Dramatic Reform in the Public Service: At-Will Employment and the Creation of a New Public Workforce

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ABSTRACT

As is widely known, the state of Georgia transformed its civil service system in the mid-1990s. A new performance management and pay-for-performance plan was put into place, and authority for personnel policy was significantly decentralized, but perhaps most notably, all employees hired or promoted after July 1, 1996, were placed in the state's unclassified service where they were required to serve on an at-will basis. In stark contrast, state workers hired into their positions earlier continued to enjoy an array of job protections and appeals rights as members of the traditional classified service. This article seeks to understand the impact of such dramatic public service reform on the attitudes of employees. A survey of unclassified (at-will) and classified employees conducted four years after the reforms revealed generally negative views toward the array of changes in the state's personnel policies, but interestingly, unclassified employees were significantly less negative about the full range of reforms than their classified co-workers, even when differences in age, tenure, and other factors were held constant.

Advocates for public management reform have frequently identified traditional civil service structures and their associated rules and regulations as prime targets for administrative change, with the objective of establishing more "efficient" and "responsive" personnel systems. For the past decade or more, these reform efforts have relied to a significant degree on selected elements of the new public management and public choice theory. Approaches to administrative reform that stress the decentralization and deregulation of personnel authority, the augmentation of managerial flexibility, and the adoption of market-oriented strategies for dealing with management problems have been featured prominently. Recent reform efforts within the federal civil service exemplify this trend. In general, the emphasis is on reducing regulatory barriers to management's discretion,

The authors wish to express gratitude to Larry O'Toole, Hal Rainey, and the anonymous reviewers for useful suggestions for this article. Address correspondence to J. Edward Kellough at kellough@uga.edu.

doi:10.1093/jopart/mui052 Advance Access publication on July 27, 2005 © The Author 2005. Published by Oxford University Press. All rights reserved. For permissions, please e-mail: journals.permissions@oupjournals.org. furthering supervisory effectiveness through new performance management techniques, and promoting executive control of "the bureaucrats."

The civil service and its associated procedures are the objects of reform because they are positioned at the core of public management and offer abundant opportunities for symbolic and instrumental change. Government, of course, is labor-intensive. As a consequence, the system by which we work to secure a competent, effective, and neutral civil service is enormously important. The outcomes of public programs and general perceptions of government efficacy are at stake. For these reasons, reformers have often argued that higher levels of government performance will be within our reach only when "outmoded" and "counterproductive" civil service rules and procedures are swept away. Whether well founded or not, the indictment against the civil service is long and familiar. It includes charges of inefficiency, inflexibility, a failure to carry out program mandates effectively, and a lack of responsiveness, both to executive leadership and to the public. The list of potential solutions advocated within the new public management and reinventing government literatures is equally well known and includes decentralization, deregulation, de-bureaucratization, customer service, managing for performance, privatization, and merit pay (see, for example, Barzelay 1992; Gore 1993; Hays 1996; Kearney and Hays 1998; Kettl et al. 1996; National Commission on the State and Local Public Service 1993; Osborne and Gaebler 1992; Osborne and Plastrik 1997; Savas 2000; Thompson 1994; Thompson and Radin 1997).

REMOVING CIVIL SERVICE JOB PROTECTIONS

Perhaps the most dramatic step advocated by proponents of civil service reform is the elimination of job protections for public employees. When job protections are abolished, a historic pillar of traditional merit systems, that is, the relative security of tenure in public employment, is abandoned. The concept of security of tenure within the civil service can be traced back at least to the federal Pendleton Act of the late nineteenth century and is built largely on an assumption that such protection is needed to ensure politically neutral competence within the career public workforce. Job protections shield public employees from political pressure or retribution and thereby, it is argued, help to secure an effective public service. Nevertheless, the goal of reformers who seek to eliminate job security for public workers is to arm managers with flexibility across a wide range of matters, ranging from dealing with poorly performing employees to enforcing the responsiveness of the bureaucracy to executive leadership. This reform redefines the relationship between public employees and their employers by allowing for at-will termination without the protection of procedural due process.

In the 1990s the governor and the legislature of the state of Georgia enthusiastically embraced a far-reaching agenda for civil service reform that included the decentralization of authority for personnel policy and the creation of a significantly expanded at-will employment system for state workers. These changes attracted considerable attention across the nation and represented a fundamental shift in public management in the state. A central question yet to be addressed, however, is whether the establishment of a broadly defined at-will employment system produced a different type of workforce than what had existed earlier in terms of employee attitudes or perceptions that may form the basis for subsequent behaviors. One way of approaching that question is to determine whether employees with no job protections or security have reacted to the variety of new managerial

structures associated with the Georgia reforms differently than employees shielded by traditional merit system procedures.

This article addresses that issue through the analysis of data from a survey of Georgia state employees administered after the reforms had been in place for four years. A range of other findings from this survey has been reported earlier (Kellough and Nigro 2002; Nigro and Kellough 2000). Here, we focus on a comparison between the attitudes of employees who have no job protections and those who retained traditional civil service status. Differences in the responses of these two groups are examined along with possible explanations and implications for public management.

THE GEORGIA REFORMS AND "AT-WILL" EMPLOYMENT

The managerial overhaul of Georgia's civil service involved two distinct events. Implementation of a new performance management system, optimistically labeled Georgia Gain, was the first action. Reform proponents working primarily for then governor Zell Miller hoped that GeorgiaGain would increase employee morale, effort, and productivity by providing supervisors with the "state-of-the-art" performance management tools considered necessary to achieve high levels of effectiveness and efficiency. They placed the system into operation in 1995 and 1996 through executive action. Records from the time indicate that the reformers intended GeorgiaGain (later renamed "Performance Plus" to recognize the addition of a bonus feature) to be a comprehensive refurbishing and modernizing of selected human resources management policies and practices. The reform was built around a pay-for-performance system with variable pay increases used to differentially reward diverse levels of performance. A new performance appraisal process tied to job-related performance standards accompanied the pay-for-performance concept. Also, in support of this new approach to pay, the reformers implemented a classification plan involving a substantial reduction in the number of pay grades and more market-competitive midpoints and entry-level salaries for each grade.

The second reform took place in early 1996 with the passage of new civil service legislation that was supposed to achieve higher levels of bureaucratic responsiveness to executive leadership and raise civil servants' productivity by streamlining personnel management procedures and eliminating job protections for all employees selected or promoted after July 1, 1996 (Senate Bill No. 635, State of Georgia 1996). This change created the state's expanded at-will employment system. Employees may be terminated under that system with or without cause provided that termination is not carried out for illegal discriminatory reasons or as an attempt to prevent an employee from exercising constitutionally protected rights. Reform advocates argued that this change would significantly streamline termination proceedings because notification of pending action and an opportunity for employees to respond to charges prior to discharge would no longer be necessary.

Legally, at-will employment was established through the elimination of the property interest in employment that state workers had previously enjoyed. In traditional civil service, an employment property interest exists when an employee has a reasonable expectation of continued employment provided his or her performance is satisfactory. The government creates such an interest when it promises employees, through merit system statutes or otherwise, that they will be terminated for just cause only. When a property interest is established, constitutionally mandated procedures for termination must be followed because the Fifth and Fourteenth Amendments prohibit government from taking

property without "due process of law." In termination proceedings, this requirement means at a minimum that there must be prior notice and an opportunity for employees to respond to charges before discharge occurs. Employees hired into their current positions in Georgia before July 1, 1996, have retained those civil service protections and now compose what remains of the state's classified service. Employees covered by the reform legislation, that is, those hired or promoted after July 1, 1996, have no property interest in their employment and are referred to as unclassified employees. Needless to say, the proportion of the state workforce in unclassified relative to classified positions has grown steadily over the past several years and by 2004 reached more than 70 percent.²

The Georgia legislation also contained a number of administrative reforms that emphasized the decentralization and deregulation of human resources management. This aspect of the reform gave state agencies broad discretion and flexibility in structuring their personnel systems. The reformers hoped, among other things, that this change would encourage agencies to implement simplified recruiting and hiring processes tailored to their specific needs and circumstances. Further, reform proponents expected that this reform would, in combination with at-will employment, allow agencies to significantly expedite previously cumbersome termination and associated appeals procedures and would permit agencies to establish personnel policies that supported timely and effective responses to executive leadership and policy priorities. The decentralizing thrust of the legislation was especially clear in that it gave state agencies full responsibility for (1) defining job classes that are unique to each agency and setting qualifications and pay ranges for those classes, (2) allocating all agency positions to defined job classes, (3) recruiting and screening applicants for job vacancies, and (4) developing policies needed to ensure compliance with all applicable employment-related state and federal laws (State of Georgia 1996, 685–86).

Although the reform was strongly endorsed by Governor Miller and enacted into law very quickly by a compliant state legislature, no one involved in the reform effort contemplated any systematic attempt to assess its consequences. For all practical purposes, they simply assumed that the establishment of an at-will workforce and other aspects of the reform would achieve their specified objectives. Whether that assumption is valid, of course, is a matter for empirical analysis.

SURVEY METHODOLOGY

We conducted a mail survey of Georgia state employees (supervisors and nonsupervisors) that was designed to obtain information on employees' views of key elements of *GeorgiaGain* and the 1996 reform legislation during the first quarter of 2000. In order to formulate items for the survey, we consulted with the staff of the state's central personnel agency, the Georgia State Merit System, and reviewed available documents and commentaries on the specific reforms under study. Four focus group discussions also were held with supervisory and nonsupervisory employees in an effort to ensure that the survey did not overlook important issues.

¹ See Cleveland v. Loudermill, 470 U.S. 532 (1985).

² Only approximately 14 percent of the state's workforce were in unclassified positions prior to the reforms. By the year 2000, unclassified employees held about 33 percent of the state's jobs. The unclassified portion of the workforce had grown to approximately 66 percent by the year 2002.

We employed a stratified random sampling methodology. Simple random samples of 2,542 nonsupervisory personnel and 452 supervisory personnel were drawn from data files maintained by the State Merit System. Each of these samples comprised approximately 5 percent of their respective populations. The subsamples were combined to produce a total sample of 2,994 employees. An overall response rate of 68.02 percent was achieved (1,948 useable completed surveys out of 2,864 from the sample with valid addresses). For supervisors, the response rate was 80.36 percent or 356 of 443. For nonsupervisory personnel, the response rate was 65.75 percent. For a survey of this type, these response rates are excellent and allow for substantial confidence in the validity of the findings.³ Regarding factors or characteristics such as employing agency, supervisory status, race, sex, and age, those who responded to the survey were highly representative of the original random sample of state employees that was provided by the State Merit System.

Survey questions asked respondents to register their agreement or disagreement with a number of statements describing the Georgia reforms and their impact. A six-point Likert scale was utilized in which respondents were asked if they "strongly agree," "agree," "slightly agree," "slightly disagree," "disagree," or "strongly disagree" with specific statements. No neutral response category was permitted in order to preserve consistency with an earlier survey conducted for the Georgia State Merit System in 1993. In addition, in order to reduce response biases, survey questions were constructed so that agreement would in some instances signal a positive view of the reforms and in other instances would suggest a negative perception of the reforms. Subsequent analysis focuses on the impact of the creation of a public workforce employed at will. Our primary concern is with the question of whether employees holding unclassified (at-will) positions exhibit views of the various administrative reforms that are different from those of employees occupying classified positions and whether any differences in the viewpoints between these groups are attributable to the at-will status of the unclassified workers, as opposed to being artifacts of other characteristics of the employees. In other words, do we have different kinds of employees, in terms of attitudes toward reforms designed to augment managerial authority, as a result of at-will employment?

Because our data were collected prior to numerous political and economic changes that have occurred recently, they help us to isolate the effects of the Georgia at-will employment system. For example, the Republican Party, for the first time since post—Civil War Reconstruction, won the governorship and control of the state Senate in the 2002 election. Republicans also gained control of the state House of Representatives in the election of 2004. The effects of these dramatic political changes could be expected to interact with or add to any observed effect of the at-will reform. Furthermore, the state of Georgia, along with the rest of the United States, experienced a substantial economic downturn in the years immediately following the collection of our data. During that time, state employees received no pay increases for two and a half years. That development obviously negatively impacted the implementation of the state's new pay-for-performance system and may well have influenced employee attitudes toward other aspects of the reform package as well. The analysis conducted here permits an assessment of the Georgia at-will reform without the confounding effects of these external events.

For specific questions with response rates similar to the overall survey response rate (which was characteristic of most questions), the statistical margin of error was slightly more than plus or minus 1 percentage point.

Additionally, the results from this study should help to inform discussions of the implementation and possible impact of similar reforms that have been enacted or contemplated in other jurisdictions. As is widely known, Florida moved all state employees in managerial or supervisory positions to at-will status in 2000 (Bowman, Gertz, Gertz, and Williams 2003), and advocates for comparable changes have been active in a number of other states as well. In fact, in a recent study Hays and Sowa (forthcoming) found that a majority of the states are expanding at-will employment and are otherwise working to limit public employee rights. At the federal level the George W. Bush administration endorsed at-will employment, although it faced union opposition and was ultimately unable to achieve the change when new personnel systems for the Departments of Homeland Security and Defense were established. These developments all highlight the importance of a fuller understanding of the potential impact that at-will employment will have on the public service.

FINDINGS

Tables 1 through 5 present employee perceptions of major post-reform personnel practices. As the tables show, on many of the issues Georgia employees as a whole exhibit significant pessimism. Classified and unclassified employees differ significantly, however, on most of the statements listed, and their differences are almost always in a direction indicating that unclassified employees are more positive (or less negative) about the new personnel procedures than are classified employees. Of the thirty instances (from the total of forty items presented) where classified and unclassified employees show significant differences, unclassified employees express more positive or supportive attitudes twenty-nine times.

Turning specifically to table 1, we find employee reactions to three statements about working for the state of Georgia in the period following the reforms. Overall, approximately 61 percent indicated that they would recommend employment with the state to family members and friends. While this finding indicates that a majority of the respondents would endorse working for the state, it is also apparent that approximately four years after the 1996 reforms were initiated, nearly 40 percent would not recommend Georgia as an employer. Interestingly, almost 70 percent of the unclassified workers surveyed endorsed Georgia as an employer, but only approximately 56 percent of classified employees did so. In response to the statement, "I do not trust my agency to treat me fairly," responses are somewhat more discouraging. More than 54 percent of the employees surveyed agreed with that statement. Classified (protected) employees were more likely to agree with that statement than were unclassified workers, but approximately 48 percent of those in unclassified positions agreed. When asked if senior agency management appreciated employees as valuable assets, only 34 percent of all employees agreed. Again, however, classified and unclassified workers differed significantly with those in unclassified positions being more positive than employees in classified jobs. Forty percent of the unclassified workers agreed with this statement compared to only 31 percent of the classified workforce.

This general response pattern continues for the items listed in table 2, which presents employee perceptions of the individual performance evaluation process as it operated under the *GeorgiaGain* system at the time of the survey. Once more, respondents show

⁴ In tables 1–5, the survey response categories "strongly agree," "agree," and "slightly agree" are combined into a single response category reflecting agreement with the statements presented.

Table 1Classified and Unclassified Employee Perceptions of the State of Georgia as an Employer (percentage agreeing with survey item)

	Classified	Unclassified	All Employees
1. I would recommend employment with the State of	56.6	69.4***	60.9
Georgia to family members and friends.			
(N = 1,897; mean = 3.72, SD = 1.5880)			
2. I do not trust my agency to treat me fairly.	57.8	47.9***	54.5
(N = 1,897; mean = 3.59, SD = 1.584)			
3. State employees are appreciated as valuable assets by	31.0	40.5***	34.2
senior agency management.			
(N = 1,879; mean = 2.82, SD = 1.480)			

largely negative perceptions of many of the specific issues addressed. For example, item 11 indicates that nearly 86 percent of the state's employees indicated that they believed that management imposed quotas or limits on the number of higher-level performance ratings that may be allocated. Item 9 reveals that almost 76 percent agreed with the statement, "Office politics has more to do with performance ratings than actual performance on the job."

As before, however, we find that on the items illustrated in table 2, unclassified employees express less pessimism than their classified counterparts. Significant differences in the responses of unclassified and classified employees are found on all but two of the items listed. For example, approximately 73 percent of the unclassified workers agreed with the statement, "Performance appraisal discussions are useful in helping me improve my performance," but less than 59 percent of the classified employees expressed such sentiment. In addition, nearly 78 percent of those in classified positions agreed with the statement, "Office politics has more to do with performance ratings than actual performance on the job," while 71 percent of the unclassified workers agreed. These findings suggest that unclassified employees are less cynical about the performance appraisal process, although obviously a very large majority of them still expressed concern that it was not effective. It is also worth noting that nearly 58 percent of the unclassified employees agreed with the view that "performance appraisals in my work group are conducted fairly," while a minority of only 46 percent of the classified work force expressed such agreement.⁵

Other items in table 2 exhibit similar patterns with the exception of reactions to the statement, "Performance ratings of better than 'met expectations' are rotated among employees who deserve meaningful pay raises" (item 10). That statement failed to achieve majority support from either group, although a larger share of the unclassified workers expressed agreement (37.3 percent) than those in classified positions (31.8 percent). In this case, assuming that the rotation of higher-level performance ratings among employees is undesirable, it would seem that the unclassified workers were more negative than their classified colleagues. It may be, however, that unclassified employees tended to believe that rotation of higher performance ratings represented greater equity or fairness.

^{***}p < .001.

Table 2Classified and Unclassified Employee Perceptions of the Performance Evaluation Process (percentage agreeing with survey item)

	Classified	Unclassified	All Employees
1. My immediate supervisor works with me to set performance	50.3	58.3***	53.0
goals and targets.			
(N = 1,905; mean = 3.48; SD = 1.648)			
2. On my job I know what is expected of me.	86.4	87.2	86.7
(N = 1,898; mean = 4.75; SD = 1.193)			
3. My supervisor is able to accurately determine different levels of	51.6	61.3***	54.8
employee performance.			
(N = 1,897; mean = 3.57; SD = 1.601)	506	72.9***	62.4
 Performance appraisal discussions are useful in helping me improve my performance. 	58.6	72.9	63.4
(N = 1,892; mean = 3.83; SD = 1.520)			
5. I understand how my supervisor evaluates my performance.	59.4	66.7***	61.8
(N = 1,895; mean = 3.74; SD = 1.551)	0,	00.7	01.0
6. My supervisor's evaluation provides feedback that often helps	48.4	59.5***	52.1
me improve my job performance.			
(N = 1,896; mean = 3.44; SD = 1.544)			
7. Performance Management Forms (PMFs) are useful because they	48.8	60.8***	52.8
can be used to identify real performance objectives for my job.			
(N = 1,875; mean = 3.41; SD = 1.514)			
8. I believe my supervisor rated my performance as "exceeded" or	54.7	54.5	54.6
"far exceeded" expectations, but that rating was changed to "met expectations" by higher management due to budgetary			
constraints.			
(N = 1,817; mean = 3.78; SD = 1.840)			
9. Office politics has more to do with performance ratings than	77.8	71.4**	75.7
actual performance on the job.	,,,,	,	,
(N = 1,860; mean = 4.51; SD = 1.546)			
10. Performance ratings of better than "met expectations" are	31.8	37.3**	33.6
rotated among employees who deserve meaningful pay raises.			
(N = 1,789; mean = 2.92; SD = 1.640)			
11. I believe that management has imposed "quotas" or limits on	87.3	82.6**	85.8
the number of performance ratings above "met expectations."			
(N = 1.838; mean = 4.98; SD = 1.393)	45.0	~ ~ ~ ~ ~ 	40.0
12. My most recent performance rating accurately reflected my	45.8	55.5***	49.0
performance. $(N = 1,873; \text{mean} = 3.37; \text{SD} = 1.704)$			
13. Performance appraisals in my work unit are conducted fairly.	46.0	57.7***	49.8
(N = 1,859; mean = 3.31; SD = 1.613)	40.0	37.7	47.0
14. My supervisor really doesn't know enough about what I am	46.6	41.2***	44.8
doing to evaluate my performance accurately.			
(N = 1,896; mean = 3.30; SD = 1.704)			

^{**}*p* < .01; ****p* < .001.

Table 3Classified and Unclassified Employee Perceptions of the Pay-for-Performance System (percentage agreeing with the survey item)

	Classified	Unclassified	All Employees
1. The pay-for-performance system set up by GeorgiaGain	24.5	36.2***	28.4
is a good way to motivate employees.			
(N = 1,885; mean = 2.53; SD = 1.566)			
2. There has been too much stress on money as an incentive	55.6	45.1***	52.1
and not enough on other sources of motivation.			
(N = 1,850; mean = 3.50; SD = 1.666)			
3. My pay is based on how well I do my job.	20.4	22.3	21.0
(N = 1,890; mean = 2.35; SD = 1.429)			
4. There is a lot of conflict between employees over annual	53.7	51.7	53.1
pay raises in my work group.			
(N = 1,876; mean = 2.35; SD = 1.632)			
5. Favoritism is a problem for the pay-for-performance	72.1	61.2***	68.5
program in my agency.			
(N = 1,874; mean = 4.27; SD = 1.683)			

This general pattern of responses continues for the items presented in table 3, which display employee perceptions of the state's use of pay for performance. For example, after four years of experience with the new system, only 28 percent of the workforce agreed that *GeorgiaGain* was a good way to motivate employees, and only 21 percent agreed that their pay was based on how well they did their jobs. These findings are remarkable given that the state had invested heavily in designing and implementing its pay-for-performance system. More than 68 percent of all state employees thought favoritism was a problem with regard to the distribution of pay raises in their agencies. A majority of respondents also found that there was too much stress on money as an incentive as opposed to other incentives and that there was a lot of conflict among employees over annual pay increases. Clearly, these are not the kinds of perceptions one would hope for following the implementation of a new and much touted pay-for-performance program. In three of the five items presented, however, unclassified employees are significantly less negative than their classified colleagues.

Table 4 looks specifically at employee perceptions of agency training and development programs that were undertaken following initiation of the civil service reforms. Again, employee perceptions are largely pessimistic. The most positive response was that 63 percent agreed that it was possible to identify employee weaknesses and related training needs during the performance development process. Notably, only 46 percent agreed that the state offers them enough training to grow and develop, and no more than 37.4 percent agreed that adequate resources and opportunities for career development are available in general. But again, on three of the five items listed, unclassified employees are significantly more positive than classified workers.

Table 5 presents employee perceptions of the 1996 civil service reform legislation. Here we also find generally disapproving attitudes on the part of the state's workers. For

^{***}p < .001.

Table 4Classified and Unclassified Employee Perceptions of Training and Development Programs (percentage agreeing with survey item)

	Classified	Unclassified	All Employees
1. It is possible to identify employee weaknesses and related training needs during the performance development process. (N = 1,900; mean = 3.72; SD = 1.414)	59.7	69.8***	63.0
 2. There is a lot of effective teaching, training, and coaching of subordinates by my supervisor. (N = 1.906; mean = 2.82; SD = 1.548) 	31.5	41.1***	.6
3. Training is identified in performance development plans and is available to employees in my agency. (N = 1,890; mean = 3.35; SD = 1.547)	47.3	55.9**	50.1
4. The state offers me enough training to grow and develop. $(N = 1,902; \text{mean} = 3.351 \text{ SD} = 1.557)$	46.9	44.4	46.1
 5. Adequate resources and opportunities for career development are available to state employees. (N = 1,879; mean = 2.92; SD = 1.512) 	36.5	39.2	37.4

example, more than 68 percent of the employees surveyed agreed that there had been "little if any real change" in the human resources practices in their agencies following the enactment of the civil service reform law. In addition, only relatively small proportions believed that the reform legislation had made the state workforce "more productive and responsive to the public," that their agencies had established "effective" human resources programs under the law, or that their agencies had made "good use of the greater discretion" granted by the law. Alternatively, large proportions of the workforce agreed that the civil service reform law "made it easier to fire employees" (75.9 percent) and that "leaving a classified position for an unclassified position is a very risky step" (79.9 percent). More than 70 percent agreed also that "now there is no job security in state employment." As before, on most of these issues there are statistically significant differences between classified and unclassified employees, with unclassified employees expressing less negative attitudes than classified workers.

Obviously, the disparity between classified and unclassified employee perceptions of the Georgia civil service reforms requires closer examination. It may well be that observed differences are, at least in part, a result of the fact that most of the unclassified employees at the time of the survey had been hired since the reforms took effect and as a consequence had worked for the state for only four years or less. Because those employees had less tenure with the state, they may have been less inclined in general to be disparaging of the civil service reforms and the state as an employer. It may also be the case that the age of the respondent is an important factor. Many of the respondents in the unclassified service were relatively young, while those in the classified service were older. The effects of other variables, including race, gender, level of education, and whether the respondents were

^{**}*p* <.01; ****p* < .001.

Table 5Classified and Unclassified Employee Perceptions of the Civil Service Reform Legislation (percentage agreeing with the survey item)

agreeing that the survey teamy			All
	Classified	Unclassified	Employees
1. The provisions and purposes of the civil service reform law have been clearly communicated to state employees like me. $(N = 1,870; \text{mean} = 2.92; \text{SD} = 1.524)$	36.3	39.5	37.4
2. The civil service reform law has made the state workforce more productive and responsive to the public. (N = 1,798; mean = 2.57, SD = 1.247)	21.9	26.8**	23.5
3. The civil service reform law has made it easier to fire employees. $(N = 1,814; \text{ mean} = 4.32; \text{ SD} = 1.495)$	75.4	76.9	75.9
 4. There has been little if any real change in the human resources practices of my agency since the civil service reform law was enacted. (N = 1,773; mean = 4.01; SD = 1.495) 	70.3	64.1*	68.3
 5. I believe my agency has made good use of the greater discretion it has under the civil service reform law. (N = 1,710; mean = 3.17; SD = 1.331) 	39.2	50.2***	42.8
6. Under authority provided by the civil service reform law, my agency has established an effective human resources program. $(N = 1,708; \text{ mean} = 2.95; \text{SD} = 1.294)$	30.5	43.0***	34.6
 7. It has been possible to terminate low performers without major procedural delays in my agency. (N = 1,733; mean = 3.33; SD = 1.497) 	46.8	50.1	47.9
8. Classified state employees really don't have any more job security in my agency than unclassified employees. (<i>N</i> = 1,790; mean = 3.71; SD= 1.565)	62.4	39.5***	54.9
 9. Unclassified state employees tend to work harder than classified employees. (N = 1,781; mean = 2.46, SD = 1.423) 	9.8	44.1***	21.0
10. Because of the civil service reform law, I believe that now there is no job security in state employment. (N = 1,783; mean = 4.21; SD = 1.458)	70.0	71.2	70.4
 11. Leaving a classified position for an unclassified position is a very risky step. (N = 1,821; mean = 4.59; SD = 1.366) 	85.1	68.9***	79.9
12. The civil service reform law causes state employees to be more responsive to the goals and priorities of agency administrators. (N = 1,734; mean = 3.10; SD = 1.384)	38.5	44.4*	40.4
13. Under authority provided by the civil service reform law, my agency can hire highly qualified people in a timely manner. $(N = 1,756; \text{ mean} = 2.97; \text{ SD} = 1.417)$	34.6	44.1***	37.7

p < .05; **p < .01; ***p < .001.

in supervisory or nonsupervisory positions, could also be important since most have been shown to be related to perceptions of the reforms in various ways in earlier research (Nigro and Kellough 2000).

Multiple regression models were developed to control for these relationships while determining the impact of at-will employment on employee attitudes (see table 6). The unit of analysis is the individual survey respondent. Specifically, we regressed each of the items from tables 1 through 5 for which unclassified employees were significantly less pessimistic than classified employees (twenty-nine items), on the set of variables identified above. Model specifications are based, therefore, on previous work, theoretical understanding, and the availability of data. Notably, the classified/unclassified distinction retains significance in twenty-seven out of twenty-nine regressions. That is, for twenty-seven of the twenty-nine items examined for which there was an initial statistically significant difference between classified and unclassified employees, a respondent's status as classified or unclassified remained an important determinant of perceptions of the reforms, even when the effects of other variables, including length of tenure with the state, race, gender, age, level of education, and supervisory/nonsupervisory position, were controlled statistically.

In general, these results underscore the short-term and potentially long-term importance of at-will employment. It does appear to make a difference with respect to perceptions of the reforms if employees are in classified or unclassified positions, and the difference tends to be present regardless of length of tenure with the state, race, gender, age, and other variables. However, the absolute magnitude of the difference is not substantial in all cases. In addition, the r^2 values from the regression equations are small in many instances and range in value from .012 to .212, meaning that the model explains from slightly more than 1 percent of the variance in responses up to just over 21 percent, depending on the survey item examined. This pattern signals that the models are underspecified and other important variables are yet to be included, although there is no known reason to suspect that omitted variables have biased the coefficients on the variables included in the equations. We re-estimated the regressions presented in table 6 with twenty-seven dummy variables corresponding to distinct state agencies included in the models. We expected that employee responses to survey items could have been influenced by the manner in which the reforms were implemented at each agency, given that the

Survey responses (dependent variables) are coded as follows: strongly disagree = 1, disagree = 2, slightly disagree = 3, slightly agree = 4, agree = 5, and strongly agree = 6. The independent variables in the models are coded in the following manner: classified/unclassified: classified = 1, unclassified = 2; tenure with the state (i.e., length of employment): less than one year = 1, one to four years = 2, five to nine years = 3, ten to fourteen years = 4, fifteen to nineteen years = 5, twenty or more years = 6; race: white = 1, minority (i.e., African American, Hispanic, Asian/ Pacific Islander, multiracial, or Native American) = 2; gender: male = 1, female = 2; Age: eighteen to twenty-five years = 1, twenty-six to thirty years = 2, thirty-one to forty-five years = 3, forty-six to sixty years = 4, sixty-one years or older = 5; education: less than high school = 1, high school = 2, technical/vocational school = 3, two-year college degree = 4, four-year college degree = 5, master's degree = 6, doctoral degree = 7; supervisory status: supervisor = 1, nonsupervisor = 2.

The models were estimated with ordinary least squares (OLS) regression. Because OLS regression assumes an interval scale that would imply that there is an equal distance between response categories of the dependent variables, the equations were also estimated with ordered logit. The results from those models were the same as those for the OLS models with respect to the direction of the relationships and significance levels, except the classified/unclassified difference was only marginally significant for the statement, "Performance management forms are useful because they can be used to identify real performance objectives for my job." Readers who would like to see the ordered logit results may request them from the authors.

⁸ An additional agency category, "Other Agency," was left out of the models as a reference category.

 Table 6

 The Impact of Selected Variables on Georgia State Employee Perceptions of Post-Reform Personnel Practices (unstandardized regression coefficients)

	Independent Variables								
Dependent Variable	Unclassified	Tenure	Race	Gender	Age	Education	Supervisor	r^2	N
Perceptions of the State as an Employer:									
I would recommend employment with the state of Georgia to family members and friends.	.232*	174***	.314***	.275**	.209***	132***	090	.068	1,345
I do not trust my agency to treat me fairly.	392***	.016	.075	260**	054	.034	.052	.022	1,340
State employees are appreciated as valuable assets by senior agency management.	.236*	083*	.112	.136*	.120*	073**	213	.024	1,334
Perceptions of the Performance Evaluation Process:									
My immediate supervisor works with me to set performance goals and targets.	.295**	0008	136	.190*	086	001	.179	.018	1,345
My supervisor is able to accurately determine different levels of employee performance.	.248*	063	025	.205*	045	050	128	.021	1,341
Performance appraisal discussions are useful in helping me improve my performance.	.243**	209***	.578***	.044	.040	049	.066	.108	1,335
I understand how my supervisor evaluates my performance.	.265***	028	145	.196*	065	.014	.023	.018	1,342
My supervisor's evaluation provides feedback that often helps me improve my job performance.	.236**	121***	.300***	.200*	013	039	045	.048	1,343
Performance Management Forms (PMFs) are useful because they can be used to identify real performance objectives for my job.	.177*	168***	.452***	.228**	.030	050	166	.074	1,327
Office politics has more to do with performance ratings than actual performance on the job.	315***	024	097	207*	041	058*	.280*	.024	1,315
I believe that management has imposed "quotas" or limits on the number of performance ratings above "met expectations."	174*	.041	354***	133	058	025	169	.033	1,309
My most recent performance rating accurately reflected my performance.	.404**	.062	012	.252***	052	015	095	.016	1,330

Continued

Table 6 (continued)
The Impact of Selected Variables on Georgia State Employee Perceptions of Post-Reform Personnel Practices (unstandardized regression coefficients)

Independent Variables									
Dependent Variable	Unclassified	Tenure	Race	Gender	Age	Education	Supervisor	r^2	N
Performance appraisals in my work unit are conducted fairly.	.468***	043	034	.202*	069	.079**	170	.030	1,323
My supervisor really doesn't know enough about what I am doing to evaluate my performance accurately.	332**	038	039	113	.124	027	.029	.012	1,343
Perceptions of Pay for Performance:									
The pay-for-performance system set up by <i>GeorgiaGain</i> is a good way to motivate employees.	.218**	209***	.162	.033	038	079**	.024	.073	1,340
There has been too much stress on money as an incentive and not enough on other sources of motivation.	252*	.013	.116	.049	.136*	033	.009	.016	1,316
Favoritism is a problem for the pay-for-performance program in my agency.	454***	003	.107	361***	.032	.063*	.167	.036	1,331
It is possible to identify employee weaknesses and related training needs during the performance development process.	.212*	097**	.401***	.125	.061	046	044	.047	1,350
There is a lot of effective teaching, training, and coaching of subordinates by my supervisor.	.331***	046	.063	005	0002	053	091	.018	1,349
Training is identified in performance development plans and is available to employees in my agency	.266***	043	.308***	.058	.053	062	262**	.026	1,336
Perceptions of the Civil Service Reform Legislation:									
The civil service reform law has made the state workforce more productive and responsive to the public.	.090	151***	.120	.116	.052	141***	140	.065	1,290
There has been little if any real change in the human resources practices of my agency since the civil service reform law was enacted.	198*	017	198*	164*	.041	043	173	.019	1,272

Continued

Table 6 (continued)
The Impact of Selected Variables on Georgia State Employee Perceptions of Post-Reform Personnel Practices (unstandardized regression coefficients)

				Independer	t Variable	s			
Dependent Variable	Unclassified	Tenure	Race	Gender	Age	Education	Supervisor	r^2	N
I believe my agency has made good use of the greater discretion it has under the civil service reform law.	.298***	103***	037	.270***	.093	096	074	.047	1,247
Under authority provided by the civil service reform law, my agency has established an effective human resources program.	.263**	130***	.032	.144	.098	097***	.033	.052	1,236
Classified state employees really don't have any more job security in my agency than unclassified employees.	895***	.002	.053	.043	.005	055	.012	.078	1,308
Unclassified state employees tend to work harder than classified employees.	1.077***	156***	.357	135	.079	029	002	.212	1,292
Leaving a classified position for an unclassified position is a very risky step.	696***	009	.396***	030	085	018	.455***	.093	1,321
The civil service reform law causes state employees to be more responsive to the goals and priorities of agency administrators.	.028	128***	.592***	.121	.038	115	.051	.092	1,266
Under authority provided by the civil service reform law, my agency can hire highly qualified people in a timely manner.	.280**	065	.377***	.300***	.134*	083**	.216*	.064	1,277

reforms largely decentralized personnel authority to those organizations. In fact, many of the items on the survey asked respondents to reply in terms of their experience in their agencies.

In twenty-two of the twenty-nine newly specified equations containing the agency dummy variables, the classified/unclassified distinction remained significant, with unclassified employees, as expected, exhibiting more positive attitudes. The r^2 values increased only marginally, however, producing a range from .044 to .228, and the agency dummy variables were typically not significant. Indeed, in many of the models none of the agency variables were significant. In other models only one or two of the agency variables were significant, and there was generally no pattern to their effects. However, it is interesting to note that one of the larger agencies, the Department of Corrections, produced a significant coefficient in eight of the twenty-nine models, and in all but one of those instances, the direction of the relationship suggested that Department of Corrections employees were decidedly negative or pessimistic in their views of the reforms. It could be that additional work focusing on the implementation of the reforms at the Department of Corrections will prove interesting. The agency that produced the second-highest number of significant coefficients was the Georgia State Merit System (the central personnel agency for the state). In those instances, State Merit System employees were apparently quite mixed in their views, however. In three equations they tended to give positive responses, but in two others the coefficients were negative.

Because the expanded models do not produce better explanations for employee attitudes toward the reforms, and because the classified/unclassified distinction still seems to make a difference regardless of agency, we have presented only the more parsimonious models in tabular form (see table 6). Clearly, other factors are at work in shaping employee attitudes. To a considerable extent those attitudes may be quite idiosyncratic. But even with numerous other, seemingly important variables controlled statistically, including the employing agency, it still makes a significant difference on most of the issues addressed when an employee is in an unclassified as opposed to a classified position.

It should be stressed, however, that observed differences in the responses of classified and unclassified employees, indicating that unclassified employees are more supportive of or positive about the reforms, do not mean that unclassified workers in general think the reforms were a good idea or that the reforms have worked effectively. In fact, a review of the responses listed in tables 1 through 5 suggests that significant numbers of both groups are quite negative in their reactions to many items. For example, large majorities of both groups agreed with the view that management had imposed "quotas" on the number of performance ratings above "met expectations." Similarly, majorities of both groups disagreed with the idea that pay-for-performance is a good way to motivate employees and the suggestion that the reforms made the state workforce more productive and responsive (tables 3 and 5). Nevertheless, unclassified employees are consistently less negative than their classified colleagues.

Additionally, because the focus here has been on the significance of the broad expansion of at-will employment, one other concern should be mentioned. Reform opponents have feared that a shift of large numbers of employees to the unclassified service could lead to the abuse or manipulation of workers for political reasons. Relative security of tenure, it

⁹ Readers interested in examining specific results from the models that included agency dummy variables are encouraged to contact the authors.

should be recalled, was designed to prevent such mistreatment. An earlier analysis of this issue based on data from the survey utilized for this study provided no clear evidence to support that fear, however (Nigro and Kellough 2000). When asked if they had been "solicited by someone in authority to make a campaign contribution," only 3.8 percent of unclassified employees responded affirmatively. The exact same percentage of classified workers also responded that they had been solicited in that manner. Given the relatively small numbers involved, one might conclude that pressure to contribute to political campaigns was not a major problem. Similar results were found when employees were asked if they had been "asked to resign a position or transfer to another position on account of [their] political beliefs or political connections," except in this instance a slightly larger proportion of unclassified employees (2.6 percent) as opposed to classified employees (1.3 percent) said yes. This difference between the two groups was only marginally significant (p < .063). Somewhat larger levels of agreement were registered, however, in response to the statement, "I did not get a job, promotion, or job reward I was qualified for because of my political beliefs or the political connections of others." In this case, 9.1 percent of the unclassified employees agreed, and 10.7 percent of the classified workers agreed. As a result, viewed collectively these findings provide relatively little indication to suggest that unclassified employees are more likely to experience untoward political pressure than are classified workers. Of course, the U.S. Supreme Court has placed significant constitutional limitations on the ability of government to make personnel decisions on the basis of political partisanship, and those rulings have undoubtedly constrained patronage practices. 10 The frequency with which employees who responded to our survey perceive such abuse is rather low, but approximately 10 percent of all employees (both classified and unclassified) did report political pressure or abuse in at least one form. Trends in this area certainly deserve close attention. 11

CONCLUSION

The state of Georgia implemented a dramatic set of public management reforms in the mid-1990s. The reforms focused on the decentralization of authority for personnel policy, the establishment of a new performance management system built largely on the concept of merit pay, and most notably, the removal of civil service protections from employees and the establishment of a broad-based at-will employment system. In general, our results raise doubt that the reforms were successful in developing more effective personnel processes or more motivated public employees. Large majorities of classified and unclassified employees found that most of the measures that were implemented were not working as reform proponents had expected. We believe that this outcome raises a fundamental question of the relationship between theory and practice in public service reform. Simple theories of motivation or of organizational change may not be adequate. More careful thought must be given to what it takes to build a productive and dedicated public workforce.

¹⁰ See, Elrod v. Burns 427 U.S. 347 (1976), Branti v. Finkle 445 U.S. 507 (1980), and Rutan v. Republican Party of Illinois 497 U.S. 62 (1990).

The data reported here were collected, as noted earlier, before the shift in party control of the governorship and the state Senate from the Democrats to the Republicans in 2002 and the emergence of Republican control of the state House of Representatives in 2004. While this characteristic of the data helps to isolate the effects of being in a classified as opposed to an unclassified position, it would be interesting to collect more recent data to see if employee perceptions of the application of political pressure increased beyond the levels reported here following these changes in party control.

It does appear, however, that the expansion of at-will employment has had an impact on employee attitudes. Unclassified (at-will) employees consistently exhibit less negative views of the new personnel management structures in Georgia than their classified counterparts who enjoy traditional civil service protections. The assumption underlying the creation of an at-will workforce was that it would produce public employees who could be more effectively managed. Findings in this research suggest that some movement in that direction may have been achieved. Significant differences were found between unclassified and classified employees regardless of the length of time the workers had been with the state or their race, gender, age, level of education, supervisory status, or employing agency.

It is unclear precisely what may be causing unclassified employees to express less pessimistic attitudes than their classified colleagues. It may be the case that the more negative views of classified workers reflect a general feeling of resentment that the system in which they work and with which they have been familiar is being replaced. However, it may also be true that the lack of job security for unclassified employees, that is, the knowledge that they may be terminated at-will, has made them (unclassified employees) more cautious. Although survey respondents were guaranteed anonymity, employees who feel vulnerable may simply be less willing to express opinions that run counter to the position of the government. It is, of course, troubling to think that unclassified employees will exhibit a reluctance to express contrary views on a variety of policy issues. The absence of protections against arbitrary or otherwise unjust termination could, nevertheless, have such a chilling effect on policy debate or discussion within public agencies.

The significance of the findings presented here is magnified by the growing interest in at-will employment within the states. Hays and Sowa (forthcoming), for example, have documented a substantial decline in due process rights of state workers in recent months. In twenty-seven of forty-three states surveyed, numerous employees, the authors found, have been moved from classified to unclassified positions. In some cases the changes involved only a single agency or specific offices within an agency, but in other instances large segments of the state workforce were shifted to at-will status. The state of Mississippi provides a particularly interesting example. According to Hays and Sowa, "Pending legislation in that state would suspend all employee property rights for a twelve-month period. In other words, every state worker would instantaneously become an at-will employee, thereby allowing the governor [Haley Barbour] to reorganize, consolidate, hire, fire, and otherwise alter state government without the messiness of employee grievances and lawsuits" (Hays and Sowa, forthcoming). In this and other states, the motivation for reductions in public employee rights largely appears to be a concern for enhancing political executive control of the public workforce. Hays and Sowa (forthcoming) note that in Kansas, "Under its new governor, every 'top level position' that is vacated by retirement, promotion, or other means immediately becomes an at-will appointment."

In some states public employee unions have resisted civil service reforms (Hou, Ingraham, Bretschneider, and Selden 2000; Kearney, forthcoming, Kellough and Selden 2003), and in particular instances unions have mounted substantial opposition to efforts to expand at-will employment. The reform in Florida, for example, was limited to employees with supervisory responsibilities (nonunion workers) primarily because of public employee union opposition to the concept (Bowman, Gertz, Gertz, and Williams 2003). Similarly, at the federal level the Bush administration's push for at-will employment in the Departments of Homeland Security and Defense was opposed effectively by federal employee

unions. These examples suggest that this approach to civil service reform is most likely to be implemented where unions are weakest, although a strong union presence will certainly not preclude the expansion of at-will employment.

Obviously, the question of whether we should remove civil service protections from public employees is an important policy issue. Virtually all workers who responded to our survey saw the movement from a classified to an unclassified position as a personally risky step. In general, the results suggest that the formation of an at-will bureaucracy could produce a workforce that is more malleable and receptive to administrative changes and innovations that grant increased authority to managers and political executives. Implications for managerial authority and perhaps, ultimately, for the neutrality of the civil service are clear, but there is little indication that the work of the state will be better performed by at-will employees. It is interesting to note that only approximately 18 percent of the supervisors surveyed believed that unclassified employees made better workers than their classified colleagues (see table 5).

We must bear in mind also that the provision of due process rights for employees may not be the burden or drag on public organizations that some reform advocates seem to believe it is. Due process rights exist to protect employees from wrongful or unfair discharge. As such, those rights may operate to promote a greater sense of justice within organizations and a culture of trust between employees and their employers. Research suggests that employees who trust their organizations and believe that they will be treated fairly by them are more productive (Greenberg 1996; Murnighan 1993; Sheppard, Lewicki, and Minton 1992). Additional research on the relationship between civil service reform, perceptions of justice within public organizations, and subsequent employee performance could be a valuable line of additional inquiry.

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