Case Archive

# Chapter 9: Human Capital

## Human Capital: A New Take on Old Principles

In the annals of modern public administration, few things are more basic than the merit system. It builds on a principle, established by Progressive reformers in the late nineteenth century, that government hiring should be based on what you know, not who you know. Standard tests determined who got government jobs and demonstrated skills determined promotions. Pay went with the job, not with the person.

Critics increasingly condemned the system for being too rigid to meet the needs of modern government. Reformers floated a host of ideas, but they all struggled to get political traction.

In the course of this debate, Dr. Nancy Kingsbury and her team at the Government Accountability Office (GAO) put together a strategy that, they believed, could provide a road map for real reform. What they produced in the summer of 2008 was the following merit system principles matrix.

[Insert “Modern Management Concepts and Merit Principles” table – pick up from p. 274-277]

## Questions to Consider

Consider the GAO matrix. Do you think this represents an improvement over existing human resources strategies?

What advantages do you think this strategy would have? What disadvantages?

Consider the political forces arrayed around the human resources issues, from public employee unions and good government groups to the White House and members of Congress. Which forces do you think would be allied on which sides of this debate?

Do you think the federal government ought to adopt this plan? If so, what political strategy would you create to advance it? If not, what would you suggest in its place?