive coverage, given the political and legal ramifications surrounding their use and application in government settings. Those issues include, most prominently, affirmative action, labor relations, performance management, and succession planning. Additional concerns and issues around related topics in human resources include diversity, which is addressed in chapter 23 in this volume.

This chapter examines four of the most notable, challenging, and enduring issues that underlie the study and practice of public sector human resources management: affirmative action, labor-management relations, performance management, and succession planning. The chapter addresses why these topics have remained so significant, what theoretical and empirical advances have been made in each area over the past twenty years, and what the future holds for these critical areas of public sector human resources management.

AFFIRMATIVE ACTION

One of the most hotly debated, political, and grossly misunderstood issues in HRM is affirmative action. It continues to garner a good deal of attention because of its primary purpose: diversifying work and educational settings. Whenever human resources (HR) decisions consider such characteristics as race, ethnicity, and gender, the public is particularly circumspect, and those who feel adversely affected by the decisions become litigious, as the long history of common law illustrates. Evolving from equal employment opportunity (EEO) policies, programs, and law, which seek to eradicate employment discrimination, affirmative action is a proactive tool that seeks not only to end discriminatory HR decisions, but also to ensure diversity in the workplace so that organizations function more effectively and productively.

An important theoretical justification for affirmative action is representative bureaucracy, which holds that the social demographics of public bureaucracies ought to reflect the populations being served by those bureaucracies. Only then will the needs and interests of women and people of

color be truly represented. A plethora of research has shown that governments at all levels have achieved passive representation, whereby the social composition of the bureaucracy mirrors that of the general population (see, for example, Rosenbloom and Featherstonhaugh 1977; Krislov and Rosenbloom 1981; Wise 1990; Guy 1992, 1993; Meier 1993; Naff 2001). Studies have also found that an active representativeness exists in a number of settings (see, for example, Meier 1975; Meier and Smith 1994; Keiser et al. 2002; Meier and Nicholson-Crotty 2006). Representative bureaucracy in the active sense indicates that women and people of color in the bureaucracy will actually push for the needs and interests of their counterparts in the general population. These studies warrant the use of affirmative action policies. Nevertheless, it is the courts that have determined the legal contours of its use.

Governments at every level as well as institutions of higher education began to develop affirmative action programs in large part to deflect potential discrimination suits filed by women and people of color. One of the earliest affirmative action decisions by the U.S. Supreme Court was the *Regents of the University of California v. Bakke* (1978), the landmark ruling upholding the use of affirmative action in admissions for the first time. Allan Bakke filed a "reverse discrimination" suit against UC Davis School of Medicine when, as he argued, students of color with lower standardized test scores were admitted over him. Although the High Court ruled in favor of Bakke in a 5–4 decision, the Court upheld the use of affirmative action providing it did not include numerical set-asides—erroneously referred to as "quotas" by the Court.

The decision was a major victory for affirmative action proponents. But the use of such concepts as "reverse discrimination" and "quotas" only served to obfuscate the issues and to create and foster opposition to affirmative action. *Reverse discrimination* is a play on words, and it has yet to be defined in any cogent, plausible, or credible way. Moreover, the concept of quotas has been greatly abused. Quotas are legal tools that are set by the courts after a finding of discrimination. It has been common, for example, for courts to set specific quotas around the hiring of women or people of color in the protective services after finding pervasive and systematic discrimination in such jobs as police officer, firefighter, or correctional guard. Courts will set a timeframe for the government agency to meet the quota; if it is not met, the court can impose a fine, hence the term *quota.* In practice, however, fines are rarely levied against the agency found guilty of continuing its discriminatory practices toward women or people of color, as long as it can demonstrate a good-faith effort toward fulfilling the quota.

Goals, in contrast, suggest a benchmark set voluntarily by agencies. If an agency is unable to meet its goals, it cannot or does not impose sanctions on itself. Unfortunately, the term *quota* has been conflated with *goals* and hence *affirmative action,* resulting in a stigma—not to mention incendiary reactions—when organizations set goals and timetables for diversifying their staffs or student bodies. The misuse of these terms and the conflagration surrounding them continue even today and fuel resistance to the use of affirmative action.

Although the *Bakke* decision involved university admissions, the ruling extends to the public workplace as well. After *Bakke,* the U.S. Supreme Court issued a number of favorable rulings to affirmative action, under both the U.S. Constitution and Title VII of the Civil Rights Act of 1964 as amended.[1] For example, in 1987, the Court issued a ruling in *Johnson v. Transportation Agency, Santa Clara County,* upholding, under Title VII, voluntarily developed affirmative action programs intended to correct gender imbalances in traditionally segregated job categories. Other favorable rulings under Title VII include, for example:

United Steelworkers of America v. Weber (1979). U.S. Supreme Court upholds the legality of voluntarily developed affirmative action plan under Title VII of the Civil Rights Act of 1964.

Fullilove v. Klutznick (1980). U.S. Supreme Court upholds constitutionality (under Fifth and Fourteenth Amendments) of federal set-aside programs enacted by the U.S. Congress.

Int'l Assoc. of Firefighters v. City of Cleveland (1986). U.S. Supreme Court upholds, under Title VII, affirmative action consent decree that provided for the use of race-conscious relief in promotion decisions.

U.S. v. Paradise (1987). U.S. Supreme Court upholds, under the Fourteenth Amendment to the U.S. Constitution, a court-ordered affirmative action plan aimed at remedying discrimination against African Americans in hiring and promotion decisions in Alabama Public Safety Department.

In 1989, however, the U.S. Supreme Court issued a number of regressive rulings not only to affirmative action, but also to equal employment opportunity precedents. For example, in *City of Richmond v. Croson* (1989) the U.S. Supreme Court struck down the constitutionality, under the Fourteenth Amendment, of a local government's set-aside program because it could not satisfy the criteria of the strict scrutiny test.[2] In addition, the Court in *Patterson v. McLean Credit Union* (1989), overturning a previous decision,[3] ruled that a Reconstruction-era civil rights statute—Section 1981 of the Civil Rights Act of 1866—could be used to protect people of color from hiring discrimination but not from other forms of bias on the job (e.g., harassment). In another decision, *Martin v. Wilks* (1989), the High Court allowed white firefighters to challenge, under Title VII, a consent decree, to which they were not a party, years after it had been approved by a lower court. Were it not for the Civil Rights Act of 1991, those decisions would have prevailed. Instead, the U.S. Congress, in a direct separation-of-powers challenge to those 1989 decisions, overturned every single negative Court ruling issued in 1989.

In 2003, in a long-awaited decision on the constitutionality of affirmative action, the U.S. Supreme Court reaffirmed its support for affirmative action with its ruling in *Grutter v. Bollinger* (2003). The Court majority ruled that the racial diversity of a study body can be a sufficiently compelling interest on the part of a state university to warrant the use of an admissions program that considered a variety of factors, including race, under the Equal Protection Clause of the Fourteenth Amendment to the U.S. Constitution.[4] The Court's decision offered definitive support for the widespread use of affirmative action, setting its *Bakke* decision on firmer ground.

Most recently, the Supreme Court issued a ruling in *Ricci v. DeStefano* (2009), which involved not affirmative action per se, but rather, more broadly, employment discrimination law. Because the ruling has implications for the goal of affirmative action—diversity—a brief discussion follows. In 2003, the New Haven, Connecticut, Fire Department administered a promotion exam for lieutenant and captain. Out of seventy-seven candidates taking the lieutenant exam, nineteen were African American and fifteen were Latino. Given that there were only eight vacancies for lieutenant, and based on the test scores, no African Americans or Latinos would be eligible for promotion. Forty-one applicants took the captain examination, of whom eight were African American and eight Latino. Because there were only seven captain vacancies, and based on the test scores, no African American and at most two Latinos would be eligible for promotion. The city determined that the exam had an adverse impact on the African American and Latino candidates and, fearing litigation, scrapped it. Seventeen white firefighters and one Latino firefighter filed suit against the city, alleging reverse discrimination under Title VII of the Civil Rights Act, and the Equal Protection Clause of the Fourteenth First Amendment to the U.S. Constitution. Both the federal district court and the U.S. Appeals Court for the Second Circuit ruled against *Ricci* and for the city. *Ricci* appealed to the High Court.

The Supreme Court reversed the lower court decisions and ruled for the white firefighters.

The 5–4 ruling, which revolved around Title VII and not the Constitution, stated, "Fear of litigation alone cannot justify the City's reliance on race to the detriment of individuals who passed the . . . examinations and qualified for promotions. Discarding the test results was impermissible under Title VII" (*Ricci v. DeStefano* 2009). The Court instead argued that there must be a "strong basis" in evidence for concluding that the tests might be vulnerable to a disparate impact claim. The statistical imbalance alone was not enough. According to the Court, without this showing, the city engaged in "express, race-based decision making," resulting in disparate treatment, which, along with disparate impact, is also prohibited by Title VII. It is interesting to note, as addressed above, that the High Court majority in *Grutter* upheld, under the Constitution, an admissions program relying on race as one of many factors for the purposes of diversifying the University of Michigan Law School. In the past, the Court had set a higher bar for the permissibility of race-based decision making under the Constitution as compared with Title VII cases. The composition of the Court in the *Grutter* case, however, was different. Justice Sandra Day O'Connor, an important swing vote in affirmative action cases, retired, thereby changing the balance of power on the *Ricci* Court.

The Court's *Ricci* decision, in effect, sets the two provisions of Title VII—disparate treatment and disparate impact—in an endless battle for primacy, which can only deter employers' efforts to promote equal opportunity and to end discriminatory practices. For example, according to the majority ruling, if the city could have demonstrated that the exams were not job related, the city may have prevailed. But subjecting the tests to validity studies would have been very costly to the city. Also, if the validity studies revealed that the tests were job related, the strong-basis-in-evidence standard created by the *Ricci* Court would have been satisfied, thereby clearing the way for the use of the promotional exams. But this would have defeated the city's express purpose of seeking to diversify the upper levels of its fire department.

A viable solution to this challenge in any government agency would be to provide a battery of tests for promotion to upper-level jobs. Oral exams, for example, are critical, and could be weighted more heavily than written exams. Other assessment tools such as computer simulations or group exercises might also be deemed more important than written exams. These types of arrangements may facilitate an employer's goal to diversify its upper echelons, while staving off possible litigation. Indeed, a recent study by the Merit Systems Protection Board (2009) found that, although not used extensively in the federal government, job simulations are associated with lower rates of adverse impact, have higher predictive ability, and are more likely to be perceived as fair and job-related among job candidates.

It is also worth noting the experiences in Bridgeport, Connecticut, as Justice Ginsberg offered in her dissenting opinion in the *Ricci* ruling. She pointed to evidence offered by Donald Day of the Northeast Region of the International Association of Black Professional Firefighters. Ginsberg wrote,

> Day contrasted New Haven's experience with that of nearby Bridgeport, where minority firefighters held one-third of lieutenant and captain positions. Bridgeport . . . had once used a testing process similar to New Haven's, with a written exam accounting for 70 percent of an applicant's score, an oral exam for 25 percent, and seniority for the remaining five percent. . . . Bridgeport recognized, however, that the oral component, more so than the written component, addressed the sort of "real-life scenarios" fire officers encounter on the job. . . . Accordingly, that city "changed the relative weights" to give primacy to the oral exam. . . . Since that time . . . Bridgeport had seen minorities "fairly represented" in its exam results (*Ricci v. DeStefano* 2009).

Today, scholars and practitioners of HRM continue to study the legal aspects of affirmative action, but also focus their energies on diversity or diversity management, addressed elsewhere in this volume. While diversity management is receiving considerable attention, there are some unaddressed aspects of diversity that still merit attention. For example, more studies systematically evaluating the effectiveness of diversity programs are needed.

LABOR RELATIONS IN THE PUBLIC SECTOR

Public employee unionism has grown considerably over the past twenty years compared to that in the private sector (see Table 8.1). Reasons for this growth range from the decline in private sector unionization (e.g., due to the shift in the economy from manufacturing to service, thus leading private sector unions to target public employees for unionization) to wage disparities between white-collar government workers and blue-collar workers in the private sector, the latter earning more than the former (see Riccucci 2007).

With the advent of state statutes providing government workers with the right to collectively bargain starting in 1959,[5] a surfeit of research began to appear in the field of HRM. A number of studies, particularly at the local level, examined the effects of labor unions on wages, finding that public employee unions have been effective in increasing the wages of their constituents (see Kearney 1979; Kearney and Morgan 1980; Methé and Perry 1980). Other studies examined the contours of the laws, focusing particularly on the provision and uses of impasse tools, such as mediation, fact-finding, and arbitration (Kearney 1984; Rosenbloom and Shafritz 1985). The use of these tools has been critical for public employees as, with a few exceptions,[6] states prohibit the right to strike.

At the federal level of government, after a number of executive orders, labor relations was placed on a statutory basis for the first time with Title VII of the Civil Service Reform Act of 1978, otherwise known as the Federal Service Labor-Management Relations Statute. With passage of this provision of the law, a number of studies began to examine the experiences of labor unions representing federal government workers (see, for example, Ingraham and Rosenbloom 1992; Rosenbloom and Shafritz 1985). Studies emphasized the fact that power is circumscribed at the federal level in that unions cannot negotiate over such fundamental issues as pay. At the state and local levels of government, unions generally have the statutory power to bargain over issues such as wages and terms and conditions of employment.

Research is waning in the area of public sector labor relations, as indicated by the paucity of studies generated in this compared to other areas of HRM over the past fifteen years or so. One of the reasons can be attributed to the ideographic approach to labor relations at the state and local levels of government. That is to say, each state has a unique statute governing public sector labor law. Unlike in the private sector, where there is a federal law—the National Labor Relations Act of 1935—that governs labor relations uniformly across the country for all private sector employees, whether you are employed in California or New York, each state enacts its own law or public policy to regulate public sector labor-management relations. This serves as a deterrent to broad-based studies of labor relations in all the fifty states. Thus, given the circumscribed set of conditions facing data collection, only case studies involving one or two states tend to be conducted.

At the federal level, Title VII governs labor relations for all federal employees across the country. However, the scope of that law is very narrow, and as noted, labor unions representing federal employees have very little power.[7] It would appear that research, especially on federal employee unionism, is spurred in part by executive or managerial efforts to change or restrict the unions',

Table 8.1

Percentage of Union Representation, Pubic and Private Sectors, 1992–2008 (in percent)

	1992	1996	2000	2004	2008
Private	12.7	11.2	9.8	8.6	8.4
Public	43.2	43.0	42.0	40.7	40.7
Federal	NA	38.9	36.7	35.0	33.0
State	NA	35.3	34.2	34.3	35.1
Local	NA	48.4	47.9	45.8	46.1

Source: U.S. Bureau of Labor Statistics, Archived news releases: Union members (annual), www.bls.gov/schedule/archives/all_nr.htm#UNION2 (accessed June 9, 2009).

and hence federal employees', powers and rights.[8] For example, a number of studies examined the provisions of Clinton's National Performance Review as they applied to labor unions, such as the creation in 1993 of the National Partnership Council (NPC), which promoted the use of labor-management cooperation in order to advise the president on labor matters (see, for example, Ban 1995; Suntrup and Barnum 1997; Kearney and Hays 1998; Masters and Albright 1998).

Studies have also traced the effects of George W. Bush's regulations on labor-management relations (see Bennett and Masters 2004; Masters 2004; Masters and Albright 2003). For example, Thompson (2007) in a cogent study looks broadly at labor-management reforms under the George W. Bush administration, especially at its adversarial stance toward labor unions—one of the first orders of the Bush administration was to issue Executive Order 13203, revoking Clinton's executive order establishing the National Partnership Council. Thompson asks whether the reforms are part of a management philosophy to improve governmental performance, or simply an effort to expand presidential control over the federal bureaucracy. Through a detailed analysis of Bush's labor reforms, Thompson (105) first points out that "President George W. Bush has taken a series of aggressive, antiunion actions, canceling an executive order issued by his predecessor that directed federal agencies to cooperate with union representatives in addressing common issues, withdrawing collective bargaining rights from multiple groups of federal employees based on national security considerations, and significantly narrowing the scope of issues over which unions in two of the largest federal departments are permitted to bargain." Thompson concludes that Bush's strategy was, ultimately, shortsighted, and that in the long run, his regulations will fail because the effects will be to lower employee morale and hence productivity.

More recently, there has been some research examining an important source of union power at the federal level: litigation. Federal employee unions are very apt to file lawsuits challenging the government's actions that seek to restrict their already beleaguered powers. For example, in the early part of his administration, President George W. Bush sought to deregulate HRM in the newly created Department of Homeland Security (DHS). Key provisions of his regulations, which Bush promised to apply to the entire federal workforce, would prove detrimental to labor unions. They would have provided the DHS with the authority to declare labor contracts void at any given time after the contracts had been successfully entered into. In effect, the DHS could unilaterally negate otherwise lawful collective bargaining contracts (Riccucci and Thompson 2008). In a series of lawsuits filed by federal employee unions (see *National Treasury Employees Union, et al. v. Chertoff* 2005a, 2005b, 2006), the Bush administration was blocked from implementing the regulations.

In sum, research on public sector labor relations has been sporadic and uneven, despite the fact that unions are more prevalent in the public than in the private sector, as indicated in Table 8.1. Certainly,

much more research is needed at the state and local levels. There are challenges to data collection and many questions that have not been empirically answered. For example, what are the reasons and circumstances surrounding states' decisions to allow public employee unions some modified right to strike or to allow some public employees access to such tools as binding interest arbitration and others only to mediation? Also, cyberunions, which emphasize the growing importance and use of computer technology by unions, have become increasingly important in the private sector. To what extent have they captured the interests of HR specialists in the public sector? More broadly, how has the growing use of information technology changed the practices of unions in the public sector? These questions have not been addressed and would certainly contribute to greater theory building in the area of public sector labor relations.

Additional research is also needed on federal employee unions. Content analyses of court rulings or congressional committee hearings can further build the research base in federal employee labor relations. So too would interviews with congressional members and union officials on the power structures of unions. Ethnographic studies on the culture of labor relations would also be beneficial. For example, although the Bush administration revoked the formal basis of labor-management cooperation, did the National Partnership Council work to minimize adversarial relations between labor and management representatives in the federal government? Case studies or narratives would also help to build theory in public sector unionism. The key for generating greater interest in these and other questions may rest in the greater encouragement of graduate students in public administration and management to conduct research on public sector labor relations.

PERFORMANCE MANAGEMENT

Over the past decade or so, a good deal of attention has been placed on performance management in efforts to improve government performance. Interestingly, however, there is a glaring misconception around the use of the concept of *performance management.* As Risher and Fay (2007) point out, government employers have haphazardly conflated the terms *performance management* and *performance appraisal,* but the two refer to different functions. Performance appraisals are an HRM function, aimed at evaluating an individual employee's performance, generally once a year, to determine how well that employee is performing on the job. Based on the results, no action is taken, rewards are given, or disciplinary actions can be taken. In general, performance appraisal programs are aimed at past performance, not potential future employee performance.

In contrast, performance management is a broader, more comprehensive managerial process aimed at agency or departmental performance, and it is future oriented. It begins with performance planning discussions and focuses on the planned performance of a department or agency (not an individual), with a goal of improvement from the prior year. It has sought to promote the accountability of government agencies and programs. The Program Assessment Rating Tool, or PART, is an example of a tool aimed at evaluating and improving performance in the federal government in order to achieve better results. It is important to note that governments have not been able to develop methods of linking agency or department performance with individual employee performance.

Governments at every level have sought to motivate employees to improve their performance by offering merit pay raises or pay for performance (Bowman 1994, 2010). At the federal level, the Civil Service Reform Act of 1978 was one of the first major efforts that sought to link employee pay with performance. It contained two major provisions: merit pay for midlevel managers and merit pay for the Senior Executive Service (SES), the highest rungs of federal employment. James Perry in particular has written extensively on the former. Under this system, midlevel managers could be rewarded with pay increases for demonstrating "efficient" and "effective" behavior without

having to promote them to a higher grade or salary step. As Perry (1986, 1991) and others (see, for example, Bowman 2010; Hays 2004, Kellough and Nigro 2002; Milkovich and Widgor 1991) found, efforts to link pay to performance were largely unsuccessful. First, there were problems with efforts to measure efficient and effective behavior. Second, merit pay was hampered by politics, whereby the most deserving employees were not being rewarded for their behaviors; favoritism played more into the decisions to reward employees than actual performance. In general, as Bowman (2010) has pointed out, "pay clearly matters. But as experience demonstrates, it is difficult to link compensation policies to desired results; good intentions are not necessarily assumed in a political environment, and in any event are simply not enough." Because of its failure to link pay with performance, this merit pay system was abolished in 1984.

The other provision of the Civil Service Reform Act sought to link pay to the performance of SESers. Here the top of the general schedule in the federal government was converted into "supergrades." As Ingraham (1987, 1993) has noted, this change was prompted more by the desire for managerial control over the bureaucracy whereby the most-senior-level workers could be transferred between and among federal agencies depending upon their performance. Also subject to the vagaries of politics, those SESers who performed well could receive one-time bonuses upward of $20,000, while those who were deemed underachievers by their political superiors were subject to transfer or dismissal from the SES. It would appear that merit pay programs were geared more toward attempting to control government employee behavior than toward genuinely seeking to reward good performers. Overall, these early efforts seeking to link employee performance to pay have failed.

Nevertheless, this has not prevented the government from continuing down this path (see Paarlberg, Perry, and Hondeghem 2008; Kellough and Lu 1993). One of the most recent efforts to link pay to performance was implemented under the George W. Bush administration. In early 2002 the DHS and the Department of Defense launched pay-for-performance systems. Interestingly, the pay increases would purportedly be linked to *organizational* outcomes, as measured by employee performance reviews. Objections to the plans by labor unions have created delays in the implementation of the new pay system at the DHS, resulting in its application only to *nonbargaining*-unit employees. As of this writing, it cannot be determined whether the plan is effective, but this presents an area ripe for research opportunities, particularly efforts to link individual performance with organizational outcomes, over which, for political reasons, employees may have little control.

The Department of Defense is experiencing similar delays, but a major challenge has been writing measurable job objectives or developing ways to link pay raises to performance. Efforts to move forward with the pay-for-performance plans persist, despite earlier failures in the federal government's experiences to link agency or department performance to individual employee performance.

Pay for performance is perhaps one of the most maligned areas in HRM. For one thing, appraisals tend to be subjective, impressionistic, and political, as the experience with the merit pay plan for midlevel managers as well as the SESers showed. Another problem with performance appraisal systems is that the preponderance of government work is not readily measurable in terms of outputs. The government is in the business of producing not products, but rather services. Measuring the quality of services is difficult because quality in government must take into account such factors as equity, justice, due process, accountability, and others that are not easily quantifiable. The government must pursue these values in the provision of services to American citizens. This is what distinguishes performance appraisal in the public sector from private enterprise, where goods as well as services may be more amenable to quantification, since values of equity, due process, and so forth are not at issue.

Bowman (2010) points out that "pay-for-performance programs may well have become an urban legend." Yet, despite the various challenges, performance appraisal systems, particularly those that seek to link pay with performance, are widely used. As a result, it is critical that future studies examine other variables that may lead to an improved or revitalized public service. For example, a number of other strategies such as training and development may be more viable, yet few studies exist for this topic. A number of studies examine the relationship between job satisfaction and job training (see Ritchie, Kirche, and Rubens 2006), but research needs to examine the potential linkage between job training and enhanced employee performance, since this is the subject matter that government institutions and perhaps the general public are most interested in.

SUCCESSION PLANNING

Human resources planning and, more recently, succession planning are key to an organization's overall strategic workforce planning efforts (U.S. Government Accountability Office 2005). Retirements, downsizing, outsourcing, and aging workers all create a need for effective succession planning in government, whereby key leadership and professional positions are filled. Yet, compared to the private sector, there is a dearth of research in this area, primarily because as Schall (1997) points out, governments across the country to do not readily engage in succession planning (also see Jarrell and Pewitt 2007; Pynes 2004; Kim 2002, 2003; Lynn 2001). Schall (1997, 4) argues that "succession planning is rarely used by public agencies because the executive's fortunes are generally tied to a particular administration." Another reason, she states, is because "leaders in the public sector have themselves not taken the issue of succession seriously" (6). Other reasons may relate to civil services rules regulating promotions, the use of seniority, and the burgeoning costs of succession planning, which would lead public sector officials to move it down the list of priorities, as they do with other vital HRM functions such as training and career development.

Nevertheless, succession planning is critical in the public sector, as government workforces continue to age, downsize, and outsource their labor (National Academy of Public Administration 1997). As Pynes (2004, 389–390) points out,

> Agency leaders need to understand how their workplaces will be affected by impending changes and prepare for the changes accordingly. Agency objectives should be formulated after relevant data on the quantity and potential of available human resources have been reviewed. Are there human resources available for short- and long-term objectives? To be competitive, organizations must be able to anticipate, influence and manage the forces that impact their ability to remain effective. In the service sector, this means they must be able to manage their human resource capabilities. All too often agencies have relied on short-term service requirements to direct their HRM practices. Little thought is often given to long-term implications. By invoking WFSP, agencies are better able to match their human resources requirements with the demands of the external environment and the needs of the organization. The human resources focus is not just an individual employee issue; it also focuses on integrating human resources into the organization's strategy. It becomes part of the visionary process. Strategic planning, budgeting and human resource planning are linked together.

Jarrell and Pewitt (2007) make the important point that succession planning is an ongoing process that not only involves the development of a succession plan, but maps out (1) how em-

ployees will be selected and staffed, (2) the sustainability of the program, and (3) the impact and evaluation of the program. Most important, as they and others argue, it must receive adequate funding at all stages.

Many have framed the issue of succession planning as a talent management issue (see Garrow and Hirsh 2008). For example, Dychtwaid and Baxter (2007, 325) state,

> We are heading toward a talent crisis of unparalleled proportions. In the latter decades of the 20th century, organizations enjoyed an abundance of young workers, fueled by the unprecedented baby boom that stretched from 1946 until 1964. In this century, the baby bust that followed the baby boom is creating a critical shortage of younger workers. At the same time, due to rising longevity and the aging of the baby boom generation, we are now experiencing an unprecedented growth in the numbers of mature workers. And yet, the vast majority of organizations persist in recruiting, training, engagement, and retention strategies that were created and designed for a youthful workforce.

Dychtwaid and Baxter (2007) also stress the need for succession planning to stave off a talent crisis in government workforces. Similarly, in the context of succession planning Calo (2008) argues that talent management is critical for the sake of knowledge transfer. He points out that "organizations must take steps to develop a strategy for successfully transferring the valuable knowledge that resides in their older workers to other members of their workforce. Denial, delay, or doing nothing may be appealing responses in the short term, especially when there is some evidence that older workers are working longer and that the supply of workers appears to be in balance with or exceeding demand" (404). But, he argues, in the long run, if governments do not engage in succession planning, they run the risk of being at a competitive disadvantage when competing for talent and intellectual capital.

The U.S. Government Accountability Office (GAO) has pointed out that succession planning is also an important practice for diversity management. In its 2005 report *Diversity Management: Expert-Identified Leading Practices and Agency Examples,* the GAO argues that succession planning "is tied to the federal government's opportunity to change the diversity of the executive corps through new appointments" (15). It goes on to say that

> the federal government faces large losses in its SES, primarily through retirement but also because of other normal attrition. The SES generally represents the most experienced and senior segment of the federal workforce. The expected loss of more than half of current career SES members through fiscal year 2007, as well as significant attrition in the GS-15 and GS-14 workforce—the key source for SES appointments—has important implications for federal agencies and underscores the need for effective succession planning. This presents the government with substantial challenges for ensuring an able management cadre and also presents opportunities to affect the composition of the SES.

A good deal of research is still needed on the use of succession planning in government agencies across the United States. There are some cases studies showing how successful it is in practice at the state and local levels (see, for example, Jarrell and Pewitt 2007; Pynes 2004; Holinsworth 2004; Kim 2002, 2003) and in federal agencies (see U.S. GAO 2005). Much more is needed, however. Additional case studies illustrating its successes may encourage greater use of succession planning in the public sector. As Pynes (2004, 402) concludes in her study, "Effective [succession planning] approaches serve as the foundation of any serious HRM ini-

tiative. They must be at the center of efforts to transform the cultures of agencies so that they become results-oriented and externally focused. To facilitate these changes, HRM personnel and department managers must acquire new competencies to be able to deliver HRM services and shift toward a more consultative role for HR staff."

THE NEED FOR FUTURE RESEARCH

As discussed previously, there are a number of areas in HRM that continue to demand attention. For example, in light of the U.S. Supreme Court decision in *Ricci* (2009), to what extent are cities and states across the country developing promotional exams that will effectively foster racial, ethnic, and gender diversity, without being vulnerable to "reverse discrimination" attacks? Are cities, as is the case with Bridgeport, Connecticut, described earlier, moving more toward favoring oral exams, given their relative success in fostering diversity, or is New Haven, Connecticut, more characteristic of the norm? Also, additional research is sorely needed on the efficacy of diversity programs. As Pitts and Wise (2010), point out, "Although arguments such as the business case for diversity are intuitively appealing and politically popular, there is little evidence that organizational diversity can be used to boost performance. Whether employee diversity improves organizational performance is an empirical question that has not been adequately tested in the public sector context."

Other areas ripe for research include public sector labor relations. In addition to the suggestions given in this chapter, there is very little comparative evidence on why, for example, some states have striking rights, while most others prohibit public sector unions from striking. Moreover, it is unclear whether the strike option is even used in those states, and if it is, how effective it has been for settling contract disputes. Additional comparative aspects of public sector labor relations that have not been studied include binding interest arbitration, scope of bargaining, and union organizing. Schools and departments of public administration across the country are not producing scholars who are studying this vital area of human resources management.

Although pay-for-performance programs will continue to be relied upon, despite the lack of evidence showing a linkage, other variables examining links with job performance could be explored. As noted, level of job satisfaction is one variable. Another is public service motivation (Perry 1996; Perry and Wise 1990). While it is widely believed that the level of public service motivation increases job performance, very little research has tested this question or hypothesis (see Bright 2007).

Finally, very little research exists on succession planning in the public sector. Because governments focus more on short- than on long-term planning, it is not as common as it is in the private sector. Nonetheless, as we have seen, some governments do rely on succession planning. An important first step might be to survey state and local governments as well as federal agencies to discover the extent to which it is actually being relied upon. Comparative case studies might then illustrate its benefits with respect to overall strategic planning in the public service.

CONCLUSION

Human resources management represents a vital field of public administration from the standpoint of both practice and theory. Governments at every level continually experiment with programs and policies to improve as well as control public employee behavior and performance. Affirmative action serves as a legal tool to diversify organizations, which enhances the overall productivity, not to mention democratic aspects of government institutions. Unions seek to protect the interests of

public employees, but governments, particularly at the federal level, continue to promote reforms that can circumvent the goals of public employee unions. Of course, governments remain committed to improving employee performance and even linking it to overall organizational productivity. Yet, at the same time, governments may not be preparing for the future in that succession planning is not a staple of their HRM processes or strategies.

All these efforts provide rich opportunities for continual research in HRM. Case studies and best practices in particular help to build theory in HRM and more broadly in public management. They also serve as constructive examples for governments seeking to diversify their workplaces, genuinely work with unions to improve the working conditions of public employees, and ultimately improve their performance.

NOTES

1. It should be noted that the Supreme Court assesses the constitutionality of race-based affirmative action plans under the two-pronged strict-scrutiny test, which asks: (1) Is there a compelling government interest in the program or plan (e.g., to redress past discrimination) and (2) is it sufficiently narrowly tailored to meet its specified goals (i.e., is there an alternative plan or program that could be employed that does not classify people by race)? For gender, the Court applies the less exacting intermediate-scrutiny test, asking whether or not a governmental action is "substantially related" to an important or compelling government interest.

2. See Note 1.

3. *Runyon v. McCrary* (1976).

4. Compare to the Court's decision the same day in *Gratz v. Bollinger* (2003), in which the Court struck down the use of affirmative action by the University of Michigan's undergraduate programs. The Court found that the rating system employed by the university resembled a "quota" system because it granted points for a number of factors including "underrepresented" racial and ethnic status; thus, according to the Court it was unconstitutional under the Equal Protection Clause of the Fourteenth Amendment. The Court obviously favored the admissions program in *Grutter,* in which a point system was not used, and race was among a number of factors considered for admission to the law school.

5. Wisconsin was the first state to mandate collective bargaining for government workers in 1959. A number of other states soon followed suit (e.g., New York in 1967). Today, about forty states, in addition to the District of Columbia, have enacted laws mandating that governments at the state and local levels collectively bargain with employees' union representatives. As of this writing, there are eight states that do not have collective bargaining legislation covering public employees: Arizona, Arkansas, Colorado, Louisiana, Mississippi, North Carolina, South Carolina, and Virginia. For a discussion, see Kearney (2008).

6. As of this writing, the following thirteen states permit public employees some modified right to strike: Alaska, California, Hawaii, Idaho, Illinois, Minnesota, Montana, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, and Wisconsin (Kearney 2008).

7. The major source of union power in the federal government comes from sympathetic Democrats in Congress who tend to have large cohorts of federal employees in their districts. They serve as the primary watchdogs for federal employees' pay and conditions of employment.

8. Also see some of the studies following President Reagan's firing of air traffic controllers in 1981. See, for example, Beer and Spector (1982); Northrup (1984); and Perry (1985).

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