

# Productivity Improvement and Public Personnel Management: An Analysis of Presidents Reagan and Obama Administration

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Considering the financial crises, all the recent presidents have emphasized the importance of productivity improvement in government, especially in public personnel management. Though there is a general agreement on the concept of productivity, the means to achieve productivity vary with president's ideology. President Reagan championed the cause of conservatism. On one hand, despite Obama's attempt to diffuse ideological question, his actions can be regarded as liberal. This study seeks to make a comparison between Presidents Reagan and Obama on their efforts in productivity improvement in public personnel management, based on their ideological preferences. President Reagan campaigned on an anti-Washington agenda. He promoted the idea that the government is the problem rather than the solution. He popularized the idea that the people are burdened with heavy taxation as a result of the big government. Therefore, the solution to heavy taxation was to cut big government, which can be accomplished by reducing unnecessary and expensive regulations. On the other hand, when President Obama came to office, the country was faced not only with a deep recession, but two difficult wars, the collapse of the banking and the auto industries, the housing crisis, and overall capacity crisis in the government. Obama resisted ideological level in his campaign speeches to diffuse the criticisms of the conservatives.

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Both Presidents Reagan and Obama came into power amid serious financial crises. They campaigned on productivity improvement to make the federal government efficient in dealing with the financial crises.

Productivity means the efficiency with which resources are used to produce a government service, or product defined in terms of both quality and the timeliness in delivering the services. Productivity is measured by the outputs of the government in relation to the missions of each of the agencies. In the public sector, productivity involves the delivery of the services to the customers broadly defined as the people who are the beneficiaries. It may involve the clients served by a particular agency, and the clients can include citizens, businesses, state and local governments, or other agencies. Productivity improvement is a broad and complex concept. As a result, there are a variety of factors influencing productivity. Literature on productivity improvement focuses on several factors including support of the top management, commitment of all the people involved, performance measurement system, employee training, reward structures, community involvement, feedback and correction on budget management decisions (Buntz, 1981; Greiner, 1986; Halachmi & Holzer, 1986; Holzer & Callahan, 1998; Werther, Ruch, & McClure, 1986). Lewis (2007) emphasized the

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importance of the professional and continuing public personnel for the modern administrative state. As a matter of fact, the Pendleton Act was passed in 1883 to ensure competency and efficiency in administration.

A group of researchers focus on motivation to promote productivity (Deci, 1972; Porter & Lawler, 1968; Vroom, 1964). Many of the motivation theorists emphasized factors as higher pay, job security, promotion, and helpfulness, which are useful in improving employees' performance (Pearce & Perry, 1983; Rainey, 1979; Rainey, 1982; Rainey, 1983; Wittmer, 1991). Others point that public employees have a different incentive structure from their private sector employees (Perry, 1997; Perry & Wise, 1990; Wittmer, 1991).

According to Gary P. Latham and Kenneth N. Wexley (1981), productivity in most cases is a function of the way in which technological, capital, and human resources are managed. According to them, even though technology (including capital), ability, and motivation are prime determinants of productivity, but in public personnel management, environmental factors also play a key role. Similarly, Lee (2000) emphasizes an interaction among environmental, organizational, and individual factors in productivity improvement.

The environmental factors include socio-political and economic factors affecting public personnel management. One of the major political factors affecting public personnel management is president's ideology. In terms of productivity improvement, the president's ideology can impact how he pursues productivity improvement.

The researchers fail to include the importance of the president's ideology in productivity improvement in public personnel management. Of course, the researchers pointed out how presidents used ideology in recruitment of political appointee and the research is nearly absent how political ideology of the president can influence productivity improvement. President's ideology is an important element of the environmental factors. Ideology sets the perimeter in which presidents make decisions including productivity improvement. In recent years, productivity improvement received added importance because of the financial strains. Even though there is a general agreement on the definition of productivity, Reagan and Obama differed on how to achieve it in public personnel management.

This paper argues that despite the general goals, productivity improvement in public personnel is influenced by the president's ideological background. The differences between Reagan and Obama are based on their ideological convictions. They used the circumstances prevailing during their presidencies to pursue their goals. It is interesting to compare Obama and Reagan because several people see Obama as the liberal version of Ronald Reagan (Hayword, 2011).

Reagan's administration uniquely adopted an ideological administrative strategy (Langston, 2012). President Reagan ran on a conservative agenda on the changes in the way Washington ran its business. He campaigned on an anti-Washington rhetoric with an advocacy of privatization of public service. President Reagan came to power during the conservative tide of the 1980s when the country was faced with anti-taxer's movement, Iran-hostage crisis, and depressing energy problem. President Reagan campaigned on an anti-Washington agenda. He promoted the idea that the government is the problem rather than the solution. He popularized the idea that the people are burdened with heavy taxation as a result of the big government. Therefore, the solution to heavy taxation was to cut big government, which can be accomplished by reducing unnecessary and expensive regulations. President Reagan firmly believed that the private sector is more efficient in the delivery of services compared with the public sector. Henceforth, he promoted the idea of outsourcing government services to the private sector. President Reagan requested congress to pass a joint

resolution to promote productivity improvement. He also proposed for fraud prevention, payment integrity and procurement simplification. In his memo to executive departments on July 31, 1985, the theme was improving the delivery of services at a lower cost. He named it “Management Improvement Reform 88”<sup>1</sup>. He suggested taking steps similar to the most successful management improvement in the private sector. The Reagan administration also insisted on contracting out government responsibilities to private sector providers, and started a trend away from the federal government’s direct provision of service delivery (Levine, 1986). The Reagan administration provided badly needed reforms in areas overlooked by previous administrations (Levine, 1986). The core of Reagan’s ideology was based on cutting the size of the government, de-regulations, and privatization of the government services.

On the other hand, when President Obama came to office, the country was faced not only with a deep recession, but two difficult wars, the collapse of the banking and the auto industries, the housing crisis, and overall capacity crisis in the government. Obama resisted ideological level in his campaign speeches to diffuse the criticisms of the conservatives.

Obama and like-minded leaders sometimes clothe frankly liberal policies in language they hope will soothe anti-statists. Whether it works at a mass level or not, it certainly does not win over ideologically committed opponents. It also feeds cynicism and even conspiracy theories, such as those that proclaim Obama a “stealth socialist” and a “Manchurian President”. (Langston, 2013)

Based on his interventionist policy, many would view him as a liberal president. In his first two years, Obama showed the example of “staunchly liberal president passing legislative mandate over the objections of unsupportive public” (Renshon, 2011).

His passage of the health care policy has been regarded as the major reforms since the New Deal under FDR (Franklin D. Roosevelt). However, Obama was hesitant to be compared with FDR. According to Langston (2013), Obama rarely mentions FDR and tries to emphasize his respect for the free market. His advocacy of efficient government, partnership with the private sector and efficient government, and his reluctance to accept any label lead to debates on his ideology. President Obama’s true nature will be a subject of endless debate (Hiatt, 2010). Balz and Johnson (2010, p. 304) stated that during the presidential campaign,

There were questions about where Obama really stood ideologically. He talked like a centrist, a pragmatist, someone who would work actively with Republicans. But his agenda—a big health care package, higher taxes on the rich, an aggressive alternative energy plan—sounded conventionally liberal.

Slevin (2007) using a quote from *The Washington Post*, reporter stated that Obama is a committed liberal. Several authors consider Obama as liberal (Saslow, 2008; Mendell, 2007; Friel, Cohen, & Victor, 2008). Toner (2008) stated that Obama voted with his party (Democrat) 97% of the time in 2007. Obama himself stated, “I am a democrat... My views on most topics correspond more closely to the editorial pages of *The New York Times* than those of *The Wall Street Journal*” (Obama, 2006, p. 10). Obama believed that the election gave him the opportunity to be a transformational leader, and to follow Reagan by undermining his legacy (Langston, 2012).

President Obama believes in a positive role of the government. In his State of the Union addressed on February 12, 2013, he stated, “Let me repeat: Nothing I’m proposing tonight should increase our deficit by a

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<sup>1</sup> Management Improvement Program, President Ronald Reagan Presidential Library, Box 15.

single dime”, he said. “It’s not a bigger government we need, but a smarter government that sets priorities and invests in broad-based growth”. Like Reagan, Obama also campaigned on the theme of a bloated bureaucracy that has too many layers of managers and too much paperwork. Obama promised to reform the government by eliminating wasteful redundancy.

When President Obama came to office, the government was suffering from a capacity crisis as a result of the policies of President Carter to Reagan and the recent occupants of the White House (Cooper, 2011). The situation has led to what Levine (1984) called “dis-investment”, leading to a diminishing skill, energy, and responsiveness with an accompanying decline of public support for government in general.

In this kind of environment, Obama came to power with a conviction that the government can play a positive role for the people rather than viewing the government as the problem. After his election, Obama came up with a stimulus package to revitalize the economy. According to Peschek (2011), the stimulus package was greeted warmly as a neo-Keynesian measure. Therefore, there is a major shift in terms of attitudes toward the government service under Obama. Perry and Buckwalter (2010) predicted that there would be a reinvigoration of the public service in 2020.

Through presidential leadership, the public can be persuaded that a highly competent and motivated civil service is a public good that can be eroded through hostility, indifference, and neglect if not somehow revitalized from time to time through the infusion of new ideas, talent, and public support. (Levine, 1986, p. 204)

Cooper (2011) writes about the capacity crisis in government resulting from the budget issues and the actions of the past presidents who were running against the federal government. “If a program, an organization responsible for implementing it, or the people in that organization are suffering from a capacity crisis, the performance management requirements can become one more set of challenges to the basic accomplishments of their obligations” (Cooper, 2011, p. 14). Obama came with the idea that the revitalization of the government is necessary to deal with the capacity crisis. To revitalize the government, an effective and efficient bureaucracy is needed to undertake the tasks of the government. Obama’s ideology can be summed up as liberal, activist, with emphasis on effectiveness, inclusion and diversity, openness and participation, and empowerment at the bottom.

Despite the rhetoric on big and smarter government, both Presidents Reagan and Obama differ on how to achieve the goals of productivity improvement as a result of their ideological differences. The ideological differences between Reagan and Obama have an impact on their views and actions on performance management and accountability, recruitment and retention, diversity management, and their emphasis on transparency and participation, and institutional focus relating to public personnel management.

### **Performance Management and Accountability**

President Reagan focused on performance management and accountability in the government as means to achieve the goals of limited government, the core of his conservative ideology. He believed that with performance management and accountability measures, the government can deal with redundancy and inefficiency, which would help in cutting programs and associated personnel. The Reagan administration required agencies to assess the agency’s progress in achieving the objectives and priorities, including documented gains and cost savings. It required productivity and quality improvement goals in performance appraisals of managers and supervisors. It also provided for participation in the productivity program through

employee training, employee involvement in work related decisions, incentives, recognition, and rewards. It required agencies to take actions minimizing the negative impacts on employees, resulting from the productivity program. It required the agencies to develop and implement training programs for federal employees for productivity improvement. The policy required reviewing policies and programs for federal employees who might be displaced by productivity improvements. It sought to minimize the adverse impact from the productivity improvement plan. His administration took steps for the use of performance management programs motivating employees to achieve higher productivity, and avoiding actions that would undermine the credibility or integrity of performance management systems (United States Merit System Protection Board [US MSPB], 1988). Reagan advanced the idea of performance-based pay to improve productivity. He promised a more productive and better managed federal government with a workforce that would present and deliver excellence. The payroll system was simplified, and reduced by 13 with a focus on pay for performance.

Managers were asked to measure the efficiency, quality, and timeliness of their programs and be accountable for the cost of doing business, and commit themselves to making improvements. In 1987 and 1988, the Reagan administration implemented productivity improvement plans for 109 program functions, representing more than 500,000 employees, and over \$24 billion in annual expenditures<sup>2</sup>. The Reagan administration believed that if the agencies' 3% productivity improvement goal were achieved, it would lead to a saving of \$720 million<sup>3</sup>.

To improve productivity, Reagan proposed for financial management based on consolidation and more competition from the private sectors. Reagan's productivity improvement undertook a massive financial management program, emphasizing the elimination of overlapping and inconsistent systems. The Reagan administration also focused on cash and credit management, fraud prevention, and payment integrity.

When President Reagan came to office, there were more than 800 agencies and over 64,000 pages of regulations, no single individual in each agency was responsible for procurement<sup>4</sup>. Under the Reagan administration, the Competition in Contracting Act of 1984 was enacted to deal with the problems of promoting an environment of competition in procurement. The administration proposed a single simplified regulation to replace the old inconsistent system. The Reagan administration used consolidation and competition to achieve his goals of limited government.

On the other hand, President Obama embarked on a policy of improving the financial management as a mechanism to improve productivity in existing programs with neither consolidation nor competition. Obama believed that the government agencies can be made more productive without any attempt to cut programs in the name of consolidation and competition from the private sector. Obama realized the threat of cutting programs in the name of consolidation and competition causing low morale, and turnover among the employees. The Obama administration has adopted a cost standing standard for the OPM (Office of Personnel Management), which is required to provide the status of funds, and other financial statements and reports. These financial reports would form the basis for any budget request. The OPM has also established the Debt Collection Improvement Act (DCIA) and has complied with other regulatory requirements.

Under Obama, the OPM and other agencies are relying on an independent audit for financial management. In accordance with the Chief Financial Officers Act of 1990, and the Government Management Reform Act of

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<sup>2</sup> Management Improvement Program, Ronald Reagan Presidential Library, Box 18.

<sup>3</sup> Management Improvement Program, Ronald Reagan Presidential Library, Box 17.

<sup>4</sup> Management Improvement Program, White House office of Records Management, Ronald Reagan Presidential Library, Box 15.

1994, the OPM prepares consolidated financial statements with detailed information on operations, as well as the individual financial statements of the retirement, health benefits, and life insurance programs. The agencies prepare financial statements with clear balance sheets.

The Obama administration assured that the agencies across the federal government hold leaders accountable for results. He emphasized that the civil service system must be flexible and agile to meet the challenges of the 21st century. Each agency must be responsive and accountable to the tasks they are assigned. For example, in 2011, the OPM cooperated with other agencies in developing the Performance Appraisal Assessment Tool (PAAT) for measuring performance. The agencies were evaluated based on the PAAT criteria and continuous feedback on performance. However, the goal of the Obama administration was not cutting personnel, but to empower them to improve performance.

The other aspect of the financial management included upgrading the information system through modern technology. Both Presidents Reagan and Obama emphasized on technology improvement. Reagan proposed improvement in 17 major information systems and asked for \$1 billion to improve the system<sup>5</sup>. He proposed for improvement in technology in many of the agencies of the federal government. The Reagan administration viewed that the cost of an ineffective management system was enormous and an impediment to effective service delivery. The Reagan administration blamed that the government sector had fallen behind compared with the private sector in the use of technology. The administration also blamed that many of the agencies were using the technology of 1950s, and the cost was enormous in terms of human and financial resources<sup>6</sup>. In his criticisms of the lack of improvement in technology in government, the Reagan administration took another opportunity glorifying the private sector pursuant to his ideology of less government.

Again, President Obama's approach is to take advantage of technology without any attempt to blame the government sector. President Obama believes that the modern technology can be used to improve government business. He believed that the improvement in performance can be used with the use of the state-of-the-art technology. Obama being influenced by modern technology put more emphasis on e-governance that would expedite the tasks of government by eliminating unnecessary paper work.

### **Focus on Reducing Personnel vs. Hiring Personnel and Retention**

President Reagan aggressively promoted the idea of cutting personnel as a means for reducing the government size to achieve productivity. Pursuant to his goal, on February 5, 1981, Reagan reported to the nation that he had already placed a freeze on hiring government replacement. To achieve the goal of reduced personnel, he embarked on a policy of cutting government programs and de-regulations. President Reagan believed that excessive regulations stifle businesses. De-regulations will also reduce the size of federal personnel. He promoted the idea of transferring federal government responsibilities to the state government in the name of new federalism. The new federalism is based on devolution of responsibilities to the state governments. Moreover, Reagan believed that it would serve the interest of the public better because state and local government understand the needs of the local people. He used performance measurement as a method of productivity improvement, and as a mechanism to weed out the government employees who were inefficient. The OPM was given the responsibility to train the employees in productivity improvement, and to operate a replacement program for the displaced workers who lost their jobs as a result of productivity improvement.

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<sup>5</sup> Management Improvement Program, White House office of Records Management, Ronald Reagan Presidential Library, Box 15.

<sup>6</sup> Management Improvement Program, Ronald Reagan Presidential Library, Box 17.

In terms of political appointees, Reagan used ideology as a litmus test. Maranto (1993) stated that the political appointees under Reagan were generally conservative. In terms of hiring, think tanks supporting Reagan's ideology were hired by the transition staff to orient other appointees (Rockman, 1998). The efforts of the Reagan administration are to appoint conservatives willing to do battle with statist career bureaucrats which have been confirmed in opinion surveys of appointees (Aberbach & Rockman, 1990; Maranto, 1993).

President Obama inherited a government where it was difficult to recruit and retain the best of the corps in the service, because his predecessors pursued a policy of cutting government size and contracting out. As a result, President Obama sought to build the confidence in the federal service. He emphasized the necessity of hiring and retaining a talented workforce as one of the main goals of his administration. The retirement of baby boom generation in the federal service will require hiring of more employees in the federal government. The OPM is entrusted with the responsibility of providing training for the employees so that they can become more productive. The OPM under Obama is instructed to provide attractive benefits to retain the federal workers. The emphasis on flexible time for the workers would also provide an opportunity to stay in jobs.

He also made sure that the federal employees are accountable, and fairly evaluated on their performance, and the employees are recognized for their superior achievement in government tasks. However, Obama emphasized that the federal employees are given the tools, systems, and resources to perform to achieve their best results. He made it sure that the retirees are given the proper benefits so that more people are attracted to federal government jobs.

The Obama administration started reforming the hiring process by reducing the time to hire to 10% per year, improving manager's satisfaction with applicant quality by 1% per quarter, and improving the satisfaction level among the applicants by 1%. The goal was to encourage the potential applicants to apply for the jobs rather than turning them away because of the cumbersome application process.

President Obama's Memorandum of May 11, 2010, "Improving the Federal Recruitment and Hiring Process", outlined the administration's comprehensive initiative to address major, long-standing impediments to recruit, and hire the best and the brightest into the federal civilian workforce. The OPM is leading an initiative to reform recruiting, hiring, and retention policies and procedures. The reform will bring about significant changes to streamline and improve the hiring process. The Obama administration set five high priority performance goals: hiring reform, telework, security clearance reform, wellness and retirement claims processing. These goals are highly relevant to the public and to the missions of the agencies motivated to produce high productivity. The OPM conducted nearly 300 workshops equal to approximately 17,000 training seats<sup>7</sup>. These training materials were developed so that the agencies can use them on a permanent basis.

In 2011, the Obama administration required the agencies to develop a telework policy outlining the eligibility and notifying of the employees. The employees are instructed to enter into an agreement with the management about telework. The employees also need to reach an agreement about the training programs. The telework program is essential for the operations of the federal government during emergencies. The idea is to build the capacity of the federal government during short- and long-term interruptions during the emergencies caused by natural disasters or terrorism.

In terms of hiring, President Obama came up with the Veterans Employment Initiative with the signing of Executive Order 13518 to open up more opportunities for the veterans in the federal government. The initiative

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<sup>7</sup> Retrieved from <http://www.opm.gov>.

emphasized the need to recognize the contribution of the veterans, utilize their talents to face the challenges of today and to build a program so that the private sector can take advantage of the veterans and learn from the federal government.

To meet the goals of retention and improvement of the federal employees, the Obama administration emphasized that the government must invest in the most valuable sources, which are the human resources. To improve the quality of the employees, the administration provided for training of the employees from entry to management level. The idea is to have an orderly succession plan within the agencies without interruptions as a result of the retirement, or other kinds of turnover.

To improve the satisfaction of the employees, agencies are given the opportunities to develop alternative schedules to provide the flexibility to meet other demands and obligations. The flexible time and flexible place can promote more productivity among the employees because they would be able to concentrate on their jobs without any distraction. The government also developed employee assistance program to deal with the deficiencies and other personal problems that may pose impediments to productivity improvement.

### **Private vs. Public**

President Reagan's productivity improvement agenda was based on the recommendation of the Grace Commission, which basically emphasized adopting private sector techniques in the federal government. President Reagan believed that the private sector is more efficient than the public sector. As such, he believed that the private sector management techniques could be replicated to improve the efficiency of the government sector. Reagan believed that private businesses can produce better and deliver services at cheaper rates (Abramovitz, 1986).

He undertook measures to transfer many of the services to the public sector. Reagan's budget identified federally funded railroads, oil fields, and electric facilities to be transferred to the private sector. According to its estimate, it would save \$5 billion in 1988 and \$25 billion over five years<sup>8</sup>. He proposed for the user fee for the recipients of the services, but not the general public. These fees will reduce the budget deficit by \$3.5 billion each year<sup>9</sup>. Transferring to the private sector and outsourcing became the major themes under the Reagan administration. Reagan's Executive Order instructed to carry on efficiency reviews and cost comparisons with the private sector to save the cost when it is economical to do it<sup>10</sup>.

Reagan wrote,

From the outset I took steps to remedy the situation by encouraging federal executives to adopt management principles employed by the most successful organizations in the private sector. Reform 88 has been the means for implementing these improvements and has produced impressive results in our federal quest for excellence<sup>11</sup>.

The memo from the president mentioned about using the efficiency of the private sector in credit management. The administration passed an executive order in early 1986, which would lead to an efficient, cost-effective, and businesslike government.

President Obama came to power amid the worst economic situation characterized by the breakdown of the private financial sector. The auto industries, the banking industries, and the home mortgage companies were on

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<sup>8</sup> Management Improvement Program, Ronald Reagan Presidential Library, Box 17.

<sup>9</sup> Management Improvement Program, Ronald Reagan Presidential Library, Box 17.

<sup>10</sup> Management Improvement Program, Ronald Reagan Presidential Library, Box 17.

<sup>11</sup> Management Improvement Program, Ronald Reagan Presidential Library, Box 15.

the verge of collapse. So, the high respect that the private sector enjoyed in 1980s was almost gone. The rhetoric that the private sector was more efficient than the public sector had lost much of its appeal. As a matter of fact, the government had to come up with several steps to rescue the private sector. Furthermore, when Obama came to power, the country was faced with a massive unemployment rate. President Obama campaigned to stop outsourcing and give back jobs to the Americans to reduce the unemployment rate. The outsourcing of government jobs to the private sector popularized by Reagan was discredited by the time Obama came to power. As a consequence, Obama used the public mood to revitalize the public sector consistent with his ideological preferences.

### **Diversity Management**

President Reagan emphasized on the cutback management to reduce the size of the government, which adversely affected diversity in the federal government. Detlefsen (1993) remarked that president was silent on diversity despite his great communication skill and delegated the responsibility of civil rights policy to Attorney General Edwin Meese and Assistant Attorney General for Civil Rights William Bradford Reynolds. His policy on diversity was negligent or conspicuously absent. He believed consistent with his ideology that it was not the government's role ensuring justice. The neoconservatives and Reagan fashioned an assault on the idea of the government as an instrument of social justice (Greenberg, 1990). Reagan used political appointees to promote his political ideas. According to Calvin MacKenzie (1981), the appointment process "ended up with an administration quite like the one it set out to build, an administration, that is, composed primarily of people who seemed to share the president's political philosophy and to possess a commitment to its rapid implementation". In terms of his political appointees, there was no priority on maintaining diversity. Walker and Reopel (1986) allege that Reagan used his transition team to reward campaigners who had close ties with business and believed in free enterprise system.

On the other hand, Obama considered the diversity management as one of his administration's priority. In his acceptance of the Democratic Party's nomination, delivered on the 45th anniversary of "I Have a Dream" speech of Martin Luther King, Jr., Obama depicted an inclusive American dream (Goldfarb, 2012). One of the major goals of Obama administration is to ensure diversity and inclusion as a way of promoting productivity. President Obama passed the Executive Order 13583, establishing a government-wide initiative to promote diversity and inclusion in the federal government. The executive order emphasized that the strength of the nation is dependent on the diversity of the population and equality of opportunity. President Obama views that the diversity and the policy of inclusion will promote productivity by drawing on the talents of all the people.

### **Focus on Institutions**

President Reagan put emphasis on the OMB (Office of Management and Budget) as the central player in productivity improvement. The OMB was given the responsibility on financial management through annual budget review. "The long-term prognosis for President Reagan's productivity program will depend on the program's capacity to overcome problems of measurement, authority, and disincentives, which have presented difficulties for government wide productivity improvement efforts undertaken by past administrations" (Benda & Levine, 1986, p. 20).

President Reagan used OMB Director David Stockman, who shared his conservative ideology to cut programs, as a mechanism to promote productivity. The OMB mentioned that productivity improvement would

be obtained by three measures: the ratio of inputs over outputs, quality of the product or service, and timeliness of its delivery or completion (Coudle, 1987). The Reagan administration focused on top level attention on financial management systems issues through the OMB's annual management review<sup>12</sup>. The new system of review had reduced the duplication and overlap of agency development work. For example, the funding for additional development of Agency for International Development, Peace Corps, and United States Information Agency accounting systems was made unnecessary as their systems, and those of the State Department were integrated.

Separate accounting system development efforts in the Justice, Commerce, and Treasury Departments have been folded in with those of the Department of Transportation. The Department of Energy is reducing its accounting systems from 16 to eight and is committed to still further consolidation. The General Services Administration now has just one accounting system<sup>13</sup>.

Nevertheless, the Reagan administration gave oversight responsibilities over agency implementation of merit pay and performance management systems to the OPM.

On the other hand, President Obama focused on the OPM for many of the responsibilities in productivity improvement. For example, in order to hire and retain the productive employees, the Obama administration gave the responsibility of security clearance to the OPM. In 2011, the OPM identified the common needs assessment tool (Well Check inventory) based on the U.S. Department of Health and Human Services' Healthy People 2010/2020. This tool permits the agencies to evaluate the health care programs, use a benchmark with the private sector and identify the deficiencies with the purpose of making changes for improvement. However, this tool is going to be used on a voluntary basis. Those agencies that do not use the tool will need to develop alternative means to assess the needs as part of health and wellness program.

The other aspect of hiring and retention is to reform the security clearance system. The OPM is required to provide background investigations on security and fitness for more than 100 federal agencies. In order to improve the efficiency, the security clearance must be done in 40 days. The administration undertook the responsibility to fulfill the goals of the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004, and provide OPM deliverables necessary to ensure that the security clearance reforms are substantially operational across the federal government by the end of 2010.

### **Employee Feedback and Openness**

Both Presidents Reagan and Obama considered the necessity of feedback from the employees on the performance of the government operations, and their satisfaction with the jobs. Reagan's initiative encouraged employee participation in productivity program through employee training, employee involvement in work-related decisions, incentives, recognition, rewards, and by taking actions to minimize the negative impacts on employees, which might occur as a result of the productivity program<sup>14</sup>. Of course, all the presidents would be interested in seeing support of the government for their policies affecting employees.

Table 1 shows the results of the survey under President Reagan. Based on a survey on performance, 51% of the respondents answered fully successful, 31% answered exceeds fully successful, 18% answered outstanding, 0.2% answered unacceptable, and 0.4% minimally successful (US MSPB, 1988).

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<sup>12</sup> Management Improvement Program, Ronald Reagan Presidential Library, Box 15.

<sup>13</sup> Management Improvement Program, Ronald Reagan Presidential Library, Box 15.

<sup>14</sup> Management Improvement Program, Ronald Reagan Presidential Library, Box 15.

Table 1

*Survey on Performance Under Reagan in Percentages*

Fully successful	51
Exceeds fully successful	31
Outstanding	18
Unacceptable	0.2
Minimally successful	0.4

*Note.* Source: report by the US MSPB (1988).

The survey in Table 2 shows a higher level of satisfaction on pay plan among the GS (General Schedule) employees in higher grades during Reagan Presidency. For example, GS 15 employees show 73% satisfaction. On one hand, only 8% at GS 1 level show satisfaction. It is interesting to note that the federal employees who were at the bottom level of the hierarchy during the Reagan administration showed a high level of dissatisfaction in their jobs. On the other hand, those who were at the top level expressed a high level of satisfaction. It may be the result of more discretion at the top level in the government under Reagan administration compared with other administrations. It also shows a low level of commitment by the Reagan administration for the employees at the bottom of the hierarchy.

The Obama administration carried on a survey on the government employees assessing their satisfaction level. The survey in 2011 shows a high-level satisfaction of the employees in the federal government. The survey of both managers and the employees showed more than 1% increase at satisfaction level over the previous year<sup>15</sup>.

Under Obama, there is a consistent positive response based on the survey. Based on the survey, Table 3 shows that 97% gave approval to the question: “When needed, I am willing to put in the extra effort to get the job done”, 91% showed a positive response on the question “The work I do is important” and question “I am constantly looking for ways to do my job better”, 91% responded positively. It shows how strongly the OPM employees are committed to the agency’s mission and engaged in accomplishing it. The response on the question “I am held accountable for achieving results” was 90%, 90% indicated that the employees clearly understand that the focus should be on results. On the question “In the last six months, my supervisor/team leader has talked with me about my performance”, 90% responded positively.

Based on Table 3, areas showing the lowest overall positive response rates include “satisfaction with opportunity to get a better job in the organization”, only 27% responded positively. The responses on the “steps are taken to deal with poor performers” were 26%. The responses on the questions “Differences in performance are recognized in a meaningful way” and “creativity and innovation are rewarded” were only 25%. The survey shows that the Obama administration is committed to getting employee feedback on the satisfaction of the federal employees. President Obama believes that to retain the employees, the federal government must try to improve the satisfaction level. This is consistent with his pledge to develop from the bottom up. Obama promised to ask the wealthy to pay higher taxes and called for growth and economic renewal from the bottom up (Skocpol & Jacobs, 2012). Obama’s executive order raising the minimum wage for the federal workers in 2014 reflects his commitment toward the people at the bottom.

<sup>15</sup> Retrieved from <http://www.opm.gov>.

Table 2

*Survey on the Satisfaction Level on Pay Plan in Percentages*

GS grades	Satisfaction (%)
GS 1	8
GS 2	10
GS 3	22
GS 4	40
GS 5	51
GS 6	57
GS 7	49
GS 8	57
GS 9	49
GS 10	55
GS 11	52
GS 12	57
GS 13	52
GS 14	53
GS 15	73

Note. Source: report by the US MSPB (1988).

Table 3

*OPM Survey on Satisfaction on Performance Under Obama*

When needed, I am willing to put in the extra effort to get the job done	97
The work I do is important	91
I am constantly looking for ways to do my job better	91
I am held accountable for achieving results	90
In the last six months, my supervisor/team leader has talked with me about my performance	90
Satisfaction with getting a better job in the organization	27
Steps taken to deal with poor performers	26
Differences in performance are recognized in a meaningful way	25
Creativity and innovation are rewarded	25

Note. Source: <http://www.opm.gov>.

President Obama emphasized openness in government. On the other hand, President Reagan had a general mistrust of the career bureaucrats, who are considered as the supporter of the big government. He relied on the political appointees who shared his ideology. This had a negative impact on openness and transparency. As a consequence, the Reagan administration had suffered from the HUD (Housing and Urban Development), and Iran-Contra scandals. President Obama came in an environment of distrust of the government caused by his predecessor. The Obama administration is credited with developing a culture of openness and responsiveness to its stakeholders. It required each agency of the federal government to develop a transparent, participatory, and collaborative culture based on sharing of data and knowledge. During his presidential campaign, Obama promised to change how the government operates its business. Obama promised to create a transparent and connected democracy (Obama, 2007). He promised to use technology to create transparency, accountability, and participation (Obama, 2007). Furthermore, he stated that the government should not keep information confidential merely just because of the fear of disclosure of errors by public officials (Obama, 2009). Obama's directives to the government declared three abiding values: transparency, participation, and collaboration

(Coglianese, 2009).

### **Emphasis on Health Care for Productivity Under Obama**

President Obama campaigned on health care reform as one of his major goals of his administration. He considered health care as an integral part of productivity in government. One of the other aspects of productivity improvement is the health and wellness program for the federal workforce. The Obama administration argued that a comprehensive wellness program is essential for reducing the health care cost and productivity of the federal employees. President Obama campaigned on health care reform, which would also affect the federal employees. After all, the administration believes that a healthy individual is also a productive individual. The health care program for the federal employees covers health education, supportive social and physical environments, and integration of worksite wellness program into organizational structure, screening programs, and linkages with related benefits programs. The OPM is instructed to work with the OMB, the National Economic Council and the Department of Health and Human Services to develop a comprehensive wellness program for the federal workforce.

There was no special emphasis on health care reform under the Reagan administration. Retrospectively, the author can conclude that any attempt to reform the health care system or public option would be unthinkable under President Reagan, who had a deep resentment toward government intervention in the lives of the people. He firmly believed that the role of the government should be limited as good as possible.

### **Conclusions**

The above analyses show that despite the emphasis on productivity improvement, the policies and priorities are influenced by president's ideology and the existing political situation. A president's ideology is an important element of the political environment affecting public personnel management, including productivity improvement policies. Despite the universal connotation about productivity improvement in terms of efficiency and effectiveness, the preferences and priorities are influenced by the president's ideology. Reagan and Obama differed on the role of the government. Reagan believed in a reduced role of the government, and Obama believed that the government can and should play a vigorous role in the lives of the people. As a result of these ideological differences, their emphases on productivity improvement differ. Reagan focused on the reduction of the personnel and privatization. On the other hand, Obama focused on more recruitment and retention of the personnel as a way to revitalize the government. President Obama also focused on diversity as a way to revitalize the federal government. Presidents Reagan and Obama had a deep commitment for productivity improvement, and both came into power in difficult financial situation. They differed based on their ideological differences, on the way to improve productivity in public personnel management. Even though the term productivity improvement has a similar connotation, the means to achieve are influenced by the ideology of the policymakers. Future research can incorporate broader environmental factors such as the role of congress, interest groups, political parties, economic and social situation in understanding on productivity improvement.

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