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The Reinvention of Public Personnel Administration: An Analysis of the Diffusion of Personnel Management Reforms in the States

Reform is a common theme in American public administration. During the twentieth century at least 12 major administrative reforms have taken place at the federal level and countless others in state and local governments. Frequently, these reforms have addressed the operation of public personnel management systems. Recent efforts associated with the reinventing government movement, for example, have proposed numerous alterations to civil service rules and procedures, and many jurisdictions have implemented significant changes in their personnel practices. This article examines the extent to which these kinds of personnel reforms have been implemented by state governments. A reform index is developed to document the considerable variation among the states in their approach to personnel practices. Several state characteristics are associated with scores on this index, including legislative professionalism, which bears a positive relationship to reform, and the level of unemployment within a state and the proportion of state employees associated with public employee unions, which are both negatively associated with reform.

Administrative reform has been a common refrain in the history of American public administration. Governments periodically and regularly have undertaken administrative changes as they have struggled to find ways to continually improve public management and the delivery of public services. From the beginning of the twentieth century until its close, one can count as many as 12 substantial and highly visible efforts to reform federal administrative arrangements (about one every eight years on average), and, of course, there were ground-breaking reforms in the late nineteenth century associated with the initial implementation of merit principles (Hays and Kearney 1997; Ingraham 1992; Kellough 1998).[1] There have also been innumerable reform efforts in state and local governments (National Commission on State and Local Public Service 1993; Selden, Ingraham, and Jacobson 2001). Obviously, reform may be undertaken for political reasons as well as for more instrumental or managerial reasons (Kellough and Lu 1993; Thompson, Riccucci, and Ban 1991). Whatever the primary impetus, significant change in the administrative structure of government is often the result. Frequently, such effort has focuses on the public personnel system and the manner in which it is organized and operated.

The focus on personnel practices as the object of reform is not surprising given the central importance of personnel management to effective government operations

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(Ban and Riccucci 1997; Nigro and Nigro 2000). It is through the personnel function, after all, that agencies recruit, select, develop, pay, and (it is hoped) retain highly qualified employees. These public servants, in turn, directly influence the nature and implementation of government policies. They are often the individuals who are responsible for translating objectives contained in legislative enactments or executive orders into the daily operations of government programs. Furthermore, since the 1960s, the personnel management function in government has, in many ways, grown and become even more critical as several new issues have arisen to demand the attention of public managers. Equal employment opportunity, pay equity, and the role of unions are but a few of those concerns (Hays and Kearney 1995; Nigro and Nigro 2000). As a result, the field is increasingly dynamic and complex. If the personnel system is not operating optimally, the effectiveness and perceived legitimacy of government activities can suffer significantly.

But personnel administration in the public sector not only performs essential functions, it also sits at the intersection of competing values. Since the rise of merit systems in the late nineteenth and early twentieth centuries, public personnel management practices have been designed largely to insulate the public service from the intrusion of politics and partisanship. The goal has been the achievement of politically neutral competence. At the same time, however, there is a need for political oversight of the public bureaucracy and a reasonable level of management flexibility. The challenge is to find a way to temper the control and flexibility that are necessary with appropriate levels of protection for public servants. In such a situation, neither imperative can operate to the exclusion of the other. Limitations on the exercise of political influence and managerial authority are inevitable if merit principles related to concerns such as equity, competence, and political neutrality are to be promoted. The problem is finding the right balance.[2]

In this context, and in a system in which public expectations are high, effective public management can be quite difficult. Indeed, the thrust of much of the effort associated with civil service reform in recent years has been to find ways to cope with legal constraints. In particular, reforms have pushed steadily toward making the administrative state more responsive to political (especially executive) direction and overcoming what is seen as an overly restrictive structure of merit system rules and procedures, which some critics have argued has severely limited management capacity and organizational performance (Ingraham 1995; Ingraham, Thompson, and Sanders 1998; Levine 1985; Osborne and Gaebler 1992; Savas 1987; Savas and Ginsburg 1973). Obviously, proposals for reform focusing on these specific issues are not entirely new. In some ways, their antecedents go back for decades, even as far back as the Brownlow Committee of the late 1930s, and similar notions certainly were reflected in the Civil Service Reform Act of 1978. In the 1990s, however, these ideas resurfaced and were advocated with an increased intensity by new champions calling for the "reinvention" of government or a "new" public management.

It would not be a mischaracterization to view the reinventing government and New Public Management movements in this country (and around the globe) as a political or social campaign. The effort enjoyed the support of numerous proponents, and the vocabulary of reinvention permeated much of the ordinary language of public administration. Citizens were depicted as customers, and managers were encouraged to be entrepreneurs. Reinventing themes were echoed in the Clinton administration's National Performance Review (Gore 1993) and, to a lesser extent, in the report of the Winter Commission (National Commission on State and Local Public Service 1993). With respect to public personnel administration, reforms were proposed to deregulate merit systems, to remove barriers to leaner and more responsive government, and to augment agency and managerial discretion (Selden, Ingraham, and Jacobson 2001). Specifically, reformers advocated such change as the substantial decentralization of authority for personnel functions, the contracting out of numerous personnel management tasks, the reduction of job classes, the establishment of broader pay bands, movement away from an adversarial approach to labor relations, and an increased focus on strategic human resources or workforce planning (Cipolla 1996). Given this broad agenda, a single approach to personnel reform may not exist; public institutions are likely to adopt different innovations depending on their particular needs (Selden, Ingraham, Jacobson 2001).

To develop a fuller understanding of personnel reforms, we need knowledge of the extent to which these kinds of changes in public personnel systems are in practice. This article examines that issue in the context of state government. Indicators of the presence of these reforms are developed and applied to the states.[3] An exploratory effort is then made to uncover characteristics of states embracing this reform agenda.

Measuring Personnel Reform in the States

This article considers a wide range of human resource practices that are consistent with recent efforts to reform public personnel systems. The analysis is based on information collected by the National Association of State Personnel Executives (NASPE 2000) and the Government Performance Project (GPP 1998). The dependent variable, a broad index of the implementation of public personnel reform in the states, is computed from six measures: an index of the decentralization of authority for personnel functions; an index of the extent to which personnel-related tasks are contracted out; the use of a relatively low number of job classes (job titles); the implementation of a system of broad pay bands (broad-banding); the use of labor-management partnerships; and an index of the extent of workforce strategic planning within each state. Each of these concepts has been central to the agenda associated with the reinventing government movement.

Table 1 Measurement of Variables Comprising Public Personnel Reform Index

Index of decentralization of authority for personnel functions (NASPE 2000)	Additive index of the following, minus eight: 1 = centralized responsibility 2 = shared responsibility 3 = decentralized responsibility	
	Establish qualifications Position audits Recruitment Performance evaluation Training	Classification Compensation Selection Employee promotion
	Range: 1–19 *Mean: 8.96*	*Alpha: .74* *Std: 2.91*
Index of contracting out of personnel functions (NASPE 2000)	Additive index of the following: 1 = contracts out 0 = does not contract out	
	Personnel data entry Health insurance Security checks Test development Worker's compensation	Drug testing Salary survey Temporary services Training
	Range: 0–9 *Mean: 2.80*	*Alpha: .75* *Std: 2.32*
Index measuring the use of a relatively small number of job classes (NASPE 2000)	$1 - \frac{\text{Number of Job Classes}}{\text{Total Number of Employees}}$ Larger values indicate the presence of a smaller number of job classes relative to the total number of state employees.	
	Mean: .95	*Std: .03*
Implementation of a system of broad pay bands (NASPE 2000)	1 = broad-banding 0 = traditional grade structure	
	Mean: .33	*Std: .47*
Use of labor–management partnerships (NASPE 2000)	1 = presence of labor–management partnerships 0 = absence of labor–management partnerships	
	Mean: .44	*Std: .50*
Index measuring the use of strategic workforce planning (GPP 1998)	Index constructed as part of the Government Performance Project (see Selden et al. forthcoming, for a discussion of index construction). The index is scaled from 1 to 20, with higher scores indicating more comprehensive, formal workforce planning.	
	Mean: 7.73	*Std: 5.22*

The decentralization of responsibility for personnel management functions, for example, is perhaps the most frequently emphasized reform included as part of the reinvention initiative. Osborne and Gaebler (1992) argue strenuously that authority should be pushed downward in the organizational hierarchy as much as possible, so that managers within individual agencies will be "empowered" to run their organizations more effectively. With regard to public personnel management specifically, the decentralization of responsibility is seen as a way of overcoming the inefficiency and rigidity that often characterize traditional civil service systems in which central personnel agencies establish and enforce policy. The National Performance Review stressed this view in its recommendations for the restructuring of the federal civil service (Gore 1993). The first report of the National Commission on the State and Local Public Service (Winter Commission) also strongly embraced this idea (National Commission on State and Local Public Service 1993). The Winter Commission concluded that many state civil service systems are "rule bound and complicated," and, in such systems, merit is often "the last value served" (National Commission on State and Local Public Service 1993, 25). The commission suggested that states would be better served by decentralized systems in which agencies and departments had fuller authority over core personnel practices such as recruitment, selection, classification, compensation, and adverse actions. Under such an approach, the central personnel agency for a state would act largely as a consultant to agencies and departments (rather than as a regulator) as they exercised their enhanced authority. Our index of personnel reform includes a measure of the extent to which states have decentralized nine core personnel functions (table 1).

Advocates for reinvention have also stressed that whenever possible, government should explore the possibility of contracting with private organizations for the provision of public services. Osborne and Gaebler (1992) suggest that efforts to seek private contractors to provide services previously provided directly by government could ultimately improve service delivery through the introduction of competition. It has also been suggested that contractors may achieve economies of scale that allow them to operate more efficiently than government. Of course, governments in the United States have long contracted out the provision of supplies and equipment, but the new emphasis on contracting has focused on the desirability of entering into contractual relationships with private organizations for the delivery of a wide range of services as a way of saving money (Kettl 1993). The provision of staff services, including selected personnel management functions and support activities, is frequently considered to be an area of government activity with numerous new opportunities for contracting (Gore 1993; Siegel 2000). The second component of our reform index, illustrated in table 1, is a measure of the degree to which several specific personnel management services are provided to states by private contractors.[4]

Public-sector classification and compensation systems are also frequently targeted for reform or reinvention. The objective here is to overcome the perceived inflexibility of traditional classification structures. Typically, these systems incorporate occupational families or series of related jobs linked to career ladders. For example, an agency might employ a set of budget analyst positions (such as analyst I, analyst II, and analyst III) with a logical career progression and increasing responsibility as one moves through the series. When such job series are constructed for numerous occupational fields, a proliferation of job classes (that is, job titles) can result. Proponents of reform have lamented that governments often have thousands of individual job classes, and the specific requirements associated with each classification tend to rob managers of discretion in how they select, assign, and pay employees. The Winter Commission recommended that states operate with no more than "a few dozen" job titles with "some provision for distinctions between positions within job families to reflect different levels of experience" (National Commission on State and Local Public Service 1993, 27). The commission noted that the National Academy of Public Administration had recommended a similar reform for the federal civil service and suggested that "such a system would allow much greater flexibility in staffing government according to shifting needs and would also permit greater flow of staff among agencies and departments" (27).

Our reform index includes a measure that reflects the extent to which states are operating with classification systems that are generally consistent with the Winter Commission's recommendations. We believe, however, that states with larger numbers of employees—reflecting larger and perhaps more complex governmental structures—might reasonably be expected to have larger numbers of job classes than states with fewer total employees. As a result, our measure is based on the ratio of the total number of job classes to the total number of employees in the state civil service. For each state, we subtract that quotient from unity (1) to establish a measure that increases as the number of job classes relative to total employment declines (table 1).

Personnel reformers have further advocated altering pay structures to increase management flexibility (National Commission on State and Local Public Service 1993, 27; NAPA 1991). A common approach to accomplishing this objective is the concept known as "broad-banding." Under broad-banding, systems with numerous pay grades are reorganized to dramatically reduce the number of pay categories. For example, 18 or 20 pay grades might be collapsed into no more than five grades, with a much broader range of positions within each grade. Such an arrangement would give managers greater discretion to determine pay levels for specific positions—provided, of course, that overall budget limitations are followed. Drawing on data from the National Association of State Personnel Executives, we include in our general index a measure of whether states have implemented broad-banding as a way of reforming their pay structures.

Reinventors also advocate that government move away from traditional adversarial relationships with public employee unions toward greater cooperation. The mechanism usually proposed to accomplish this is known as a labor–management partnership (Gore 1993, 87; Osborne and Gaebler 1992, 263–64; Reeves 1997). The concept, as advocated by its proponents, calls for cooperation between unions and management to more effectively "reinvent" or "change" public organizations (Gore 1993, 88). Apparently, this emphasis on cooperation, at least with respect to the federal government, is grounded in a belief by reformers that agency reinvention can not be accomplished without the support of employee unions (Hyde 1994). The Winter Commission advocated similar cooperative arrangements between unions and management in state and local government (National Commission on State and Local Public Service 1993, 46–47); consequently, our reform index described in table 1 includes a measure of the presence of labor–management partnerships within the states.

The final element included in our general index of the reform of public personnel management is a measure of the degree to which states practice strategic human resources planning (table 1). To some extent, this is part of a larger movement to incorporate strategic planning into public management more generally. According to Berry (1994), strategic planning should consist of specifying an organization's mission, identifying its relevant constituencies, delineating strategic goals, and developing strategies to achieve those goals. The focus on strategic planning with respect to human resources is seen as an essential aspect of reinvention: As authority for personnel management becomes more decentralized, managers are encouraged to become more entrepreneurial and organizational subunits are given greater autonomy, resulting in a need for a strategically devised plan to guide personnel decisions (Perry 1993). Under a deregulated system, there is an increased need to ensure that human resources management policies and actions are linked to managerial and organizational goals. According to Perry and Mesch (1997), a strategic approach to human resources management is intended to align personnel practices with the strategic objectives of the organization and to integrate personnel management with organizational management more broadly defined (21–22). Ultimately, the objective is to improve organizational effectiveness.

From these six components, we develop a summary index to reflect the general level of personnel reform in states by first converting state scores on each of the previously discussed reforms to z or standardized scores that express each state's value in terms of standard deviation units from the mean of each variable.[5] We then sum the standardized scores, which are equally weighted, to produce the overall index. This procedure places all of the distinct reform variables on the same scale so that variables measured in different units can be properly combined.[6] It also has the advantage of allowing the adoption of reforms that are less frequently adopted to contribute more to the summative index than the implementation of reforms that are more frequently adopted. This characteristic of the measure is achieved because the magnitude of z depends on the size of individual scores relative to the mean score.

Consider the formula for z:

$$z = \frac{(X_i - \overline{X})}{s}$$

where in this research: X_i = the value for an individual state on a given reform variable, $\overline{X}$ = the mean value across all states on that same reform variable, and s = the standard deviation of that particular reform variable.

When a reform is not embraced frequently by the states—that is, when most states do not adopt the reform—the mean score on that variable tends to be smaller than when the reform is more frequently embraced and adopted. For example, consider the decentralization index variable. If states generally do not engage in the decentralization of personnel functions in a significant way, then individual state scores will tend to be low on the decentralization index, and the mean on that variable will be smaller. But in the case of any individual state that for some reason was unlike most others and happened to score high on the decentralization index, the difference of its individual score from the mean—that is, the numerator in the z formula—will be large. Alternatively, in the case of a different reform that is typically adopted by most states, the score for an individual state that adopts that reform will not differ substantially from the mean. In this situation, the numerator for the z formula will be small. Assuming the standard deviation does not vary significantly between these two situations—that is, the standard deviation, or the extent to which scores cluster about the mean, is similar for reforms that are seldom adopted and reforms that are frequently adopted—the implementation of a reform that typically is *not* adopted will produce a larger z score than the adoption of another reform that most other states also embrace. By a similar logic, the negative effect on the overall index score of failing to adopt a reform that is not frequently adopted will be minimized relative to the failure to adopt a reform that most states do implement.

Reform index scores by state are listed in table 2.[7] The data indicate the adoption of personnel innovations or reforms that are consistent with the reinventing government agenda varies significantly by state. Looking at the pattern of reform scores, we find that Michigan, Virginia, and South Carolina register the highest scores, whereas North Dakota, West Virginia, and Connecticut rank at the bottom. State scores on each of the separate reform variables comprising the index are provided in the appendix. A review of the data reveals that Michigan, for example, has relatively high scores on each component of the overall index. Michigan has decentralized many personnel responsibilities and contracted out numerous functions. It also has implemented broad-banding and labor–management partnerships. Virginia has similar scores with the exception that it has contracted out fewer functions while scoring extremely high on the strategic workforce planning index. North Dakota, by contrast, has not contracted any personnel-related services, has not implemented broad-banding or labor–management partnerships, and has a low score on strategic workforce planning. The state also has a relatively low score on the job classes index, indicating that its number of job classes equals approximately 11 percent of the total number of employees in the state.

Table 2 Public Personnel Reform Scores by State

Michigan	6.86	Louisiana	–0.23
Virginia	5.69	Ohio	–0.28
South Carolina	5.18	Delaware	–0.49
Wisconsin	4.13	New Hampshire	–0.69
Washington	3.59	Oregon	–0.81
New York	3.44	New Jersey	–0.84
Iowa	2.98	Nebraska	–0.90
Texas	2.76	Florida	–1.32
Pennsylvania	2.53	Arkansas	–1.54
North Carolina	2.49	Oklahoma	–1.54
Illinois	2.42	Hawaii	–1.74
Indiana	2.06	New Mexico	–2.07
Colorado	2.00	Vermont	–2.45
Mississippi	1.60	Utah	–2.53
Kansas	1.50	Kentucky	–2.99
Minnesota	0.84	Tennessee	–3.35
Missouri	0.58	Nevada	–3.61
Alaska	0.41	Alabama	–3.64
Maryland	0.36	Montana	–3.67
Idaho	0.20	Connecticut	–4.16
Georgia	0.18	West Virginia	–4.35
Wyoming	–0.19	North Dakota	–4.58

Explaining Public Personnel Reform in the States

Given that states vary in terms of the reforms they have implemented, naturally, the question arises as to why some states have adopted more personnel innovations than others. In examining this issue, we consider two types of factors that may account for cross-state variation in public personnel reform. First, we expect that variables reflecting the context or environment within which state personnel management systems operate will have an important effect. Included here are a measure of state legislative professionalism, a measure of the presence of state public employee unions, and an indicator of general economic conditions within each state. We also believe, however, that the organizational framework for public personnel management in each state may influence reform. In this instance, we examine the political autonomy or independence of state central personnel offices.

The Environmental Context

The literature on state government offers many models to explain policy outputs and outcomes (Dye 1984; Hofferbert 1966; Mazmanian and Sabatier 1989; Schneider and Jacoby 1996). Many models advocate and find evidence to support the importance of political institutions, and others posit a connection between economic conditions and public policy. While earlier research often proposed models based on either the political or economic environment, recent studies have incorporated both dimensions (Plotnick and Winters 1985).

One institutional variable that may be associated with policy outputs such as personnel reform, and is characteristic of the political environment within states, is the level of professionalism within state legislatures. Legislative professionalism typically refers to the degree to which legislative assemblies provide their members with the resources necessary for informed deliberation and action. Typical indicators of a professional legislature include higher salaries, adequate staff support, and substantial time in session. Because a more professional state legislature may be more likely to be well-informed of current trends in public management theory and practice, we presume the level of personnel reform implemented within the states (indicated by scores on our reform index) will be positively associated with legislative professionalism. Our measure of the professionalization of state legislatures is adopted from Squire (1992) and assesses the extent to which state legislative salaries, staff support, and time in session compare favorably to the level at which those resources are provided within the U.S. Congress.

A second variable drawn from the political environment or context for state personnel management is the degree to which public employee unions are present. We expect the presence of public employee unions within a state to negatively affect the probability of personnel reform. Comparative analysis of the relationship between levels of unionization and diffusion of administrative reform is limited, but unions have been seen as a barrier to the implementation of change that is designed to increase managerial flexibility or shift responsibility to contractors (Chandler and Feuille 1991; Ingraham, Selden, and Moynihan 2000; Teske and Schneider 1994). Unions seek to express worker preferences and enhance the workplace environment through better working conditions and wages. They typically favor seniority-based systems and resist changes to classification and pay practices that undermine those systems. As a result, enacting change in a state with well-developed union clout will likely be difficult (Goldsmith 1998).

A recent study by Kearney, Feldman, and Scavo (2000) finds, however, that the presence of public employee unions was not significantly related to city managers' attitudes toward principles associated with reinventing government or reported efforts to implement a broad range of reinventing government proposals. A stronger reaction from unions might be expected, nonetheless, when reform efforts focus exclusively on public personnel management. Because personnel reforms have an immediate and direct effect on employment conditions, we believe that states with a stronger union presence will adopt fewer personnel reforms. For each state, we examine union density, defined as the average for 1994–96, of the percentage of state employees with bargaining rights covered by a collective bargaining agreement, or, in cases where employees have no bargaining rights, the percentage of state employees represented by a union (AFL-CIO 1997; Kearney and Carnevale 2001).

A state's organizational complexity and government operations are also likely to be influenced by its economic circumstances. Many scholars note that a state's economic conditions drive service demand and influence decisions about which practices to alter or adopt (Erikson, Wright, and McIver 1987). It is likely that favorable economic conditions will provide states with the financial resources necessary for the implementation of new programs. Government reforms, including reinvention strategies, often carry considerable initial costs, and adequate resources are essential for effective implementation (Brudney, Hebert, and Wright 1999). Indeed, it has been argued that reinvention should be seen as an investment in government capacity (Epstein 1993).

A number of variables are used to measure the condition of a state's economy, including unemployment, change in gross state product, the percentage of the population living below the poverty line, and per capita income. We use the 1997 unemployment level for each state (U.S. Census Bureau 1999) as our indicator of state economic circumstances. Because personnel reforms are associated with costs, such as increased needs for training and organizational restructuring, we expect that states with less favorable economic conditions will be less likely to implement significant personnel reforms. Specifically, we hypothesize that states with higher unemployment rates will adopt fewer public personnel reforms than states with lower levels of unemployment.

The Organizational Context

Organizational or bureaucratic characteristics are likely to significantly affect the implementation of public programs and practices (Lynn, Heinrich, and Hill 2000; Mazmanian and Sabatier 1989; Schneider and Jacoby 1996). In particular, we believe the organizational framework or context for state personnel management will have an effect on personnel reform. Because all of the modifications of personnel management practices included in our index will influence the operation of a state's central personnel office, we expect the level of autonomy or political independence of the central personnel office will influence the probability of reform in the states. Traditional approaches to organizing the personnel function typically establish central personnel authorities as bipartisan and quasi-independent or autonomous units often known as civil service commissions. The preeminent value emphasized by such an arrangement is politically neutral competence. Presumably, such an arrangement tends to institutionally insulate the personnel system from the vagaries of shifting political currents. An alternative model that has gained increasing popularity in the past 20 years, however, is a personnel system that is more directly responsive to direction by political executives. This approach was embraced by the federal government in the Civil Service Reform Act of 1978 which replaced the U.S. Civil Service Commission with the Office of Personnel Management. Because executive leadership may be an important ingredient for successful reform (Brudney, Hebert, and Wright 1999), we anticipate that personnel systems that are more independent from executive authority will be less likely to experience the kinds of reforms represented in our index.

Information on the autonomy of personnel system structures is obtained from responses to a question from the most recent survey of states conducted by the National Association of State Personnel Executives (NASPE 2000). The survey asked whether the central personnel agency in each state was established as a separate cabinet-level department, as an autonomous entity, or as a part of a larger state agency. Because agencies with cabinet-level status and those that are part of other larger agencies are likely to be subject to direct executive leadership, those response categories were combined so that the variable became a dichotomy. The expectation is that states organizing their central personnel agency as an autonomous entity will be less likely to engage in personnel reform than those that place the personnel function in an executive cabinet-level or other agency.

Using ordinary least squares regression analysis, we examine the impact of these independent variables on the index of public personnel reform. The analysis should aid in the development of a fuller understanding of state propensities for the reinvention of public personnel management. Results are presented in table 3.

Table 3 Explaining Public Personnel Reform

Variable	Unstandardized coefficient	Standardized coefficient	*t* statistic
Environmental Context			
Legislative professionalism	.170	.747	5.421***
State employee union density	–.053	–.399	– 2.750**
State unemployment level	–.452	–.187	–1.514*
Organizational Context			
Personnel department autonomy	–.754	–.093	–0.734

$R^2 = .446$
F = 7.857 ***
N = 44
*$p < .07$, one-tailed test
**$p < .01$, one-tailed test
***$p < .001$, one-tailed test

Findings and Discussion

The independent variables included in our multivariate analysis explain a substantial amount of the variation in state personnel reform scores (see table 3). The R^2 value is 0.446, indicating that we have accounted for close to 45 percent of the observed variation in reform. Three of the four hypotheses are supported. The environmental context variables—legislative professionalism, union density, and unemployment rate—all have effects in the predicted direction and are statistically significant. We find a strong positive relationship between legislative professionalism and public personnel reform, as expected. The unstandardized coefficient on legislative professionalism is 0.170, and the *t* score is 5.421. This finding suggests that states with more professional legislative bodies are indeed more likely to adopt personnel management reforms. It may be that more professional legislative assemblies are more attuned to issues associated with reform and have greater resources to examine reform possibilities.

The presence of unions also appears to be significantly related to reform. As expected, the probability of reform declines as union density increases. This result is consistent with other studies that have found reform to be less likely in stronger union environments (Ingraham, Selden, and Moynihan 2000; Teske and Schneider 1994). Union members may have little interest in seeing managerial discretion over personnel policy increased. Broader grants of managerial authority always raise the question of whether that authority will be used judiciously and equitably. It is also true that union members are not likely to look favorably upon government efforts to shift jobs to the private sector through the contracting process. Even the possibility of labor–management partnerships could be viewed skeptically by union members when management's interest in partnerships is motivated primarily by a desire to further a broader reinvention agenda that includes other personnel reforms.

In addition, it appears that variation in state economic conditions is an important predictor of public personnel reform, as expected. States with higher unemployment rates are significantly less likely to adopt personnel reforms than states with less unemployment. This finding suggests that the fiscal resources characterizing states with better economic circumstances are necessary for the implementation of reform. States with better economic circumstances and greater financial assets may have a greater capacity to examine human resources management and may be more inclined to adopt and experiment with innovative practices.

One variable included that does not appear to be significantly related to personnel reform is the autonomy of state central personnel offices. Consequently, our findings do not support the hypothesis that the organizational framework for state personnel management, as indicated by the autonomy of a state's central personnel agency, is an important determinant of personnel reform. While the relationship is in the predicted direction (negative), the t value is only –0.734. As a result, it appears that states with autonomous central personnel departments (those that are not part of the cabinet or another state agency) are not less likely to adopt current reforms than states with other administrative arrangements. This may reflect an inability of state central personnel offices, regardless of their organizational contexts, to insulate themselves from political influence that seeks to sweep in the most recent reform practices associated with the reinvention of public personnel management.

Conclusion

State governments are an important laboratory in which to study contemporary reform because many have been at the forefront of the recent wave of reinvention activity (Selden, Ingraham, and Jacobson 2001). This article makes several contributions to our understanding of reform in public personnel management. It provides a state-by-state comparison of the adoption of a broad set of personnel reforms championed by advocates of reinvention, and the analysis illustrates there is significant variation among states in their willingness to implement dramatic changes to their personnel systems. Some states, for example, have been slower to decentralize personnel authority and outsource personnel functions. Such decisions may reflect different political agendas and pressures on state personnel offices. The empirical model presented here, which explains a considerable amount of the variation in the diffusion of personnel reforms, indicates that specific factors from the environmental context of public personnel management within the states are significantly associated with the implementation of public personnel management reforms.

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Notes

1. Among the major federal-level reform efforts of the twentieth century, one could count commissions or committees such as the Commission on Department Methods of 1905 (Keep Commission), the Commission on Economy and Efficiency of 1910 (Taft Commission), the Joint Committee on Reorganization of 1920, the President's Committee on Administrative Management of 1937 (Brownlow Committee), the First Hoover Commission of 1947, the Second Hoover Commission of 1953, the Task Force on Government Organization under President Johnson, the Advisory Council on Executive Organization from 1969 (Ash Council), the President's Reorganization Project under President Carter, the President's Private-Sector Survey on Cost Control established in 1981 (Grace Commission), the National Commission on the Public Service established in 1987 (Volcker Commission), and the National Performance Review under President Clinton. See, Ingraham (1992) for a discussion of each of these efforts except the most recent reform effort from the Clinton administration.
2. Constitutional provisions associated with such concepts as due process, equal protection of the law, freedom of speech and association, and the right to privacy also significantly constrain managerial discretion in the public sector (Rosenbloom 1995).
3. It is not our intention to evaluate the merit of the reforms under analysis or to determine whether they are desirable. Our purpose is only to examine the extent to which states have adopted reform agenda items and to identify factors associated with those choices.
4. The contracting measure does not indicate the magnitude of the activity contracted; rather, it specifies only whether a private contractor provided the good or service.
5. The composite index represents the comprehensiveness of reform, that is, the extent to which a state has embraced the reform agenda. Because states have limited resources, they are likely to adopt some, but not all, of the functional personnel reforms. Thus, scholars examining individual functional reforms, such as decentralization or broad-banding, may find different factors associated with their diffusion (Coggburn 1998; Hou et al. forthcoming).
6. Because of the distributional assumptions associated with using z scores to standardize the individual variables, we also computed an index using another standardization process. We converted each of the six variables to a 100-point scale. Then, we computed an index by adding the newly scaled variables. The alternative index is highly correlated with the index used in the analysis ($r = .93$). Moreover, the relationships found in the subsequent analysis are consistent when analyzing the alternative measure of public personnel reform.
7. For six states, we were missing an observation on at least one variable used in the index. Those states, which were subsequently excluded from the analysis, are Arizona, California, Maine, Massachusetts, Rhode Island, and South Dakota.

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Appendix Indicators of Personnel Reform in the States

	Decentralization index	Contracting out index	Job classes index*	Broad-banded pay system	Labor–management partnerships	Strategic planning
Alabama	8	0	.9716	0	0	1.5
Alaska	8	2	.9361	1	1	2.0
Arkansas	10	2	.9472	0	0	8.0
Colorado	10	6	.9709	0	1	3.5
Connecticut	5	4	.9057	0	0	5.0
Delaware	6	5	.9138	0	1	8.5
Florida	12	1	.9795	0	0	3.0
Georgia	15	4	.9539	0	0	2.5
Hawaii	8	0	.9275	0	0	18.0
Idaho	13	4	.9151	1	0	1.0
Illinois	10	0	.9884	1	0	16.0
Indiana	10	4	.9631	0	1	9.5
Iowa	7	5	.9725	0	1	16.0
Kansas	6	5	.9729	0	1	10.0
Kentucky	6	2	.9648	0	0	5.0
Louisiana	8	7	.9550	0	0	6.0
Maryland	8	2	.9679	0	1	8.0
Michigan	10	9	.9782	1	1	10.0
Minnesota	9	1	.9409	0	1	15.0
Mississippi	12	6	.9255	0	0	15.0
Missouri	6	2	.9794	0	1	11.0
Montana	14	1	.8670	0	0	4.0
Nebraska	8	2	.9175	0	1	9.0
Nevada	10	2	.9217	0	0	1.0
New Hampshire	6	3	.9202	0	1	11.0
New Jersey	6	7	.8974	0	0	15.0
New Mexico	7	0	.9548	1	0	3.0
New York	12	0	.9772	1	1	9.0
North Carolina	12	1	.9616	1	0	14.5
North Dakota	11	0	.8928	0	0	3.0
Ohio	7	3	.9657	0	1	4.5
Oklahoma	6	0	.9917	1	0	2.0
Oregon	10	0	.9800	0	1	1.0
Pennsylvania	8	7	.9717	0	1	7.5
South Carolina	11	3	.9913	1	1	11.0
Tennessee	4	3	.9609	0	0	5.0
Texas	16	0	.9952	1	0	6.0
Utah	10	3	.8910	0	0	9.0
Vermont	9	3	.8396	0	1	8.5
Virginia	10	2	.9757	1	1	20.0
Washington	9	0	.9714	1	1	16.0
West Virginia	1	5	.9586	0	0	1.0
Wisconsin	11	2	.9496	1	1	14.0
Wyoming	10	2	.9408	1	0	5.0

*Larger values indicate a smaller number of job classes relative to the total number of employees.