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Federal Employee Motivation during Government Downsizing: A Literature Review

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ABSTRACT

The federal budget crisis has come to a boiling point and federal employees are feeling the pain as well. Motivation of federal employees is a current topic that needs to be addressed as the government is downsizing at an ever increasing rate. With pay freezes, pay cuts, and now downsizing, Herzberg's research based on the Motivation/Hygiene theory will be looked at as a way of predicting how to motivate federal employees while the government is downsizing. There is a dearth of current research related to the motivation of federal employees during downsizing. Seminal research is reviewed as well as some recent research on motivation and downsizing. From this literature review, the gap in the research reveals that future research can be based on data from the U.S. Office of Personnel Management; however, the study should be longitudinal and specific to an agency so that a representative sample can be analyzed.

Keywords: *Federal employee, motivation, downsizing, cutback management*

INTRODUCTION

The current federal budget crises has been an ongoing issue for many years with no pay raises and now pay cuts, but recently it has come to a point where the government is doing something about it. Sequestration, which includes forced budget cuts and necessitates downsizing the federal government, opens the question of how best to motivate federal employees during this time of not only downsizing but pay reductions in the form of job reclassifications. The inquiry topic is how to motivate federal employees during downsizing based on Herzberg's Hygiene-Motivation theory and institutional theory. The literature is sparse on federal employee motivation during downsizing within the federal government, which is the gap in the literature that is being explored.

In the literature review that follows, the examination begins with a section on seminal articles and then a section with more recent articles, which are ordered from most current to oldest. The first three are seminal and the remaining seven are more recent. The number of times that an article or book has been cited was derived from Google Scholar (2013).

Seminal Sources

Herzberg, Mausner, Snyderman (1959/1993) reported that the qualitative research study included the use of the "Sequence of Events (Critical Incidents) technique" (p. xiii). The purpose of the study was to determine what motivates workers and how they felt about their employment (Herzberg et al., 1959/1993, p. 3). The theory that resulted from the study was the "Motivation-Hygiene theory" (Herzberg et al., 1959/1993, p. xvii).

The participants were engineers and accountants, and the setting in which the research was done was at the metal machining plants where the engineers and accountants were interviewed as to their attitude about work. The study was qualitative in nature as previous quantitative studies that were aimed at determining the factors that affect work attitudes suffered from the "Halo effect" (Herzberg et al.,1959/1993, p. 15). Two pilot studies were conducted, with the first, on a small scale, to determine viability and the second on a larger scale. After the two pilot studies the design was modified again, prior to the main study. In the main study, a large sample of workers in metal fabrication plants were used which consisted primarily of engineers and accountants. Their stories were analyzed through coding and as the analysis progressed the meaning making was elaborated (Herzberg et al., 1959/1993, p. 37-38) which is the constructivist epistemology.

Although Herzberg et al. (1959/1993) chose the interpretivist approach which was evident by the request that the employees give spontaneous responses about what they do and do not like about the job (p. 6-7); they

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showed breadth by discussing alternative approaches such as quantitative, and subjectivist approaches (p. 6-7). According to Herzberg et al. (1959/1993), the format for gathering the job attitudes was a semi-structured interview. With this method there are predetermined questions; however the interviewer was free to use progressive elaboration as new information presented itself (p. 16).

Also, Herzberg et al. (1959/1993) reported a limitation with the procedure in that the respondents were given detailed information about the types of behavior that the study was most interested in hearing about, but this was discovered to be a minor issue in the first pilot study and in the spirit of transparency, the exact nature of the questions were revealed in Appendix 1 (p. 84).

The results indicated that a bad or extrinsic work environment is a dis-satisfier, but a good or hygiene work environment hardly ever satisfies the worker (Herzberg et al., 1959/1993, p. xiii) and this research (book) has been cited 7193 times (Google, 2013) which shows that this theory has been well documented and replicated. Moreover, the practical implications of the hygiene factor were the introduction of flextime within the British civil service and cafeteria-style benefits into the workplace (Herzberg et al., 1959/1993, p. xvi).

Selznick (1949) conducted research on the "Tennessee Valley Authority" (TVA) (p. v) which opened itself up to scientific examination with no preconditions (p. v). The hypothesis was that

> The Authority's grass-roots policy as doctrine and as action must be understood as related to the need of the organization to come to terms with certain local and national interests; and that in actual practice this procedure resulted in commitments which had restrictive consequences for the policy and behavior of the Authority itself. (p. 12)

Furthermore, with the purpose of contributing to the body of knowledge in organizational theory, the study was not done with a quantitative approach or with the practitioner in mind; however it is expected that practitioners will benefit from the study (p. v). The qualitative method used case study documents and interviews with reliable sources within the TVA, which called upon the interviewer to determine the veracity of the respondent (p. 249). Admittedly, this is a limitation; however it was the only way to carry out sociological research of this nature. "The possibilities of factual error, however great, are probably less important as hazard than the theoretical orientation of the study" (p. 250).

The organizational theory in this study is grounded in constructivist philosophy and molded by "sociological directives" (p. 250) which operationalizes the study but does not replace the bottom up nature of the theory (p. 250).

According to Selznick (1949), the data for this inquiry was collected in 1942 and 1943 but the results were not committed to writing until three years later. The primary sources of data were the file and employees of TVA and interviews with employees who were not at the TVA and not working on specific programs, such as those in Washington DC and local state officials, were verified with the files when possible (p. v). In reference to the limitation mentioned above about the delay in writing the report, Selznick (1949) argued that while the study did not consider developments within the TVA during the delay, the theoretical nature of study rendered the delay inconsequential (p. v). Another limitation mentioned were the personal interviews and Selznick (1949) admitted that there is the possibility of factual errors but that due diligence was taken to only use information that was derived from direct knowledge and to disregard any hearsay remarks (p. 249).

The implications derived from the study are that the vision developed by organizational leaders should be based on the constituencies they serve and the policies they advocate should support the vision, rather than blindly doing what has been done before. The external environment of a government agency can influence the culture and policies of the organization for the possible good or detriment of stakeholders. Policies and procedures must exist and be constantly reaffirmed to ensure that the agency retains a democratic form of governance and does not become an administrative bureaucracy (Selznick, 1949, p. 264-265).

The research affirmed the hypothesis and Selznick (1949) found that the ideology of grass roots gave the TVA its acceptance and authority as a novel government agency. Additionally, constituents were awarded surrogate authority over the agriculture program (p. 262) and local stakeholders in the agricultural industry influenced and changed the TVA's policy and stance towards its role as conservation agency (p. 263).

Scott (1987) performed a literature review in the field of institutional theory of significant extant theoretical reports and contemporary works (p. 493). This article is a seminal article that has been cited 2168 times (Google, 2013) which affirms that author is also very well respected in the field. This literature review points to

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other seminal works in the field and is significant to the inquiry question as a foundational explanation of institutional theory as it relates to downsizing.

The purpose of the review is to look at the various perspectives of leading authorities in the field of institutional theory used in analyzing organizations with the goal of furthering the argument that in order for advancements to be made in the field, the differences of the contributors must be analyzed and handled (Scott, 1987, p. 493).

According to Scott (1987), one of the limitations is that only four general theories are provided; however it is argued that this number is a representation of the current variety of theories focused on institutions, sociologically (p. 493). Additionally, the review contrasted six different arguments about how institutional theory affects the structure of an organization and again Scott (1987) admitted that the number of structural influences listed was not exhaustive (p. 501). Despite the limited number of perspectives shown in the article, there are enough to provide a solid foundation about the seminal works in the institutional theory field. The review is meant to be a general overview of differences amongst leaders in the field and it accomplishes that well.

Herzberg, Mausner, and Snyderman (1959/1993) and Selznick (1949) used the constructivist approach and designed methodologies that were qualitative. Semi-structured interviews were used in both cases and similar limitations were admitted by the authors. Both authors overcame their limitations and both theories have been supported with subsequent research, using the objectivist epistemology.

The third seminal article provided a wide ranging view of institutional theory that allows a researcher to travel down many different paths. Just as there are multiple theories related to motivation, there are multiple theories related to institutionalization, especially in how it affects the structure of the organization.

Current Articles

Gomes, Asseiro, and Ribeiro (2013) researched what factors motivate employees when the organization is mired in a negative economic climate and how can the motivation be predicted (p. 41). This is a primary research article that covers two of the three variables of the inquiry topic, motivation, and downsizing. Moreover, this is the most current research to date and it uses "Herzberg's Motivation-Hygiene Theory" (Herzberg et al., 1959/1993, p. xvii). Gomes, Asseiro, and Ribeiro (2013) used the "Motivational Model's Taxonomy" (p. 44), one of which was Herzberg's two-factor theory to analyze the extrinsic and intrinsic factors (p. 44) of "110 employees from 15 stores of an organization from a sector of a clothing brand" (p. 46).

Gomes, Asseiro, and Ribeiro (2013) was grounded in the objectivist approach and used the quantitative methodology to develop a correlative matrix and descriptive statistics (p. 47) based on a voluntary survey that consisted of predominantly women in their late 20's, and employees that had been with the organization for less than two years. The survey was similar to Herzberg's original research with the employees being asked what they value in the organization (p. 46).

One limitation that was not mentioned by Gomes, Asseiro, and Ribeiro (2013), was the convenience sample (p. 46) which should have been a random sample that was representative of the population. According to Gomes, Asseiro, and Ribeiro (2013), the main limitation is in the methodological design. The directions of the variables were influenced by the theory which obstructed determining causality (p. 50); however, the suggested solution was that "a longitudinal character model would allow resolving the issues related to the causal effects of financial and economic crisis regarding the relation between employee's motivation predictors" (Gomes, Asseiro, & Ribeiro, 2013, p. 50).

Gomes, Asseiro, and Ribeiro (2013) concluded that, contrary to the literature review, the organization to employee relationship was more of a predictor of motivation than the job to employee relationship (p. 50), which lacks credibility and reliability based on the threats to internal and external validity that were not addressed in the design. The objectivist epistemology is valid but the methodological design is flawed which invalidates the conclusion.

Caillier (2012) undertook a research study on the motivation of federal employees who telework because there is a gap in the literature with regard public sector research on the effects of teleworking (p. 461).This is a primary article because it focuses on motivation of federal employees and it uses a quantitative instrument that can be re-used in the inquiry topic.

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The purpose of the study is to assess the correlation of teleworking to work motivation within the context of public service which has the goal of affirming or disaffirming the "social exchange theory" (p. 461).

> Hypothesis 1: Teleworkers in each arrangement will report higher levels of work motivation (job satisfaction, organizational commitment, and job involvement) than will non-teleworkers.
> Hypothesis 2: Frequent teleworkers will report higher levels of work motivation (job satisfaction, organizational commitment, and job involvement) than infrequent teleworkers. (Caillier, 2012, p. 465)

According to Caillier (2012), the "social exchange theory" (p. 461) advocates the moral responsibility to reciprocate positive treatment by another person and thereby fortifying the connection between them (p. 464). The quantitative methodological approach is evidenced by the usage of secondary data and determining the correlation by using the "Generalized Linear Model" (Caillier, 2012, p. 468). Moreover, the objectivist philosophic approach is shown in the quantifiable results of the study which were reported in five tables which were objective statistics (Caillier, 2012, p. 468-472).

For the target population of federal employees, Caillier (2012) used data from the "2010 Fedview Survey" (p. 466); however, not all of the data from the survey was used. The survey covers all federal agencies in the executive branch, which is more than 95% of the federal government (p. 466). Specifically, Caillier (2012) chose data from the "Department of Health and Human Services (DHHS)" (p. 466) because of its large size, and that it has the highest percentage of eligible teleworkers in the executive branch, and because within a single agency, factors such as culture and duties can be compared and controlled (p. 466)

The Strength of this research is that it compared three different frequencies of teleworkers to get a more granular view of what motivates teleworkers, who are federal employees, so as to be able to inform the practitioner (Caillier, 2012, p. 476). Some of the limitations, admitted by Caillier (2012), were that this was a snapshot in time and was not longitudinal (p. 475), the function of the agency chosen may have affected the results "e.g., human services, regulatory, distributive, and so forth" (p. 475-476) which imputes a threat to external validity, and , the Fedview survey was not specific enough to capture all of the factors related to motivation, and lastly, due to the large sample size used, some of the correlations may not have had statistical significance in a small sample (p. 476).

The article did answer the research questions and disaffirmed the social exchange theory. The result of the study is that there is not an increase in motivation as the frequency of teleworking increases which refutes the social exchange theory premise that motivation increases as benefits increase, which implies that teleworking may not be a valid tool under the social exchange theory. Furthermore, the study implicates that perks should be offered in a precise targeted fashion that works for the worker and the agency (Caillier, 2012, p. 475).

Spangenburg (2012) noted that the research focuses downsizing and organizational commitment (OC) (p. 31). This is a tertiary article in which the problem is that leaders have to balance reduced financial resources with keeping talented employees (p. 30). The research questions are whether downsizing that is not based on a financial crisis affects OC and does OC change with a radical organizational change (p. 33)?

Although Spangenburg (2012) does not mention a specific theory, "organizational commitment theory" as explained by the "three-component model" (Meyer, 1991, p. 82-83) seems to be inferred when Spangenburg (2012) mentioned that the feeling of belonging is one component of Abraham Maslow's "Hierarchy of Needs" (p. 32).

This quantitative study, which is objective in philosophy, was designed to better understand the phenomenon, downsizing as it relates to the organization and impacts organizational human resources and organizational commitment by using an OC survey instrument. The 200 participants of varied pay grades below GS-15 were derived from two federal government organizations, one that was and one that was not being downsized (p. 33).

The study did not have any strengths as "*author bias*" appeared early on in the study. Spangenburg (2012) admitted that the limitations were the sample size and the homogeneous nature of organization, the localized region of the study (p. 34), and non-engagement of the leadership in the study (p. 35). The aforementioned limitation bring into question both internal and external validity. Furthermore, the article lacks credibility because of the limitations and the fact that the author's opinions and personal story are inserted in the article which shows bias of the author and could bias the reader. Spangenburg (2012) discussed being downsized and reported that "when the radical downsizing occurred in the author's career what seemed like a hard, fast decision that was unmanaged and not communicated well did end in a positive manner" (p. 34), which is inappropriate in a scholarly article.

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Fernandez and Pitts (2011) conducted research of federal employees and their motivation to innovate to see if this could be generalized to Australian government employees. This is a secondary article based on an analysis of "data from the 2006 Federal Human Capital Survey" (p. 202). The goal of the study is to classify factors that motivate federal employees to be innovative (p. 202). The research questions were eight hypotheses that were answered through a quantitative methodology. This is an exploratory study that introduces a new theory that:

> motivation to innovate = f(rewards for innovation, empowerment, involvement in decision making, slack resources, perceived performance, job satisfaction, vertical communication, horizontal communication, training and development, high exchange leadership relationship, headquarters, race and age). (p. 210)

According to Fernandez and Pitts (2011), the theory was tested using respondents who were lower level employees or those who self-identified as not being in a supervisory role, which created a sample size of 118, 211, from the total "2006 Federal Human Capital Survey" (p. 210) that was supposed to represent the target population of the executive branch (p. 210). The objective philosophic approach was evident in the descriptive statistics of the factors in the model and that the quantitative method used the dependent variable of motivation and an ordinal scale in the design (p. 211).

The strength of the study was the use of ordered probit to estimate the theory because of the ordinal dependent variable (Fernandez and Pitts, 2011, p. 211); however the limitations were daunting. Fernandez and Pitts (2011) acknowledged that there is a methodological problem of "endogeneity" (p. 210) with the variables of "job satisfaction and performance" (p. 210). Also, there is a possible bias input into the study as shown by the descriptive statistics (p. 211).

The results of the study imply that the motivation to innovate can be positively influenced with employee empowerment and including them in decisions that affect their duties, which supports previous studies related to organic organizational structures (Fernandez and Pitts, 2011, p. 216)

Overall, the study did answer the research questions with some of the hypothesis being accepted and some being rejected. With regards to external validity Fernandez and Pitts (2011) found "certain similarities between the US and Australia suggest these findings could be generalizable to the Australian Public Service" (p. 217); however no Cronbach Alpha was used.

Bozeman (2010) performed a literature review on downsizing in the federal government and argued for the case of not applying general downsizing literature to federal agencies (p. 558).This is a primary literature review article that refers to seminal research on downsizing within the government from the "1970s and 1980s" (p. 557). The purpose of the article is to show that extant literature is in no longer relevant and to offer possibly new directions that will energize this field of research (p. 557). The theory used is the "Publicness Theory" (p. 558) which Bozeman (2010), who Pandey (2010) described as "both its architect and doyen" (p. 565), expanded beyond organizations that are empowered or restricted by legislative authority (p. 558) to include "government, nonprofit, and even business organizations as public in degrees" (p. 558)

Bozeman (2010) proposed the following questions, does research in the field of managing decline in the second half of the 1970s and into the 1980s remain relevant in today economic downturn and why research in downsizing more prevalent about the private sector than the public sector (p. 557)? The research questions were answered by the literature review. Public administration decline literature diminished over time because of government growth and the reason that private sector research continued is because the research was not just about downsizing (Bozeman, 2010, p. 561). The argument is well made that changes in the direction of research about downsizing in the public sector need to occur. As Bozeman (2010) pointed out in the conclusion that it is not about understanding decline but understanding what environments will be replacing the current economic environment which could be long-term austerity in the public sector or elimination of some public sector organizations (p. 561).

Pandey (2010) relied heavily on Charles H. Levine's research on cutback management and the "Publicness Theory" (p. 564) for this primary theory article. This is a primary theory paper because it addresses downsizing, government agencies, and motivation; however the main focus of the article is downsizing of public agencies. According to Pandey (2010) publicness theory stresses that public sector institutions are different than the private sector with an overarching reach that covers public administration as well. The difference is because of the external influence that politics has in shaping the organizations and procedures (p. 565). The exploration of the paradox of publicness, also known as "Public Organization Theory" (p. 564) is discussed. Pandey (2010) argued that publicness creates paradoxical strain between such realms as "organizational goals, employee

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motivation, and organizational performance" (p. 564) and by considering such paradoxes as the organization not being given clear objectives and then being blamed for not attaining them and others (p. 568), theory and practice are informed. Pandey (2010) suggested that cutback management should not be done with a short term view of just cutting the budget for the current year, but done with the long-term perspective in mind due to the responsibility that government agencies have, to maintain stability. Also, the cutting back should be done with surgical precision and not half-hazardly just to make the budget (p. 568). Lastly, Pandey (2010) summed it up best and noted that "raising inconvenient questions about the long term, like the ones raised in this essay, are a step in the right direction" (p. 569)

Yang and Kassekert (2010) performed a quantitative research study that looks at how government reforms with respect to removing federal employee job security, sub-contracting the work, and introducing managing for results (MFR) are associated with job satisfaction (p. 413). This is a tertiary research article because only the contracting out of work could be seen as downsizing and while job satisfaction is a dependent variable, motivation is not the focus and it is objective in philosophical orientation based on the search for an association or correlation.

There are nine hypotheses in this article and they all have the dependent variable of job satisfaction. Yang and Kassekert (2010) used such independent variables as "contracting" (p. 416), "Title 5 Exemption" (p. 416), and "perceived performance orientation" (p. 417). These independent variables were chosen because the "Agency Theory" (p. 418) is what the research is based on.

According to Yang and Kassekert (2010), the secondary data was from the Office of Personnel Management (OPM) and included two data sets that were combined and resulted in "216,852" respondents (p. 420). Because the study included many agencies within the executive branch, Yang and Kassekert (2010) used "Hierarchical Linear Modeling (HLM)" (p. 423) to account for the clustering of individuals (p. 423). Using HLM was a strength and external validity was achieved with the use of Cronbach Alpha which is reported in table 1 (Yang & Kassekert, 2010, p. 421). The limitations were methodological such as choosing to use a binary indicator because it does not account for every pay program; system level data was not available so Title 5 variations, in different departments, could not be accounted for (Yang & Kassekert, 2010, p. 422).

Overall the researchers did a good job at answering the research questions and the implications informed the "Agency theory". According to Yang and Kassekert (2010), leadership should monitor how contracting out affects job satisfaction, and federal agencies should increase their appeal to employees by focusing on performance, innovation, culture, and having reliable leadership (p. 431).

The recent research articles were all quantitative but used different methods. Most of them used the same or similar secondary data from OPM. The overarching theme is that job satisfaction, organizational commitment and motivation can be positively correlated as dependent variables. This literature review showed the history of downsizing in public sector which will add depth and breadth to the future research, as will the (Bozeman, 2010) article on publicness.

CONCLUSION

The seminal research was interpretive and the recent research was objective; however the data sets used in the quantitative research were qualitative questions which show that the seminal works have had a direct influence on the current work. Although a good study could be done using Herszberg's Motivation/Hygiene theory for motivation and the institutional theory for downsizing, this review indicates that there are many combinations of theories that could be used to combine motivation and downsizing, such as the social exchange theory and publicness theory, which is another gap in the research. Even though this review revealed limitations based on the OPM data set, the secondary data from OPM is valuable, if the data and agency are chosen with forethought. Future research should be longitudinal and use multiple data sets to capture as many relevant independent variables as possible and should focus on a single agency.

Researching how to motivate federal employees during downsizing is a current topic that will continue to confuse federal government leadership, if they rely on previous methods of motivation based on prior research. By exploiting the gap in the literature, results may reveal correlative factors that can be used by the practitioner to retain talented public servants, and increase their commitment to the organization.

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