U. S. Merit Systems Protection Board

Ben L. Erdreich, Chairman

Beth S. Slavet, Vice Chairman

Office of Policy and Evaluation

Director
John M. Palguta

Project Supervisor
Bruce Mayor

Project Manager
Jamie J. Carlyle, Ph.D.

Notice

This U.S. Merit Systems Protection Board report was electronically converted from its desktop publishing format into a format suitable for viewing or printing with the Adobe Acrobat reader program. Because of this conversion, there may be some slight variations (especially in special characters) from the paper copy. Notably, page numbers may vary from the original paper copy.

For a paper copy of the report, please contact:
U.S. Merit Systems Protection Board
Office of Policy and Evaluation
1120 Vermont Avenue, NW, Room 884
Washington, DC 20419

Toll-free (800) 209-8960
V/TDD (202) 653-8896
FAX (202) 653-7211
e-mail: pe.contact@mspb.gov

For questions, suggestions, or feedback about this electronic version or distribution of MSPB reports, please contact Paul van Rijn by e-mail: (paul.vanrijn@mspb.gov).

Adherence to the Merit Principles in the Workplace: Federal Employees' Views

Contents

Page

Introduction 1

Major Findings 2

Discussion of Employee Perceptions 4

Making outside selections and internal promotions on the basis of merit 4

Protecting employees against arbitrary actions, personal favoritism, coercion for political purpose, and whistleblowing reprisals 6

Dealing effectively with performance problems 6

Providing equal pay for equal work 7

Promoting high standards of integrity, conduct, and concern for the public interest among employees 8

Treating employees fairly and equitably without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition 8

Impact of respondents' supervisory level on their perceptions of agencies' performance 8

Summary and Conclusions 9

Appendixes:

Appendix 1. Merit System Principles 11

Appendix 2. Employees' Views on Their Agencies' Performance in Upholding the Merit Principles 12

Adherence to the Merit Principles in the Workplace: Federal Employees' Views

As part of its statutory responsibility to determine whether the Federal civil service is operating in accord with the merit system principles, the U.S. Merit Systems Protection Board (MSPB, or the Board) has the authority to conduct studies of the civil service and other merit systems in the executive branch. In keeping with this responsibility, we recently administered a survey to which over 9,700 Federal employees responded. This was the fifth in a series of such surveys conducted since 1983. Part of this latest survey focused on tasks to be accomplished by Federal agencies in fulfillment of the merit principles. This paper presents employees' views on how well their agencies are performing.

The survey results suggest that while most employees believe that their agencies are upholding the values embodied in the merit principles, substantial numbers see their agencies as failing in this mission. Some of the most serious problems were seen to be in the areas of dealing with performance problems, ensuring that promotions are merit-based and made only after fair and open competition, and keeping personal favoritism out of personnel management.

Introduction

The Merit System Principles,[1] which were articulated in statute in the 1978 Civil Service Reform Act, are a set of values for Federal public service that date back to the beginning of the merit-based civil service system in 1883. The principles address basic human resource management activities. These activities—including selections, promotions, and actions to deal with performance problems—define the goals that all Federal managers are expected to strive for when managing their workforce. While some of these principles were added in later years (such as protections for employees against reprisal for the disclosure of waste, fraud, and abuse in the civil service system), most of them have always been key to the operation of a merit-based system, and central to the ability of the U.S. Government to serve the public.

Why are these values so important to our system of Government? They are meant to ensure that processes and systems the Government uses for selecting and maintaining the Federal workforce will result in a competent workforce that serves the best interests of the American people. A strong belief expressed through the principles is that this workforce should be able to operate free of improper external influences in order to provide the best service possible to its client, the American taxpayer. In addition, the merit principles send a clear message that all individuals should have the opportunity to participate in the operation of our Government if they so desire and are qualified.

Since they embody values, adherence to the merit principles is difficult to quantify and measure directly. However, it is important to have some sense of how well these principles are being followed and whether we are maintaining a system free of prohibited personnel practices. In an effort to do this, MSPB recently analyzed the responses from a sample of over 9,700 Federal employees to a series of questions asking how well their agencies were meeting the goals defined by the merit system principles. These questions were asked of employees in every grade plus the Senior Executive Service (SES) as part of our 1996 Merit Principles Survey, a Governmentwide survey that MSPB has conducted approximately every 3 years since 1983 to assess

[1] The merit system principles are listed in app. 1.

the health of the merit system. The employees participating in this survey were representative of all Federal employees.

Specifically, we asked our survey respondents to rate the extent to which their agencies accomplished each of 15 tasks (listed in appendix 2) relating to the values articulated by the merit system principles. Employees indicated the percentage of time that they believed their organizations were able to accomplish a given merit principle objective.[2] For this discussion we considered a response of "always" to mean that the respondent saw *no* problems in the area in question, a response of "between 90 and 99 percent of the time" to mean that the respondent saw a *minor* problem in the area in question, a response of "between 70 and 89 percent of the time" to mean that the respondent saw a *moderate* problem, and a response of "less than 70 percent of the time" to mean that the respondent saw a *major* problem.[3]

We are looking at employees' perceptions of their organizations' adherence to the merit principles as the 20th anniversary of the 1978 Civil Service Reform Act approaches. It is also a time when affirmative action, leaner but better government, and other issues related to fairness, merit, equity, accountability, employee protections, and workplace efficiency are receiving much attention in our Nation. With this in mind, we present our findings as comprising an important perspective on whether Federal agencies are meeting the ideals embodied in the merit principles.[4]

Major Findings

■ A*re competitive promotions and selections based on merit and subject to fair and open competition?* **A significant minority of employees thought their agencies have a "major problem" (i.e., they fail at least 30 percent of the time) in upholding both of these goals for promotions. These responses made competitive promotions, along with the closely related area of favoritism, the second most negative area of concern for respondents to our survey. Agencies were judged more favorably on selections:**

- Almost one-third of respondents believed their agencies regularly fail to uphold the merit principles when promoting people, basing promotions on something other than candidates' relative ability, knowledge, and skills. The same proportion (32 percent) saw the same degree of failure with their agencies' efforts to ensure fair and open competition before a promotion is made.

- For both merit principle objectives, about one-fifth saw a major problem with their agencies' handling of selections.

■ *Are newly hired employees well qualified, and do the good performers stay with their agencies?* **Substantial minorities said their agencies have major problems in both areas:**

- One-fifth of respondents felt their agencies regularly fail to make well-qualified selections when hiring new employees from outside their agencies.

- Over one-fourth felt their agencies have trouble retaining good performers; however, some 30 percent thought their agencies are generally successful in this regard.

■ *Is poor performance handled well?* **Nearly half of all respondents said their agencies have a major problem in correcting poor performance and even more said this in regard to firing poor performers, making the issue of handling poor performance the single most negative area of concern for our respondents:**

[2] The following scale was used for rating the organization's accomplishment of tasks defined by the merit principles: Always (without exception); Between 90 and 99 % of the time (exceptions are rare); Between 70 and 89 % of the time (most of the time, but exceptions are not uncommon); Less than 70% of the time (exceptions occur regularly); Don't know/Can't judge.

[3] Because many respondents answered "Don't know" to some of the items, we have included "Don't know" responses in all calculations of percentages reported. By including "Don't know" in the calculations, the percentages for some of the other response categories will be smaller than they would have been had the "Don't knows" been excluded from the calculations.

[4] A table listing the results for each of the survey items is printed as app. 2.

- Some 44 percent felt their agencies regularly do a poor job of correcting inadequate performance of their coworkers. Nonsupervisory and supervisory employees' views were almost identical here.

- Just over half (51 percent) said their agencies don't fire people who cannot or will not improve their poor performance. Even more supervisory personnel felt this way than nonsupervisors.

■ *Are employees protected against arbitrary personnel actions? Personal favoritism? Reprisals for whistleblowing? Coerced partisan political activities?* **A large minority said there is a major problem in their agencies in the area of favoritism—the second most negative area of concern, along with the closely related issue of promotions, for respondents to our survey. Small but substantial minorities saw major problems with protections against arbitrary personnel actions and whistleblowing reprisals. Agencies were judged more positively in regard to coerced political involvement:**

- Well over a third (38 percent) felt their agencies do a poor job protecting employees against personal favoritism.

- Almost one-fifth (19 percent) of respondents thought their agencies regularly fail to protect employees against arbitrary personnel actions.

- Some 15 percent of respondents believed their agencies regularly fail to protect employees against reprisal for whistleblowing.

- Only 8 percent saw a major problem in regard to whether agencies are able to protect their employees from being coerced to participate in partisan political activities. About a third thought their agencies generally succeeded in upholding the merit principles involved here, but a large 50 percent just didn't know how their agencies performed in this area.

■ *Is equal pay given for equal work?* **While one-third of respondents said this was not a problem or only a minor one, a sizable minority of respondents saw a major problem here:**

- Roughly one-fourth of survey respondents thought their agencies do a poor job of ensuring that employees receive equal pay for equal work.

- While lower graded employees found a problem here most often (28 percent in grades GS 1-8 did so), a sizable minority at every level of the pay scale agreed that there was a major problem in this area (e.g., 19 percent of respondents in grade GS-15 or the SES held this view).

■ *Do all employees and applicants receive fair and equitable treatment in personnel matters without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition?* **While a substantial majority of respondents said this was not a major problem in their agencies, a significant proportion disagree:**

- A relatively high 38 percent perceived their agencies as having only a minor problem or no problem in protecting employees from discrimination in personnel management matters. Some 22 percent said this was a recurring problem in their agencies, and 20 percent said it was only a moderate problem.

- The proportion who saw a major problem in this area varied by the respondents' race/national origin; for example, 32 percent of African Americans said it was a major problem, compared with 20 percent of Whites.

■ *Are high standards of employee integrity, conduct, and concern for the public interest promoted by the agency?* **Agencies received some of the highest marks for their performance here, although the pattern of a small but substantial minority that saw a problem in most of the areas in question prevailed here as well:**

- A relatively high 43 percent of respondents thought their agencies always or almost always achieved this merit principle goal.

- One-fifth believed their organizations regularly fail to meet this objective.

In total, these findings paint a disturbing picture about employees' perceptions concerning the health of the merit system, even though the majority views suggest that the core values of the Government's merit-based human resource management system are well established. Among the questions the findings raise are these:

- What are agencies doing or not doing that would lead substantial proportions of employees to conclude that their organizations are regularly failing to accomplish the goals defined by the merit principles?

- Are these employees' assessments based on personal observations of some infractions, or are they based on employees' general beliefs about their organizations?

While a formal look at agencies' activities in order to respond to the first question is beyond the scope of this report, in the discussion below we look at certain relevant factors then offer some possible explanations in several of the subject areas. The second question is important because perceptions of merit system abuses do not necessarily mean that violations of the merit system actually exist in every case. However, that so many respondents believe that merit system abuses exist indicates a problem. Such perceptions may result in cynicism, discouragement, and ultimately, a loss in productivity. Therefore, if we are to achieve optimal levels of efficiency and effectiveness, efforts must be made to eliminate both real and perceived abuses of the merit system.

Discussion of Employee Perceptions

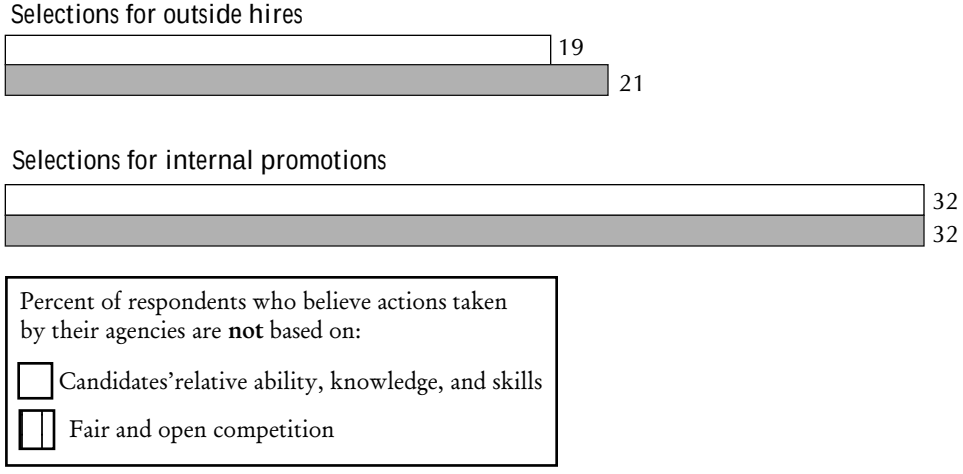
In this section, our discussion incorporates additional data from the survey as well as supportive research findings and information from other sources.

Making outside selections and internal promotions on the basis of merit

As indicated earlier, a significant proportion of employees found serious problems with promotion actions within their agencies; outside hiring practices were viewed more favorably, although a small but substantial minority saw major problems there as well (see fig. 1) and with the quality of individuals hired from the outside.

Other Board information supports the thrust of our findings on selection and promotion actions. In late 1996, to learn more about how human resource management (HRM) changes were affecting Federal agencies, the Board established two standing panels—one composed of Federal supervisors and managers, the other comprising Federal human resource management professionals

Figure 1. **Percent of respondents who say their agencies have a major problem making merit based—**



Source: 1996 MSPB Merit Principles Survey

(both personnel officers and specialists).[5] According to a total of approximately 3,000 respondents:

- Sizable minorities of both panel memberships said they had witnessed merit system abuse at least once, and some more than once. (Situations the Board posed as examples of ones constituting merit system abuse included inappropriate limits on recruitment sources; selection or advancement based on nonmerit factors; and competition for vacancies that was not open to all individuals.)

- While most of the HRM professionals thought their agencies had adequate safeguards in place to protect the merit basis of staffing actions, almost one-fourth felt the safeguards were inadequate.

- Responses of both managers and HRM professionals suggested that current employees may be subjected to unfair treatment more frequently than outside applicants. As one HRM professional serving on the MSPB standing panel commented:

> *The agency has [safeguards to protect the merit basis of staffing actions] in place. The managers know how to get around them. There is a lot of "pre-selection" where employees are just going through the motions of competition—they already know they have the job.*

Although we need to be concerned about what Federal agencies may be doing that would account for these perceived abuses of the merit system, it is important to consider whether some explanations lie in differences among employees who viewed certain of their agencies' accomplishments negatively versus those who saw them more favorably. The following brief examination of two types of differences illustrates how important it is to examine all aspects of data that report perceptions as well as how difficult it is to directly measure whether values/principles are being upheld.

Did differences in past employment experiences help account for the more negative responses of those supervisory and nonsupervisory employees who saw problems with their agencies' performance in external selection and internal promotion? Our survey data suggest an answer of "yes." Respondents who believed they had been denied a job or promotion because the selecting or recommending officials gave an unfair advantage to another applicant tended to be more negative concerning their agencies' performance with regard to all selections and promotions than employees who hadn't personally been denied a job or promotion.

As to the respondents who believed that they themselves had been unfairly (as just defined) denied a job or promotion, it is significant that their claims are fairly consistent with Board data collected over the last decade. For example, 25 percent of our current survey respondents believed they'd been unfairly denied a job or promotion. Similarly, 28 percent of respondents to a 1986 survey of ours said they'd been denied a job or job reward as a result of another person's selection based on the "buddy system" without regard to merit. Thus, it appears that some perceptions of personal experience of abuses in the selection and promotion systems are long-standing.

Did differences in the respondents' level in the organization help account for differences in how they viewed their organization's performance in selecting well-qualified individuals when hiring from the outside? Apparently, they did. Nonsupervisory respondents didn't believe their agencies hire well-qualified people from the outside to the extent that supervisors did. This may well be because supervisors and managers who are in a position to make selections would be predisposed to regard their judgments more favorably than nonsupervisory employees.

[5] A third standing panel, composed of representatives from Federal employee unions, subsequently was established but was not completely in place at the time of this study, and therefore was not included. While the views of these panels do not represent the views of all Federal supervisors, managers, human resource management professionals, and union representatives, they can provide useful information to amplify or clarify data that we obtain from other data collection instruments, such as our Merit Principles Survey.

Protecting employees against arbitrary actions, personal favoritism, coercion for political purpose, and whistleblowing reprisals

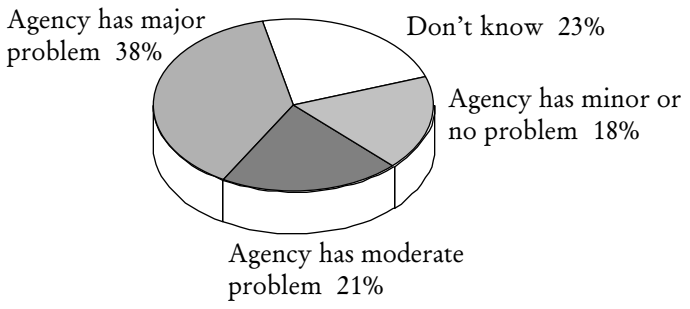
As indicated earlier, relatively small percentages of respondents thought their agencies were having major problems protecting employees against political coercion (8 percent), arbitrary personnel actions (19 percent), and reprisals for whistleblowing (15 percent). The more troubling finding was that 38 percent felt that their organizations weren't providing adequate protection against personal favoritism (see fig. 2) (although also troubling was the finding on whistleblowing, as noted below following our comments on favoritism).

Personal favoritism. In looking at the great disparity between our finding on personal favoritism versus the other three forms of abuse under discussion, we note that employees may have a number of interpretations of "personal favoritism" while for at least some of the other forms of abuse there may be less room for interpretation. And one of these interpretations of favoritism that is almost certainly important to employees may relate to staffing practices, especially promotion practices. If respondents' views on the promotion process are coloring their views on their agency's ability to protect them against favoritism (e.g., the "buddy system") in that process, it is not surprising that they find their agency doing poorly at protecting employees against unspecified "personal favoritism."

This observation is borne out by the very strong statistical relationship we found between our survey's negative responses on promotion and those on favoritism. That is, respondents who indicated that their organization was not successful in protecting against favoritism were also likely to say that their organization often failed to promote people on the basis of their relative ability, knowledge, and skills, and to base promotions on fair and open competition. We don't know which belief may have influenced the respondent to have the other belief as a consequence, but the two issues do appear to be closely related.

Whistleblowing reprisals. The survey finding concerning whether agencies have a major problem in protecting employees against retaliation for whistleblowing is corroborated by earlier Board reports that have noted that one of the primary reasons employees fail to disclose information about fraud, waste, and abuse is that they fear retaliation.[6] To find that some 15 percent of employees still believe that their agency cannot protect them from retaliation is especially disheartening given the attention that has been focused on this issue over the past 20 years.

Figure 2. **How do employees assess their agencies' ability to protect them against personal favoritism?**



Source: 1996 MSPB Merit Principles Survey

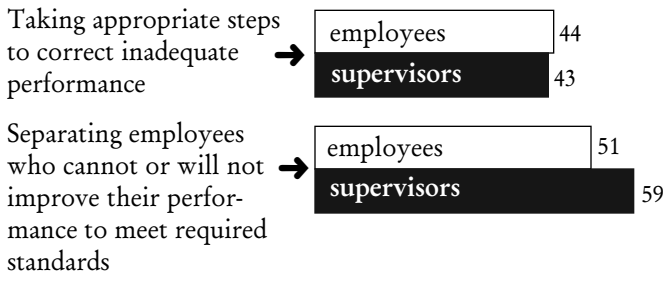
Dealing effectively with performance problems

As indicated in the beginning of this report, the overwhelming attitude among our respondents was that their agencies are not doing a very good job of handling performance problems (see fig. 3). Interestingly, there was very high agreement on this issue at all levels of the organization:

- Forty-four percent of nonsupervisory employees, 43 percent of first-level supervisors, and 43 percent of second-level and

[6] For example, see the U.S. Merit Systems Protection Board, "Whistleblowing in the Federal Government: An Update," October 1993, which noted that although a belief that nothing would be done to correct the situation was the predominant reason for not reporting fraud, waste, and abuse, at least a third of the employees witnessing such activities listed retaliation as a reason for not blowing the whistle.

Figure 3. **Percent of respondents who say their agencies have a major problem—**



Source: 1996 MSPB Merit Principles Survey

higher supervisors thought that their organizations have a major problem in being willing or able to correct inadequate performance.

■ Fifty-one percent of nonsupervisory employees, 59 percent of first-level supervisors, and 59 percent of second-level and higher supervisors believed that their organizations are unsuccessful at separating poor performers.

Our negative finding for supervisory employees concerning separating poor performers is corroborated by a previous Board study[7] which found that Federal supervisors believe they face many obstacles in dealing with employees who are performing poorly, and often feel frustrated in being able to separate poor performers.

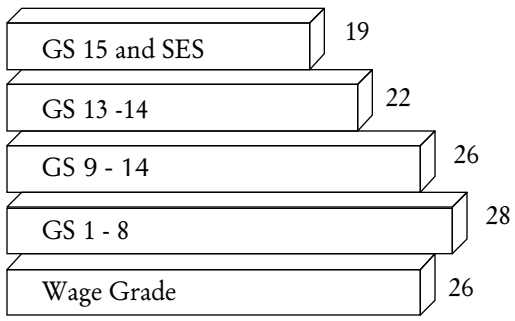
Providing equal pay for equal work

As indicated earlier, about one-fourth of our survey respondents believed that their organizations are unable to ensure equal pay for equal work. Interestingly, this viewpoint was found in substantial numbers at every grade level grouping, although a larger percentage of employees in lower pay grades viewed their agencies' performance in the equal pay area as a major problem than did those in higher graded positions (see fig. 4).

What might account for these perceptions of inequality in the pay system? As suggested in a previous Board report,[8] these perceptions may be tied to inadequacies in the Federal Government's position classification system—a system that has been criticized for many years and that many believe may result in inconsistencies in the way pay grades are assigned to the work being performed. And these perceived inconsistencies can go both ways, with some employees feeling that some people are undergraded (therefore, underpaid) for their work, while other people are overgraded (hence, overpaid) for theirs.

Another possible explanation concerns recent changes in the Federal pay system. Although this system has undergone a fairly dramatic change over the past decade in an attempt to address pay disparity issues, pay reform has not been fully implemented.[9] That is, pay levels have not increased at the rates recommended by the Federal Employees Pay and Compensation Act (FEPCA) because of budgetary considerations and disagreement over methodology used to determine appropriate pay rates. Thus, employees who read about their pay "not catching up" to that of the private sector may feel that inequities exist for them.

Figure 4. **Percent of respondents, by grade level grouping, who say their agencies have a major problem ensuring equal pay for equal work**



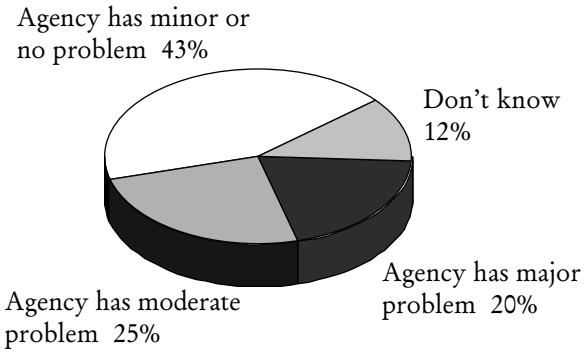
Source: 1996 MSPB Merit Principles Survey

[7] U.S. Merit Systems Protection Board, "Removing Poor Performers in the Federal Service," Issue Paper, September 1995.
[8] U.S. Merit Systems Protection Board, "OPM's Classification and Qualification Systems: A Renewed Emphasis, A Changing Perspective," November 1989.
[9] Ban, Carolyn, "How Do Public Managers Manage: Bureaucratic Constraints, Organizational Culture, and the Potential for Reform," Jossey-Bass, 1995, p. 191.

Promoting high standards of integrity, conduct, and concern for the public interest among employees

Compared with the other merit principle areas, respondents gave their agencies relatively high marks on their performance here (see fig. 5), choosing the most positive response (that agency performance was a "minor problem or no problem") more often and the "don't know" response less often than for any other of the 15 survey questions. A relatively small but substantial proportion (about one-fifth) thought that their organizations had major problems in upholding the merit principle involved here.

Figure 5. **How do respondents assess their agencies' performance in promoting high standards of integrity, conduct, and concern for the public interest?**



Source: 1996 MSPB Merit Principles Survey

Treating employees fairly and equitably without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition

The perception by 22 percent of the employees responding to our survey that their organizations have a major problem in providing fair and equitable treatment for employees and applicants in all aspects of personnel management without regard to the nonmerit factors itemized here is unfortunate, given the resources that have been devoted by many agencies over the years to accomplishing this goal. Such a finding is not entirely surprising, however, in view of a recent Board study on the employment of minorities in the Federal Government that found that "minorities may not be treated equally with respect to all employment-related actions in the Federal Government."[10] That report suggested that some employees are still subjected to disadvantages, unrelated to merit-based factors, especially in those personnel management decisions in which subjective judgment plays a major role.

To investigate whether all employees viewed this issue similarly, we compared respondents' views on the issue of fair and equitable treatment on the basis of their race/national origin (RNO). As noted previously in this report, we found some fairly large differences in the ratings that employees of the various RNO groups gave their organizations. As can be seen in figure 6, the views of Asian Pacific American, Hispanic, and Native American employees responding to our survey were very similar to each other. The greatest differences existed between the perceptions of White respondents and those of the African American respondents.

These findings are corroborated in the previously mentioned Board study on the employment of minorities in the Federal Government.[11] In that study, the responses of survey participants to questions about employees being subjected to discriminatory practices revealed the same patterns among RNO groups as those shown in figure 6.

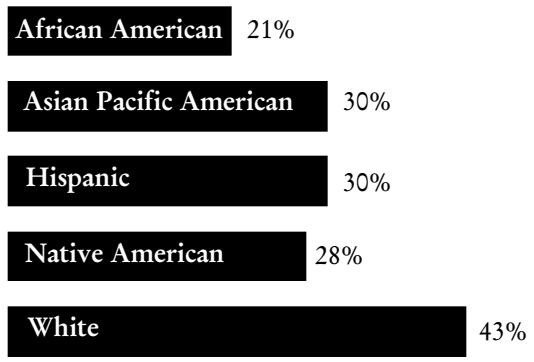
Impact of respondents' supervisory level on their perceptions of agencies' performance

In this section, we briefly discuss the overall relationship we found between respondents' organizational level—nonsupervisory, first-level supervisory, and higher level supervisory and managerial—and how they saw their agencies' accomplishment of the merit principles tasks.

[10] U.S. Merit Systems Protection Board, "Fair and Equitable Treatment: A Progress Report on Minority Employment in the Federal Government." August 1996, p. 45.
[11] Ibid., pp. 40-44.

Although there was much variation among employees across the 15 survey questions in terms of how they saw their agency's accomplishment of the merit principles, employees generally did not give their agencies very high marks with regard to any of the merit principles. However, we found a clear trend that suggested the higher the supervisory level respondents occupy in the organization, the more positive their ratings of the agency are likely to be. As noted earlier, the three levels—nonsupervisory, first level supervisor, and higher level supervisors and managers—were more in agreement on the issue of equal pay for equal work than they were on most of the other merit system principles. Further, ratings on correcting poor performance were just about identical for the three levels of employees, and on the question of separating poor performers, supervisors were actually slightly more negative than nonsupervisory employees. But for the most part, the differences among the three levels were much greater than the similarities. Some of the differences in perception were striking: on 9 of the 15 survey questions, at least 25 percent more of the second-level or higher supervisors than the nonsupervisory employees believed that their organizations were successfully upholding the merit principles being asked about.

Figure 6. **Percent of respondents, by RNO category, who say their agencies have no problem, or a minor one, in providing fair and equitable treatment.**



Source: 1996 MSPB Merit Principles Survey

Summary and Conclusions

The merit system principles embody a set of values that lie at the heart of public service, and their purpose is to ensure that the trust that the public has placed in the Federal Government to operate a personnel system based on merit is earned. Based on the findings in our survey, many Federal employees are not convinced that their organizations are consistently upholding these values. These organizations, in their employees' eyes, do a better job of providing protections in some areas than others. Unfortunately, our respondents did not see their agencies' performance as particularly noteworthy in any of the various merit principle activities included in the survey. Furthermore, substantial minorities of respondents believed violations were occurring that undermine the merit system.

The merit system principles represent a set of values and ideal objectives to guide Federal Government operations with regard to its workforce. It may be highly unlikely that Federal employees will ever be in complete agreement on the ability of their agencies to fully meet those objectives. However, the relative degree of disagreement—tracked over time—can serve as an important indicator of whether or not the Government and its component organizations are moving in the right direction. And while MSPB plays a role in monitoring the health of the merit systems through adjudicating Federal employee appeals and conducting periodic studies and oversight reviews of the systems, the major determinant of how well these values and objectives are reflected in the daily events of the workplace will depend on how well they are put into action by the Federal employees themselves.

Finally, in an era of greater decentralization and delegation of HRM authorities, fewer rules, and increased pressure to provide better government services at lower cost, there is clearly a need for action by individual agencies to ensure that the principles of merit continue to guide Federal HRM policies and practices. Among the actions that may be helpful in this regard are the following:

1. As part of their systemic process-improvement efforts, Federal departments and agencies need to examine their own personnel practices and programs, emphasizing the bottom-line results inherent in the merit system principles.

Streamlining of personnel operations has received much attention over the past few years. Departments and agencies are reengineering their organizations, often paring down HRM structures fairly dramatically in order to cut expenses and give managers more power to make personnel management decisions. But as Federal organizations make these changes, there is danger that values such as those embodied in the merit principles will be lost in the shuffle. Consequently, it's important that departments and agencies not ignore the underlying principles that prompted formulation of many now-extraneous rules and regulations, once those rules and regulations have been eliminated. As Federal agencies plan for the future, they must take care to ensure that merit system principles are an integral part of that planning, that the programs and procedures that result still reflect those principles, and that human resource decisions continue to be based on merit.

2. With OPM's help, Federal departments and agencies should incorporate into their management training programs practical guidance for managers on what they must do to implement the merit system principles.

If managers are to be held responsible for applying merit principles to their HRM decisions, they need more than a passing acquaintance with these principles. They need practical guidance that's relevant to their own situations and that makes clear the consequences—for their work units and their agencies—of disregarding the merit principles in taking personnel actions. Such training will involve putting the practical, day-to-day management of human resources into the larger context of a value system that promotes the consideration of merit in hiring, retention, performance management and other personnel activities.

3. Federal departments and agencies should foster meaningful, cost-effective oversight and accountability systems.

Consistent with the ongoing efforts initiated in the 1993 Government Performance and Results Act, each Federal department and agency needs to be able to provide realistic assurances that its managers will be held accountable for providing a work environment that protects the "public interest in a civil service free of prohibited practices." Further, just as every financial accounting system provides for a periodic, independent audit, each agency's approach to internal HRM accountability should use the results of independent reviews and data provided by external organizations such as the Office of Personnel Management and the Merit Systems Protection Board.

Appendix 1

Merit System Principles

(1) Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity.

(2) All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights.

(3) Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance.

(4) All employees should maintain high standards of integrity, conduct, and concern for the public interest.

(5) The Federal workforce should be used efficiently and effectively.

(6) Employees should be retained on the basis of the adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards.

(7) Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance.

(8) Employees should be—

(a) protected against arbitrary action, personal favoritism, or coercion for partisan political purposes, and

(b) prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for election.

(9) Employees should be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences—

(a) a violation of any law, rule, or regulation, or

(b) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

Appendix 2

Employees' Views on Their Agencies' Performance in Upholding the Merit Principles

Does your agency have a problem when it:	*Percentage of respondents who see their agency as having:* Minor or no problem	Moderate problem	Major problem *or*	Don't know
Selects well-qualified persons when hiring from outside the agency	20	31	20	29
Selects persons on the basis of their relative ability, knowledge, and skills when hiring from outside the agency	25	29	19	28
Promotes people on the basis of their relative ability, knowledge, and skills	21	33	32	14
Makes selections based on fair and open competition when hiring from outside the agency	24	23	21	32
Makes selections based on fair and open competition for promotions	21	29	32	18
Ensures equal pay for equal work	33	21	26	21
Promotes high standards of integrity, conduct, and concern for the public interest among agency employees	43	25	20	12
Retains employees on the basis of the adequacy of their performance	30	28	27	15
Takes appropriate steps to correct inadequate performance	17	25	44	13
Separates employees who cannot or will not improve their performance to meet required standards	11	15	51	23
Protects employees against arbitrary personnel actions	24	20	19	37
Protects employees against personal favoritism	18	21	38	23
Protects employees against coercion for partisan political activities	33	9	8	50
Protects employees against reprisal for whistleblowing	21	10	15	55
Provides fair and equitable treatment for employees and applicants in all aspects of personnel management without regard to their political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition	38	20	22	20

Note: Percentages may not add to 100 because of rounding