

A Comprehensive, Efficient Personnel System Free from Political Interference

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As you know, we still have quite a few Indians out in Oregon. I was talking to my neighbor the other day while he was cutting his lawn; and his young son came home from school and asked: "Daddy, was the white man really superior to the Indian?" My neighbor thought a moment and replied, "No, I am not sure he was. When the Indians were running things, they had no taxes, they had no debts, and the women did all the work. How can you improve on that!"

However, though we sometimes feel we would like to give everything back to the Indians, we are, in Oregon, as is the case everywhere else, stuck with modern civilization. Our population increased 40 per cent between 1940 and 1950; we expect to add nearly 400,000 more by 1960. During the past ten years our passenger car registration increased 200,000 and that for trucks 20,000 and this trend is expected to continue.

We presently have approximately 7,400 miles of state highway in Oregon, with 715 of it on the Interstate system. Under the provisions of the Federal Aid Highway Act of 1956 we will during the next 13 years expend \$642 million, or about \$50 million a year on new construction, which is about double what we have been spending during the past five years under an accelerated state bond program.

Which brings me to state bluntly the thesis of my talk: to accomplish this tremendous task in Oregon, and in the nation, will take the highest and most skilled direction and management of people possible, because regardless of what else you may have, it still takes people to do the job.

Machines and equipment do not function without people to operate them and keep them in repair. Materials are not automatically conveyed, surveys are not completed, plans are not drawn and highways and bridges are not built without people. Material things lie inert without actions of man.

Along with the processes of analysis, judgment, and decision making, the effective dealing with and directing of people is one of the most important responsibilities of management whether it be in industry or in government.

With the biggest public works project in the history of man ahead of us, and with a growing shortage of technically trained men to do the job, we can no longer dally, blunder, and use slipshod methods in the management and direction of our most valuable resource—people. And most certainly we can no longer afford to engage in that medieval and most inefficient of all little games, involving human beings as the pawns, which is called “patronage.”

May I pause at this point to emphasize that I am in no sense posing as a good and righteous knight in shining armor who has come riding out of the West to crusade against the black evil of political patronage which exists in certain sections of this Eastern United States. To those of us who have made public personnel administration a career, the matter of political patronage is not a moral issue—not a matter of good or evil, right or wrong—but rather to us, the use of political patronage as a means of conducting large, modern governmental enterprises is antiquated, inefficient, and in many respects, stupid. It is like putting weak, improperly cast reinforcing steel in a structure or using cut-rate, sub-standard cement. It is just not an intelligent way to do business.

Development of Public Personnel Management

Let us trace for a moment the history of the development of public personnel management in the United States. You will find that it can be divided roughly into four stages. They are not clear-cut and in many instances overlap, and they vary somewhat in different parts of the country. The first period—called the “reform phase”—began in about 1865 and lasted until about 1935. It was essentially a police type of reaction against the spoils system, and its main objective was to “keep the rascals out.”

The next period can be called the “technical phase” and involves an emphasis on the development of better methods of position classification, examination, merit ratings, and other devices.

The third is the "back to the line" phase which is characterized by two dominant tendencies— a decentralization of authority from the central civil service agency to the operating departments; and an emphasis upon the human factors in management. The dominating spirit of the early reform movement was separation of personnel management from line management, based on a belief that those who performed the daily tasks of government were the enemies of the merit system; and that personnel actions and decisions had to be considered and made in the "ivory tower" of the central civil service office lest they be contaminated by common working concepts of personnel management. This separation of personnel management from line management developed from a pompous and stilted concept of human motivation, characterized by an emphasis on employee prerogatives rather than employee obligations. The technician was engrossed in technical matters rather than viewing people as human beings, and the reformer thought that protection from political "spoils" would in itself produce an effective working force. As John Piffner, Professor of Public Administration at the University of Southern California, has written: "Today both industrial and governmental personnel people are beginning to understand more about the motivation of people who work, largely as the result of the research now being published by social psychologists. But for many years people in management positions knew that something was wrong with the traditional civil service system. They vaguely understood that in some way it failed to produce a satisfactory relationship between leaders and followers on the management team."

This "back to the line" stage is basically the one that exists in Oregon at the present time. And the Oregon Highway Department has for the past decade been the leader of this movement in our state—stressing the importance of supervisory responsibility in good personnel management and emphasizing the human aspect of employment.

Our present civil service system in Oregon is headed by Charles W. Terry, a progressive, farsighted, and able civil service director. Fortunately only a small segment of his technical staff is still steeped in the old watchdog tradition, which operates to a large extent on the same premises and theories as prevailed in the late 1800's. Because of this Director's views we have in Oregon an atmosphere favorable to positive personnel administration and our relations with civil service are generally very good.

The fourth phase is that of research and validation—the inquiring phase. Personnel management, in my opinion, will never become a science in the traditional sense, but it will more nearly approach it when we have factual data as to the results and values of some of our personnel processes. We can no longer just assume that written examinations produce the best selection in a given area; or that training, in itself, is always effective. We must evaluate the results of all our devices to determine their usefulness in a total program. Good progress is being made. For example, Dr. Dale Yoder, Director of the Industrial Relations Center at the University of Minnesota, is doing an excellent job in the field of personnel research.

Personnel Management Essentials

Let us examine for a moment the aims of personnel management whether it be industrial or public.

To know the aims, we should summarize the problem.

Developed people are becoming the world's scarcest resource. Industrialization has enhanced the status of labor and has improved labor's economic standing. This trend shows no sign of change, and, if anything, will become more evident. Automation will increase the demand for technically trained people. Wages and income of workers are both on the upswing, and the work week is on the decline and will continue so.

And on top of this general picture, I do not need to recite for those of us in the highway field the critical shortage of engineers. You have heard too much of that already and you are well aware of the problem.

Management's biggest problem today is the finding, hiring, and developing of people. And that certainly and most particularly pertains to the managers of highway departments all across a nation facing a \$50 billion program.

So, knowing the crux of the problem, we formulate our goal and aim.

The successful operation of any industrial or government organization requires two predominate factors: *technical competence* and the *efficient management of people*.

Good management means getting effective results with people. Personnel administration is a code of the ways of placing, organizing, and treating individuals at work so that they will each get the greatest possible realization of their own inherent abilities, thus attaining maximum efficiency for themselves and their particular

work group, and thereby giving to the agency or enterprise of which they are a part its superiority in production and service.

It is to this end that a good personnel division functions as a part of a state highway department, or any other organization.

Basically, sound personnel administration has as its task the maintaining of effective human resources and human relationships in the organization. A main organizational function is taking the load of detail from the administrative heads of the department in guiding, informing, helping, and, if necessary, in restraining lower supervisory levels in matters pertaining to personnel. This imposes the responsibility on the personnel division to so exert its influence and, where it must, so exercise controls that will be readily understood and accepted by the operating supervisors and employees. This calls for a maximum of tact, skill and persuasiveness. Two things must be uppermost: *a true recognition of the human dignity of every employee, regardless of his job; and a realization of the key role of each supervisor as the final and immediate manager of his personnel.*

And there you have it. There is the aim: selecting, placing, organizing, and treating individuals at work so that they will get the greatest realization of their inherent abilities.

And now, knowing the problem, and knowing the goal and aim—what are the means of good personnel management?

First, is it essential that there be a civil service law and a central civil service agency in order to have the merit principle?

For a partial answer to that, let me refer to the Highway Research Board report "Merit System Provisions in State Highway Employment" published in February 1952. The conclusion of this excellent study reads in part:

"The Committee recognizes that the mere existence of a merit system is no assurance that merit principles are in operation, and that civil service is no panacea for management deficiencies or an answer to the problem of a general shortage of technical personnel. Nevertheless, the committee believes that the existing shortcomings of merit systems are due to *weaknesses and inflexibilities of administration* rather than to any inherent weakness in the merit concept. *Civil service cannot be any better than the men who administer it . . .*

"The Highway Department, as one of the State's largest employers, has an obligation to make contributions to the advancement of merit principles. They must assume their full responsibilities within the system, and provide leadership, standards of performance,

adequate supervision, training and satisfactory working conditions. Personnel administration must be considered a part of the management process. A Personnel Division is a requisite, and should be an integral part of the management structure."

The essence is this: it is highly desirable to have a state civil service law—and in many respects it makes the job easier—but it is not essential to the operation of a merit system. The reason, again, is this: personnel administration is a part of the management of an agency; and the character of the personnel program can be no better than the strength, determination, and intent of the administrative heads of the department.

R. H. Baldock, as Chief Engineer, established a merit system and set up a personnel division in the Oregon Highway Department in 1937—nine years before we ever had civil service in Oregon. Absolutely no political appointments were made. It always took courage, and sometimes just plain guts but no political appointments were made. So the coming of civil service in 1946 had little meaning to us, it simply reinforced and gave emphasis to that which we were already doing.

For many years highway employees from patronage infested states came across our borders like refugees from tyranny seeking the sanctity and dignity of career employment. They came after elections; they came between elections. A number of states have since on their own initiative established merit systems, even though they do not have a state civil service. And the refugee flow of engineers across our borders has dropped materially.

Oregon has had a Republican administration for something like 20 years. Last fall the Democrats won and took office in January. It is of outstanding and singular significance that when the change took place, *not one single employee* out of 3,500 in the Oregon Highway Department lost or changed his position. From the Chief Engineer on down—not one single employee! Such an atmosphere is the essence of career employment based on merit. Political patronage is not evil: but it is the very emblem of inefficiency and it is stupid. Of this you can be sure: if we had been making appointments based on political factors in the years prior—the Democrats justifiably would have made some changes when they came in.

The great goal of personnel administration is efficiency, so let's talk about civil service again.

The January 1953 issue of *Fortune* magazine carried an article

"The Little Oscars and Civil Service". Talking primarily of federal civil service, a salient point of the article reads:

"Civil Service, with its mushrooming, was bound to produce inefficiencies. Started more than seventy years ago to end the old spoils system, civil service has not only fallen somewhat short of that mission, it has; as the National Civil Service League points out, produced 'a larger breed of dragons—the evils of improper and inadequate administration . . .'"

Interesting is *Fortune's* suggestion of an important means of solution:

"The various departments and agencies should be given more responsibility in recruitment, examinations, training and handling personnel transactions. The Commission should probably be left free to develop more as an advisory body to agency personnel men, and as a court of last appeals for workers who think they have had a raw deal."

So, that puts us right back in the highway departments—with civil service properly serving, if they will, as an advisory board and a court of appeals.

As the Highway Research Board suggested, in a large organization such as a highway department, you need a personnel division. And that does not mean setting up a personnel man in a corner somewhere with a wastebasket and a set of files. He should represent the administrative heads of the department, and he should be given what approximates line authority to accomplish the policies and goals of the management.

Any agency worth its salt should have a statement of personnel policy or intent written down somewhere. And substantiating this general statement of intent should be a body of rules and regulations available to all employees so that they will know both their obligations and rights.

Good personnel administration, I think, consists of about 25 per cent records, forms, and techniques; and about 75 per cent public, supervisory, and employee relations.

Records

Records are basic. We have in our Personnel Division machine control of all records. For six-month and annual salary increases we have eliminated the manual preparation of personnel actions entirely. There are three data cards for each employee; the records are handled on high speed electrical tabulating equipment. We can, for example, sort and machine print in a few minutes a list of all

resident engineers who have indicated an interest in rotation to District Maintenance Superintendent positions; or we can get a summary, in short order, of the name, location, and *interest* of every young graduate engineer in the state. About three years ago we were required to determine an order of layoff for one of the Divisions. The electric computer "read" the information from our key punched cards, computed a combined total score consisting of length of service and efficiency score; an electric sorter put the cards in order of score by class; and the tabulating machine then "read" the cards and printed for us the names, classification, location, etc., of all the employees concerned in that division in *proper order of layoff*—and did it in an hour and a half! Next month the Department is getting an IBM 650 Electronic Computer, which should open new vistas of personnel record control.

Vital to a good personnel program is a position classification plan so that: (1) an undifferentiated mass of individual positions can give way to a much smaller group of classes; (2) groups of positions of reasonable similarity can be treated alike for purposes of pay; and (3) recruitment standards can be established and training conducted in an orderly fashion.

No element of the career service is more important than the recruitment policy. Written and unassembled examinations should form the base; with careful interviewing, reports from previous employers, and trial service on the job as the final test.

A good merit rating system has a salutary effect, since a proper approach gives the individual a chance to come into his own. He realizes that his merits are recognized, that good service is appreciated, and he may further become aware of traits and habits that deter progress in his career. There are in existence at least 100 different rating forms. In our organization the form is one we developed ourselves and is of the graphic scale, performance trait type. It has been adopted by several cities, counties and other state agencies in Oregon. It is initiated by the immediate supervisor; his rating is reviewed and adjusted by at least two higher supervisors. The Personnel Division then adjusts all scores statistically to conform to a predetermined average and fixed deviation from this average. The efficiency rating is used to determine eligibility for salary increases, to determine order of layoff, and as part of the score in promotional examinations. All new employees are rated on a special form at the end of six months service to determine if they are to be retained as regular employees. Candidates failing to meet the proper standards by trial on the job are terminated.

When an agency finds it impossible to obtain the particular skills it needs in the necessary numbers, training programs are required to fulfill that need. Furthermore it is basic that an individual's aptitudes be advanced for his highest potential in the organization. Every effort is made to give additional training to engineers in our organization through rotation and by regular academic training such as an annual course "Review of Civil Engineering" which we give in preparation for professional registration. The Highway Department shares the tuition with any employee taking a course related to his work. Last summer, 117 undergraduate engineering students were employed under our "work-study" program.

One of the most important aspects of personnel policy is that relating to promotion. If there is a good base from which to promote, then it is best to have a strictly closed promotion system. When higher positions are filled from employees already in the service, good morale and efficiency in operations are bound to result. We do not, for example, fill any position of resident engineer from the outside. It is always by promotion.

Human Relations

I said earlier that 75 per cent of personnel administration consists of human relations. Employee relations is a subtle process. It can be classified along with intangible assets and is of the same nature as "good will" in business. It consists primarily of good communications; a recognition of the dignity of the human being; and an emphasis upon supervisory responsibility for personnel management.

Good communications are of highest importance. Employees must be told what is going on or they will get a distorted version from the "grapevine."

In this matter of getting the word to people, there is a story I like. In 1779, Capt. John Paul Jones took a great British man-of-war with his little vessel, the *Bonhomme Richard*. It was a lop-sided battle. Before long the American ship was a shambles—guns broken, decks afire, dead and wounded men lying everywhere.

The British Captain called over to ask if they were ready to surrender. John Paul Jones drew himself up and uttered his famous words, "Sir, I have not yet begun to fight!"

At this point, a wounded sailor raised his head from the bloody deck and sadly murmured, "Always . . . somebody don't get the word."

Like most things, human relations must be kept in proper perspective. As can happen to any good cause, the "human relations"

pendulum has swung too far and has given rise to a "cult" or "fad"—almost ranking in intensity with that other current business fad—"executive development." Human relations has become a fashionable mode of thinking, and as is often the case with a fashion, this can lead to the point where it is accepted without question. This in turn can be dangerous when we are dealing with such an important element as work behavior.

Malcolm P. McNair in the current issue of the *Harvard Business Review* relates that some of these "fadists" in human relations have even perfected what is called "listening", including such standard conversational gambits as "This is what I think I hear you saying", or "As I listen, this is what I think you mean."

"No doubt", McNair observes, "there are times when a silent reaction of this kind is appropriate, but if the human relations practitioner makes such phrases part of his conversational repertoire, there are times when these cute remarks may gain him a punch in the nose. Sometimes people damn well mean what they are saying and will rightly regard anything less than a man-to-man recognition of that fact as derogatory to their dignity."

The durable type of human relations has no connection with the prevalent sweetness of light, paternalistic, "do-gooder" fad. It has, rather, a certain durable, hardheaded recognition of the factors which motivate people at work. It has been definitely established that soundly based human relations increases productivity. Team spirit is more than something whipped up at a pep rally; it can be analyzed and it can be created by systematic procedures.

We all know these factors. They have been spelled out many times, and are based on cultivated common sense. We know, for example, that people like to work in an atmosphere of approval. They like to be praised rather than blamed. They do not like to have to admit their mistakes publicly. They like to know what is expected of them and where they stand in relation to their boss's expectations. They like to have some warning of the changes that may affect them. They like to feel independent in their relations to the supervisors. They like to express their feelings to the supervisor without being misunderstood. They like to be listened to and have their feelings and points of view taken into account. They like to be consulted about and participate in the actions that will personally affect them. Employees, like most people, want to be treated as belonging to and being an integral part of some group.

You can go a long way in your organization if you make your employees truly a part of the group.

The focal point of human relations is the line supervisor. It is found that the better supervisors are good team workers; they practice personnel counseling; they communicate to others and listen to workers. On the other hand they are also disciplinarians, without being martinets. The good supervisor does not avoid taking disciplinary measures when the occasion demands. He does not allow people to get away with violations merely to avoid hard feelings. He can be firm in dealing with people when necessary, and he will not put up with poor work in order to avoid disciplining a subordinate.

To summarize: the striking thing about the art of personnel management is not the vast areas of what is unknown, which many are fond of emphasizing, but the degree to which *what is known is not used*.

It is appropriate to close with the words of Winston Churchill in regard to the English career service:

"Powerful, incorruptible, anonymous, the civil service of this country discharges a function which is invaluable and without which immediate disaster would overtake any administration that attempts to carry on the business of the state. In all this quick moving life what a vital thing it is to have some instrument which is thinking not in days or in months or in parliaments, but is thinking of the affairs of the British Empire in terms of a whole lifetime."

That describes, too, the place of good personnel administration in the affairs of modern highway development.