

REFOUNDING MANAGEMENT IN CALIFORNIA PUBLIC SERVICE: PRIORITIZED ACTIONS FOR MAKING REFORMS WORK

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Three categories of actions needed to build and sustain strongly effective management for California Public Service are outlined here: I. Basic frameworks of contemporary challenges; II. Prioritized actions (the most extensive part of this analysis); and III. Key points, in summary, to make reforms work. The frameworks noted up front are basic: (1) Public Service culture is most essential but weak; (2) Blended Performance now characterizes public services; and (3) Facilitative Governance practices are vital to state-of-the-art management. Strong management must be developed and sustained in those vital contexts. Specific actions to strengthen management to facilitate large-scale reforms are grouped as follows: (1) Develop connected leadership among political, managerial, and line-delivery levels of Public Service; (2) Correct staffing deficiencies and other personnel system faults; and (3) Reform California's labor-management relations practices. These specific actions are crucial for strengthened management.

Key points, beyond specific priority actions, are these: (1) A Public Service culture must be refounded; (2) Administrative services require reframing to strengthen both integrated and differentiated management; and (3) Management is a disciplined, dynamic field of professional expertise that is central to effective Public Service and to making large-scale reforms of California government work.

I. FRAMEWORKS OF PUBLIC SERVICE AND MANAGERIAL CHALLENGES

A. Refound a California Culture of **Public Service** Values, Disciplines, and Accomplishment

1. A widely practiced culture of **Public Service** is essential to facilitate responsibly productive government. The sustained mistake of the past 35 years has been displacement of Public Service values and disciplines by an expanding "*Cut a Deal political culture*" of government as a transactional marketplace of self-serving principal-agent economic exchanges. Public Service requires a shared culture, especially among strong managerial leaders, of **principled agents** working responsibly under law to serve the people. Get real: *Anyone who enters Public Service to become rich is dumb, crooked, or both.* Add: unwanted.

2. To make large-scale reform work, a *unifying civic vision* of Public Service is essential, along with accomplishment of *prioritized specific reforms*, such as those identified under Part II below.

B. Manage in contexts of today's **Blended Intergovernmental and Public-Private Delivery of Public Services**

1. The complex intergovernmental and public-private characteristics of today's public affairs are most evident in Homeland Security and in Health, Human Services, and Education, but they are now characteristic of governmental activities generally. While California may have a bit more limited private-services contracting and volunteerism than many governments, it has demonstrated for decades some strong policy and managerial leadership to thrive in complex inter-organizational cultures. However, with political-office term limits, losses and limited replacement and development of experienced careerists, increasingly diffused accountability of private contractors and grants recipients, and growing policy / program complexities, California requires more dynamic, cutting-edge management in its Public Service.
2. Organizational *centralization* of State Administrative Services, as proposed by the California Performance Review (CPR), can facilitate *decentralization*, provided that the proposed "Office of Management and Budget" (OMB) embraces a facilitative, professional culture of management, not a command-and-control, partisan budgeting style oriented to short-term political metrics. *Managing for results, while taking reasonable account of situational differences, can be effectively facilitated by a central structure for administrative-services.* Facilitation of a Managerial Leadership Corps and interrelated corps at middle and supervisory levels merits central action. Facilitation of intergovernmental management effectiveness, volunteerism, and private contract /grants performance can be facilitated centrally, but delivery-level performance requires attention to a balance of situational differences (front-line management) and transparent accountability.

C. Manage within frameworks of contemporary **Facilitative Governance**

Public Service, with strong management for results, must work today in contexts of nationally and globally embraced practices of Facilitative Governance: (1) *social self governance, facilitated by law*; (2) *market economy, facilitated by law*, and (3) *facilitative government, under a constitutional Rule of Law.*

II. PRIORITIZED PUBLIC-SERVICE MANAGEMENT REFORMS

A. Enhance and connect **Leadership** at **Political, Management,** and **Line Service-Delivery Levels** in California Public Service

1. Reduce bureaucratic layering and connect innovative leadership, management, and performance
 - Reduce structural fragmentation and *Thickening Levels* of political and career bureaucracy and the accompanying *Diffusion of Accountability*. The CPR seeks to facilitate this.
 - Focus *Managerial Responsibilities* and *Commensurate Authority*. License and support reasonable risk taking for needed innovation.
2. Engage Managerial Personnel and others in Leadership Training and Development
 - Facilitate sustained development of a professionally expert California Corps of Public Service Executives. Reinstitute the *California Leadership Institute (CLI)*, started in 1999 and continued to 2003. Patterned in part on U.S. Federal Executive Institute (FEI) experience, the CLI was designed to advance a shared culture of productive accomplishment and constructive collaboration among California's career executives. It was facilitated through the Department of Personnel Administration (DPA) and was conducted by the University of Southern California (USC) State Capital Center. Such a renewed program would be enhanced by co-participation of career and political Public Servants and by linking more key local government executives into sessions.
 - Expand CLI related training to two levels of upwardly mobile Public-Service personnel: a mid-level Professional Management Corps (PMC) and an entry-level California Management Fellows (CMF) Corps (noted below). As in the United States national government, the CLI, PMC, and CMF programs would not reach all top managerial leaders, and upwardly mobile personnel and participants should not "have a lock on promotions." However, these professionally connected corps would leaven California's Public Service, as similar national development programs have, especially meeting inter-generational Succession Management needs and requirements for collaborative, innovative, and responsive leadership.

- *Exempt Services* personnel may usefully participate in CLI and related programs. However, as noted below, legislative staff also need specialized training and development opportunities. The most important national program to enhance legislative staff competencies, the *Legislative Staff Management Institute*, is now being relocated from the University of Minnesota to Sacramento. Sponsored by the National Conference of State Legislatures (NCSL) as a nation-wide program, this Institute will be conducted starting in 2005 by the USC State Capital Center and the California State University, Sacramento. Limited training that now exists for California legislative staff is the *California Assembly Program for Innovative Training and Orientation for the Legislature (CAPITOL)*. This was started in 1998 through leadership of Speaker Robert Hertzberg and Republican Assembly Leader Bill Leonard. California needs to add a *Model Legislator Training Program* and a *Model Legislative Staff Program*.

3. Authorize *Demonstration Projects* within and among organizations. Such authority has been among the most practically useful and economical provisions of the U.S. Civil Service Reform Act of 1978 (accounting for such changes as personnel broad banding and varied paperless electronic systems. Demonstration projects facilitate creation, testing, refinement, and possible transfer and expansion of managerial and other innovations as new state-of-the-art practices. To strengthen California Public Service management, demonstration projects might be: Lateral Entry Merit Staffing; Public Servants' Networking and Leadership in Professional Organizations; Performance Recognitions; Work Schedules; Exempt and Career Services Nexus; Policy and Program Redesign; Technology Innovations; Senior Personnel Retention beyond Retirement Schedules; etc,

B. Correct urgent **Staffing** deficiencies and strengthen other fundamental personnel frameworks

1. *Succession Management* and related staffing reforms, in the absence for several years of succession planning and actions, is now urgent. While *planning*, as proposed by the CPR is essential, *this State has gone beyond time for putting off other actions*. Today's problems, in a context of expected retirements at young ages authorized in California, are due in part to non-strategic, willy-nilly hiring freezes, non-strategic staff cutbacks that have nibbled across the board, and disconnected personnel actions. They are also due to failures to support professional development and leadership for upward mobility among promising people in service at all ranks. Disincentives to accept promotions to managerial positions are

barriers. Additionally, California's relatively closed and routinized career systems, caught in past practices, are obstacles to needed changes in today's *Blended Public Service Delivery* framework. Consider staffing reforms:

- Support involvement of managerially ambitious and promising employees *at all levels* in professional and civic organizations that are oriented to public-service accomplishment and leadership. California Public Service is *insular and isolated* from broad networks in which *people need to involve themselves* both for development of professional expertise for managerial leadership and for facilitation of understanding of State Public Service among people outside of California government.
 - Use managerial-quality benefits (flex time; technology support; paperwork reduction; liability protections; developmental opportunities; professional networking, etc.) to balance economic and other disincentives to accept supervisory and other managerial positions.
 - Create and develop a government-wide, upward-mobility California Management Fellowship (CMF) program, similar to the U.S. Presidential Management Fellows Program, to attract and retain highly promising, well-educated, fast-track professionals into Public Service careers of managerial service.
 - Expand *lateral entry* (public and private) and non-routinized time-in-grade promotional opportunities to enter managerial and other positions at all levels that require professional expertise. In short, eliminate California's relatively closed and time-in-grade advancement structures in favor of *Open Systems based on professional expertise and accomplishments*.
 - Enhance *mobility* opportunities among state agencies and among levels of government for professionals in public service.
2. *Exempt Services*, especially legislative staff and other institutions' personnel are crucial not only to "making reforms work" but to facilitating effectiveness of California government generally. Term limits and legislative turnover have resulted in significant loss of institutional knowledge and connectedness. In the words of Senate Appropriations staffer, Lisa Matocq, "Long gone is the time for

legislators to leisurely build their knowledge of state programs and develop their policy-making skills.” Training of Exempt Services personnel is noted above as a priority. Networking, including exchange assignments of agency / departmental experts and promising upwardly mobile managers, among legislative, judicial, and other services, merit strengthening. Beyond training, particular exempt services challenges that warrant attention include increasing staff turnover, often rugged schedules, qualifications needs, and travel and logistics.

3. *Fundamental Personnel Functions*, including performance management for results and the institutions that are responsible for them, must be strengthened to make reforms work.
 - *Performance Management* practices have a long lineage in American public administration, stretching back through much of the 20th Century in some governments, including many California local governments and some state agencies. While not acknowledging that, the CPR is nonetheless correct in proposing that the State’s fragmented governmental structure frustrates performance management and accomplishment. While the proposed Office of Management and Budget (OMB) is exceedingly heavy with operational functions for an organization that would also need to provide top policy leadership, it holds promise of vital functional integration. Success of such a heavyweight operational structure of seven divisions at the top will depend in part on whether it develops a culture of understanding that facilitation of responsible accomplishment of goals, objectives, and tasks is the essential bottom line of Public Service. While neither narrow partisan nor command-and-control domination of such an institution will work, a California OMB with *professionally expert leadership* could succeed as a *much-needed facilitative institution*.
 - *The State Personnel Board (SPB)*, with responsibilities for service-wide merit examination, appeals, and related systems oversight, has been extensively decimated by decades of cutbacks. Whether or not the SPB, with its Constitutional foundation, may be eventually reorganized with the Department of Personnel Administration (DPA) as a division within the CPR-proposed California OMB, *its essential activities require strengthening without delay*, wherever they are performed.

- **Position Classification** (Job Evaluation) expertise within the DPA has been largely decimated, with a current staff of 14, contrasted with 45 formerly. Also, as noted below, the managerial responsibility of position classification was *improperly subjected to partisanly political collective bargaining* in recent years, resulting in disarray that urgently requires correction. Personnel classification is now extensively disjointed and divorced from Public Service personnel system needs. To make managerial and other reforms work, California's classification framework requires professionally expert overhaul.

C. Reform California's **Labor-Management Relations** (LMR)

1. Restore *Management Responsibilities* and professional managerial leadership. Engage in responsibly expert, bilateral Collective Bargaining. Terminate partisan political bargaining and Spoils.
 - For example, as noted above, position classification is a clear and *vital* management responsibility in traditional collective bargaining, but in California it has degenerated into a distributive bargaining strategy filled with destructive negotiation tactics. DPA is now seeking to correct these faults, but it desperately needs resources to overhaul and update the classification framework and other personnel basics. Developments outside of California merit consideration.
 - "Get a Deal Bargaining" has nearly eliminated strategic classification and compensation decision making. California needs to prioritize jobs (as for nurses and other scarce personnel), not simply "go for 5% across-the-board" to cut a deal. Expert "costing" of options is an essential responsibility of effective management that, until quite recently, has been missing in action in California State Service.
 - *Total Compensation Bargaining*, supported with trustworthy compensation surveys, is needed. When Muriel Morse performed as a strong manager as Los Angeles Personnel Director in the earliest days of the City's collective bargaining, she and other California personnel professionals initiated Total Compensation Bargaining, leading the Nation. That vision of responsibility needs to be recovered in California, and DPA is trying to move toward that.

- Departmental / agency managers must be deeply involved in collective bargaining negotiations, a long-lost practice now being restored by the DPA. It is again becoming understood that negotiations must not be a DPA & union monopoly to the exclusion of strong line management.
2. Engage in *Integrative Bargaining* to restore Public Respect for and Self Worth in California Public Service. Effective collective bargaining requires responsible bilateral agreement administration, encouraging union members and their leaders as well as managers to move beyond conflict-oriented, fixed-sum, distributive bargaining to creative negotiation and consultation (distinguishing between those processes). Traditional responsibilities of union stewards and officers for contract administration for quality of work life need to be recognized by managers, officials, and judges.

III. MAKING PUBLIC-SERVICE REFORMS WORK

A. Refound California's **Public-Service Values, Disciplines, Performance and Accomplishment**

Facilitate a shared Public Service culture of professionalism, expertise, performance, and accomplishment among political and career personnel. Downplay divisive dichotomies, labels, and practices (principal / agent; labor / management; political hack / career slug; us / them; etc). Reconnect relatively isolated / insulated California Public Service into professional and civic organizations and responsible local, state, national, and international leadership, for which California was once respected.

B. Reframe State **Administrative Services**, balancing **Integrated and Differentiated Management**

Centralization (integration, connectedness), as in the CPR-proposed Office of Management and Budget (OMB), if it has professionally expert leadership, can facilitate both constructively shared linkages and decentralization (situational differentiation). An OMB may facilitate management for results without imposing damaging command-and-control strictures (although the U.S. OMB has sometimes failed in this respect). Coordinated leadership opportunities warrant actions to reframe personnel, budgetary, technology, administrative systems, performance facilitation, and possibly other administrative services functions. With OMB facilitation, political and career executives and managerial

personnel at top, middle, and supervisory levels may be usefully connected through trans-hierarchical (intergenerational) corps. Managerial Leadership may be advanced through collaborative efforts, such as the California Leadership Institute (CLI) and related programs at other Public Service levels.

C. Sustain **Professional Managerial Expertise** for Refounded California Public Service

Management is a disciplined, dynamic field of practical theories and deliberate practices that facilitate desired organizational accomplishment. Accumulated understanding of why and how people and organizations work together and the disciplined means known to accomplish desired results are extensive; such knowledge is expanding dynamically, being rapidly refined by practice, research, and education / training and development. Thus, sustained training and development and other actions to enhance strong management are essential to effective California Public Service.