insights & analyses for Federal human capital management

Issues of Merit

July 2008

a publication of the U.S. Merit Systems Protection Board, Office of Policy and Evaluation

What's Inside

Director's Perspective *Page 2*

Fair Treatment in the Federal Government *Page 4*

A Look at Direct-Hire *Page 4*

Agency Corner: NASA's Onboarding Approach *Page 5*

Assessing Assessments: Accomplishment Records *Page 6*

Keeping the Personal Touch in Reference Checking *Page 7*

MSPB's Appeals Numbers *Page 7*

Using Engagement to Ride the Retirement Wave

MSPB research indicates that engaging your retirement-eligible employees may help you keep them longer.

The Federal human resources community is well-acquainted with the predictions of large numbers of baby boomer retirements occurring in the next 5 to 10 years. For example, a recent estimate predicted that throughout the next 5 years one-third of the Federal Government's full-time permanent workforce will leave the Government—the majority through retirement.* How to respond to these impending retirements has been, and will continue to be, the topic of much debate and will shape how well agencies continue to meet their missions.

Among the strategies proposed to deal with these retirements is a renewed focus on recruiting new workers to the Government. This focus includes offering new recruits larger incentives to sign on with the Government (including increased student loan repayments and recruitment incentives) and streamlining the Federal hiring process. Some have also proposed eliminating the financial penalty that retired Federal workers currently face when they return to Government service part-time.

Although these strategies are certainly appropriate, agencies may want consider supplementing their recruitment efforts with another strategy: retaining retirement-eligible employees by engaging them.

In the previous *Issues of Merit*, we defined employee engagement as a heightened connection between an employee and his or her organization, colleagues, or supervisors and managers. Increased levels of engagement have been linked to improved organizational results and increased employee retention. The potential for increased retention makes "engagement" particularly compelling to the Federal Government as it faces losing nearly 530,000 employees by 2012.*

In our upcoming report on Federal employee engagement, the Merit Systems Protection Board (MSPB) examines the relationship between engagement and respondents' intention to leave their agency in the next 12 months. According to our engagement scale, retirement-eligible employees who are engaged have less intention to leave their agency. Over half of the retirement-eligible employees who said they were very *unlikely* to leave their agency reported being engaged. In contrast, less than one-third of retirement-

*The Partnership for Public Service, *Issue Brief: Brain Drain*, May 6, 2008.

continued, page 3

insights & analyses for Federal human capital management

ISSUES OF MERIT

U.S. Merit Systems Protection Board

CHAIRMAN
Neil A. G. McPhie

VICE CHAIRMAN
Mary M. Rose

Office of Policy and Evaluation

ACTING DIRECTOR
John Crum, Ph.D.

Our Mission
The MSPB Office of Policy and Evaluation conducts studies to assess the health of Federal merit systems and to ensure they are free from prohibited personnel practices.

Issues of Merit
We offer insights and analyses on topics related to Federal human capital management, particularly findings and recommendations from our independent research.

Reprint Permission
We invite you to reprint any of our articles. If you do, please include the following attribution: *Reprinted from Issues of Merit, a publication of the Office of Policy and Evaluation, U.S. Merit Systems Protection Board*.

For More Information
Contact us at:
www.mspb.gov
(click on "MSPB Studies")
STUDIES@mspb.gov
202-653-6772 x1350
1-800-209-8960
V/TDD: 202-653-8896
(TTY users may use the Federal Relay Service, 800-877-8339)

U.S. Merit Systems Protection Board
Office of Policy and Evaluation
1615 M Street, NW
Washington, DC 20419

DIRECTOR'S PERSPECTIVE

Taking Aim at Federal Hiring

Agencies can do a lot to improve their hiring process without changing existing rules and regulations.

Earlier this year, the Office of Personnel Management (OPM) held a meeting of the Chief Human Capital Officers Council to discuss the Federal hiring experience. This was a great opportunity for agencies to get together to talk about what specific actions should be taken to improve Federal hiring. What became obvious is that there is a lot agencies can do—and are doing—themselves that do not require a change in Federal rules or regulations.

As people are well aware, the Federal Government is preparing for increased retirements and striving to address evolving mission needs and changing skill requirements. Recruitment and hiring plays a key role in ensuring that the Government is able to maintain a high-quality workforce capable of meeting the needs of the American public.

However, competition for high-quality talent among American employment sectors is getting more intense. Some studies have shown that fewer new members of the Nation's workforce are prepared to take on jobs requiring highly technical skills, such as jobs in science and engineering. As the demand for these skills increases and the supply of candidates with these skills decreases, competition will be fierce. Therefore, the use of good recruitment and assessment practices becomes that much more important.

MSPB's research has identified a set of key challenges the Federal Government faces in terms of recruiting and selecting the next generation of Federal employees. These challenges include the length and complexity of the hiring process, the Government's ability to market its jobs to attract high-quality applicants, the ability of Government assessments to distinguish the most qualified candidates, and the capacity of human resources (HR) staffs and supervisors to adequately carry out Federal hiring programs.

With respect to the length of the hiring process, research conducted by MSPB has shown that it is not uncommon for successful candidates to wait 5 months or more to receive job offers. The longer the process takes, the more applicant attrition is likely to occur.

A second barrier to effectively recruiting and selecting a high-quality workforce is the complexity of the process. Decentralization has added to the complexity because there is no standard application and no uniform assessment processes. Applicants often must submit different applications and other required forms to each agency with which they seek employment.

A third issue of concern regarding the Federal Government's ability to hire a high-quality workforce is how Federal employers assess the relative qualifications of job applicants. The assessment tools many agencies use are simply not effective predictors of success on the job.

Finally, the Federal Government often fails to market itself effectively as an employer of choice. MSPB's research shows that Federal vacancy announcements are often poorly written, difficult to understand, and filled with jargon and unnecessary information.

continued, page 3

Improving Federal Hiring

(continued from page 2)

Consequently, many announcements can actually discourage potential applicants from applying for Federal jobs.

There are a number of ways to address these issues and reform and improve the Federal hiring process. First, agencies should manage hiring as a critical business process, not an administrative function that is relegated solely to the HR staff. This means integrating discussions of hiring needs, methods, and outcomes into the agency's business planning process.

Additionally, agencies should evaluate their own internal hiring practices to identify barriers to high-quality, timely, and cost-effective hiring decisions. Many agencies may be surprised to see that many of the barriers they face are self imposed.

Agencies should also review their candidate assessment processes and whenever possible, employ rigorous assessment strategies that emphasize selection quality, not just cost and speed. In particular, agencies should use assessment instruments that have a relatively good ability to predict future performance.

Finally, agencies should implement sound marketing practices and better recruitment strategies, improve their vacancy announcements, and communicate more effectively with applicants. These reforms may well encourage applicants to wait longer for a final decision rather than abandon the Federal job search in favor of employment elsewhere.

These are all steps that agencies can take without having to change existing rules and regulations. Implementing these recommendations should help agencies ensure that they are hiring qualified employees in a timely manner from all segments of society after fair and open competition while treating applicants fairly and equitably, as prescribed by the Merit System Principles.

John Crum
Acting Director, Policy and Evaluation

Engagement

(continued from page 1)

eligible employees who said they were very *likely* to leave their agency reported being engaged.

The contrast is just as pronounced among retirement-eligible employees who are not engaged. Of those who said it was very *likely* they would leave their agency, 29 percent reported being not engaged. On the other hand, of those who said that it was very *unlikely* that they would leave their agency, less than 9 percent reported they were not engaged.

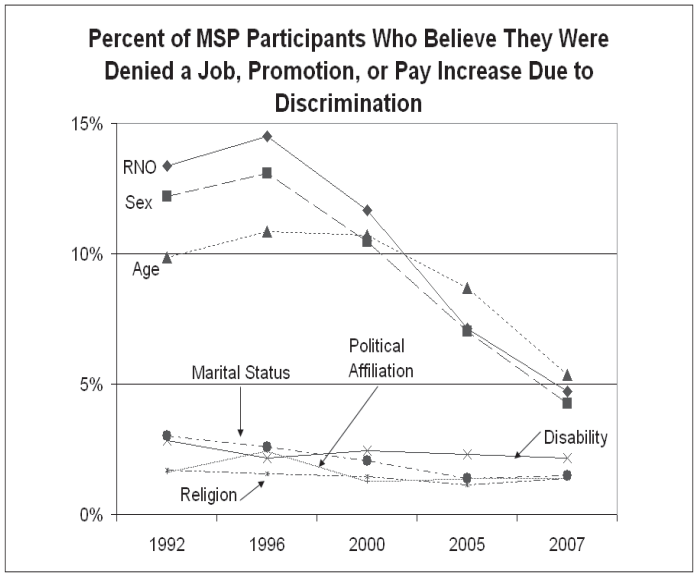
These retirement-eligible employees have worked long careers and may be ready to retire—and they have earned it. However, many factors go into making the decision to retire, not the least of which are financial considerations and how much one enjoys one's job. It appears that employees who are eligible to retire but plan on remaining at work have high levels of engagement that may play a role in keeping them on the job. The lesson here is a simple one: if agencies want to hold onto their older workers longer, they should figure out how to engage them.

In our upcoming report, we analyze who is engaged within the Federal workforce, examine the relationship between employee engagement and agency outcomes, and offer recommendations to increase the level of employee engagement. Among the strategies to heighten Federal employee engagement, we recommend maintaining a focus on the fit between a person and a job, effectively managing employee performance, embracing a competency-based approach to managing employees, and selecting first-level supervisors based on their supervisory-related abilities or potential. ❖

Trends in Federal Employees' Perceptions Regarding Fair Treatment

Federal equal employment opportunity laws prohibit discrimination against Federal employees on the basis of race, color, religion, sex, national origin, age (for those who are 40 or older) and disability. The Merit System Principles and Prohibited Personnel Practices (5 U.S.C. § 2301 and 2302) reinforce these laws and add political affiliation and marital status as personal characteristics that cannot be used as the basis for employment decisions because they are not job related.

In accordance with the MSPB's mission to ensure that Federal employees are treated fairly, we have periodically conducted the Governmentwide Merit Principles Survey (MPS) over the past 25 years. By analyzing the results we can see how employees' opinions have changed over time.



The data suggest that in the past decade, employees are less likely to report discrimination based on race, national origin, sex and age, as demonstrated in the accompanying graph. Discrimination based on disability, religion, marital status and political affiliation was seen as remaining at very low rates.

To better understand the specific ways that Federal employees felt they might be unfairly disadvantaged, we also asked about a variety of personnel actions, such as advancement, awards, training, performance appraisals, assignments, discipline and pay. Employees expressed more satisfaction with their treatment in areas such as discipline (which is unlikely to have impacted many of the survey respondents because so few adverse actions are taken across Government) and areas such as assignments, training and pay. Employees were less positive regarding advancement and awards, possibly reflecting the relative scarcity of promotion opportunities and funding for awards.

MSPB will further examine these issues in a longitudinal review of MPS results and in updates to our research regarding perceptions held by the Federal workforce of fair and equitable treatment. ❖

Exploring the Use of the Direct-Hire Authority

The Office of Personnel Management (OPM) has the option of giving Federal agencies direct-hire appointing authority for filling vacancies when a critical hiring need or severe shortage of candidates exists. This Governmentwide authority was granted by the Homeland Security Act of 2002. The purpose of the Direct-Hire Authority (DHA) is to allow agencies to hire, after public notice is given, qualified applicants without regard to competitive service rules found in 5 U.S.C. 3309-3318, 5 CFR part 211, or 5 CFR part 337, subpart A. Specifically, this authority eliminates competitive rating and ranking, veterans' preference, and "rule of three" procedures, thus expediting the hiring process.

The Federal Government has seen increased demands for specialized personnel stemming from rapid advances in technology and expanded mission requirements in security, defense, social security, and health care. As a result, agencies have turned increasingly to DHA to satisfy their growing need for scientist, engineer, medical, information technology, and other critical personnel.

To explore the trends in DHA use, the MSPB examined which agencies are using it, for what positions, and how frequently. Of particular interest was how agency use of DHA has changed since the flexibility was granted Governmentwide. The table on page 5 presents the top five occupations for which DHA was used between 2003 and 2007 and the number of hires made in those occupations. The Government's changing mission requirements are clearly driving the occupa-

continued, page 5

Agency Corner: NASA is Taking Employee Orientation to New Frontiers

Research has shown a link between employee orientation and workforce retention, productivity, and morale. For instance, Corning Glass found that employees attending a structured orientation were 69 percent more likely to stay with the company after 3 years. At Texas Instruments, employees who participated in the orientation achieved full productivity 2 months faster. A 2003 Hewitt Associates study indicated that employers who invested more in orientation programs had more highly engaged employees.[1] As a result of this research, orientation programs have received much emphasis recently, including the Partnership for Public Service and Booz Allen Hamilton's recent report, *Getting On Board: A Model for Integrating and Engaging New Employees* .

The National Aeronautics and Space Administration (NASA) has taken the traditional hands-on orientation approach a step further by focusing on a Web-based strategy that provides new employees with valuable information they need to start their career. Also, it integrates multiple internal agency processes into one tracking system. Phase 1 of the strategy consists of the Workforce Transformation Tracking System (WTTS), an Intranet database that supports the steps taken prior to selection. First, the database tracks prospective gains, moves, and losses and assists in identifying needed job competencies. In addition, it supports and feeds internal processes. Data entered in WTTS will populate other agency databases, such as HSPD-12 identity management, OPM's eQIP (electronic questionnaires for investigations processing), and support services notification (e.g., to set up the new employee's computer, telephone, badge, etc). This can reduce the time and energy needed to go from database to database, filling out necessary information.

Phase 2 consists of post-selection and pre-entry on duty information that is available on the Internet site. The site provides a checklist builder that the new employee can use to construct a personalized employee orientation checklist based on his or her NASA location and employment type. The checklist identifies the forms the employee will need to complete and also information the employee should review, including information the employee's family may need. Supervisors and agency mentors can also create checklists regarding their responsibilities for orienting the new employee.

This kind of electronic support supplements the hands-on orientation process offered at each of NASA's Centers. NASA's support for new employees may be one of the reasons so many agency employees (83 percent) recommended their agency as a place to work in the Merit Principles Survey 2005. ❖

[1]David Lee, "How to Avoid the Four Deadliest Onboarding Mistakes: And Why You Need to Get Onboarding Right," ere.net, November 22, 2005.

Direct-Hire

(continued from page 4)

tions for which DHA is being used. For these occupations and for occupations in general, use of the DHA has been steadily increasing. Though only accounting for just over 6 percent of all 2007 new hires, the data show a 310 percent increase in the use of DHA from 2003 to 2007 over all occupations.

Owing to the increased demands for defense and health care personnel, the most frequent DHA users have been the Departments of the Army, Navy, Air Force, and Health and Human Services. These agencies have increased use of DHA by 165 percent, 473 percent, 1871 percent, and 5057 percent, respectively. DHA is driven by critical shortages of personnel in mission-critical occupations. As the Government's defense, health care, and technological personnel demands increase, we are likely to witness continued increases in the use of the DHA. ❖

Number of Hires in Top 5 Occupations Using the Direct-Hire Authority, 2003-2007

Occupation	*2003*	*2004*	*2005*	*2006*	*2007*	*Total*
Medical and Public Health	634	991	1504	1662	2345	7136
Information Technology	16	129	398	201	340	1084
Social Insurance/ Social Science	32	66	363	110	114	685
Engineering and Architecture	89	61	26	57	181	414
Business and Industry	36	24	15	63	267	405

Source: Civilian Personnel Data File. Professional, Administrative, and Technical DHA appointments and conversions for career and career conditional employees not hired under Outstanding Scholar or Bicultural/Bilingual authorities.

Assessing the Assessments: An Overview of Accomplishment Records

A more effective approach to employee assessment than the more commonly used training and experience measures.

Identifying the best person for the job is the primary purpose of a merit-based hiring system. There are many quality tools available that selecting officials can consider using to distinguish between candidates based on relative ability—and thus determine the best candidates for their positions. In this article, we explore how the accomplishment record can be used to assess applicants.

What is an accomplishment record?

An accomplishment record (AR) is a competency assessment based on applicant descriptions of their past accomplishments that are similar to key duties of the new position. The AR is based on the behavioral consistency model that presumes past behavior is the best predictor of future behavior.

How does it differ from Knowledge, Skills, and Abilities (KSA) narratives?

An AR and a KSA response may appear similar—both consist of several paragraphs of written description—but they are different. KSA responses attempt a broader assessment of an applicant's relevant experience using several general questions. The AR requires applicants to select one or two top achievements that represent their best work and are relevant to the position. Each applicant describes the selected achievements in more detail than a typical KSA response and provides evidence and contact information that allows their roles in the achievements to be verified.

How is an AR administered?

Candidates are usually required to provide a written description of what was accomplished including a detailed account of the problem or situation, the specific actions taken, and the outcomes of those actions. The particular accomplishment could have been related to the candidate's job or to experience gained through other means such as community service, volunteer work, training or school, so long as the accomplishment targets specific job-related competencies.

The accomplishment is then evaluated by a panel of trained raters using proficiency benchmarks related to the position's competencies. Scoring is based on the degree to which the candidate's accomplishment reflects the defined benchmarks. Also, raters may verify the accomplishments through the contact information the applicant provides.

What are the advantages of using ARs?

- Well-developed ARs have high validity (higher than KSAs), including content validity (covers critical job competencies), predictive validity (high scores relate to better job performance), and face validity (candidates view them as fair).
- ARs can be administered by paper or electronically to a large group of applicants.
- They typically have low adverse impact for women and minorities, though this could vary with specific competencies.
- ARs are especially useful for mid- to high-level professional and administrative positions. Use in entry-level jobs should give credit for accomplishments gained from school, volunteer or other non-work related experiences.

What are the disadvantages of using ARs?

- ARs may be more resource intensive for the applicant—they must have the time and be willing to complete the detailed narrative response.
- They may not be as appropriate for clerical or technical positions where direct demonstration of needed skills would be more helpful.
- Resource requirements may prohibit using ARs for jobs which might have more than 100 applicants.

What are other considerations?

ARs, like any assessment method, should be based on systematic job analysis and be validated to ensure a direct relationship between the tool and the job competencies. In addition, ARs require that the applicant be able to communicate in writing and may be more accepted by applicants for jobs in which written communication is a factor. They require moderate resources and expertise to develop and administer (about the same amount of time and resources it takes for structured interviews). ARs can also be used in conjunction with other assessments, such as structured interviews and reference checks, to provide a thorough, highly valid assessment of the relative ability of the candidates. Finally, they can also be used to substantiate a particularly complex competency that may be assessed using more than one method. Their versatility makes accomplishment records a valuable addition to agency assessment programs. ❖

Reference Checking: Quickness or Quality?

Here are two reasons not to rely too heavily on automation for reference checking.

A glimmer of light appears at the end of the long, dark tunnel of the Federal hiring process. Your office has conducted a careful job analysis, adopted valid assessments, and administered them to a carefully recruited, diverse pool of applicants. A short list of the highly qualified sits on your supervisor's desk awaiting action while the clock on OPM's 45-day hiring deadline ticks downward. Only reference checking remains.

You are familiar with technology's potential to speed communications. Surely, you think, we can check references by email or through a Web site and save time. Before you abandon phone technology for Web technology, consider two points from our report, *Reference Checking in Federal Hiring: Making the Call*.

First, letters of recommendation ***do not*** *predict job performance.* Organizations often substitute letters of recommendation for reference checks, thinking they provide the same information in a less resource-intensive fashion. However, such letters are often glowing endorsements ghost written by job applicants themselves. Email responses to reference checks are letters of recommendation in electronic form. Brief "recommendations" included by some professional networking Web sites are no better. Technology can get us these recommendations more quickly, but this does not increase their value.

Second, structured interviews ***do*** *predict job performance.* Good reference checks are really structured interviews. Standardized, job-relevant questions elicit useful responses from each reference provider. It is possible to ask these questions in a written or electronic format, but then the reference checker loses the ability to follow up immediately on potentially important comments made by the reference. By telephone, reference checkers can drive the process, obtaining and evaluating more information than is offered in paper, email or Web site recommendations. It may take longer to arrange phone discussions, but the interactive discussion produces better information about job applicants.

Your intuitions are good—technology can be used to speed reference checking. Email can be used to schedule reference checking discussions and to exchange applicant resumes and other supporting documents. But do not let automation remove the essential strength of reference checking: interactive questioning of reference providers by well-prepared reference checkers. ❖

MSPB FY 2007 Appeals Processing

MSPB recently published its FY 2007 Annual Report containing summaries of significant Board decisions and detailed case processing results. MSPB issued 8,105 total decisions in FY 2007. Significant Board decisions addressed issues such the Whistleblower Protection Act, veterans' rights under the Veterans Employment Opportunities and Uniformed Services Employment and Reemployment Rights Acts, adverse actions, discrimination and restoration and MSPB procedures.

MSPB's regional and field offices issued over 6,880 decisions with an average processing time of 89 days. Of those, almost 52 percent (3,268 cases) were dismissed, usually for lack of jurisdiction or timeliness. MSPB's settlement and mediation programs provided an opportunity for the parties to reach mutually acceptable resolutions of their cases. As a result, almost 57 percent of the remaining 3,037 appeals (1,730 cases) were settled by the parties, eliminating the need for MSPB to rule on those cases. Of the 1,307 appeals that were adjudicated on the merits, 82 percent (1,073) of the agencies' decisions were affirmed, 16 percent (212) were reversed and only 1 percent (16) were mitigated (i.e., the penalty was lessened).

At headquarters, the Board issued over 1,200 decisions with an average processing time of 132 days or less. Of the 1,023 decisions on Petition for Review (PFR) of Initial Decisions issued by the Board, 763 (75 percent) were denied, 130 (almost 13 percent) were granted, 57 (6 percent) were denied but reopened by the Board, and 73 (7 percent) were settled or dismissed. Of the 187 cases that were reviewed by the Board, 53 percent (100 cases) were remanded for a new decision, 28 percent (53 cases) were affirmed, 12 percent (22 cases) were reversed and the remaining 6 percent had other outcomes.

These results indicate that agencies are effective at providing due process and taking personnel actions that are sustainable under law and precedent. In addition, MSPB continues to issue reasonable and supportable decisions as evidenced by the fact that the U.S. Court of Appeals for the Federal Circuit concurred with over 90 percent of MSPB decisions that were appealed to the Court.

U.S. Merit Systems Protection Board
1615 M Street, NW
Washington, DC 20419

FIRST CLASS MAIL
POSTAGE & FEES PAID
MSPB 20419
PERMIT NO. G-113

July 2008

ISSUES OF MERIT

Volume 13 Issue 3

IN THIS ISSUE * IN THIS ISSUE * IN THIS ISSUE

Employee Engagement. *MSPB research indicates that one way to help address the retirement wave is to make sure your retirement-eligible employees are engaged. (Page 1)*

Director's Perspective. *MSPB's research has identified a set of key challenges the Federal Government faces in terms of recruiting and selecting the next generation of Federal employees. (Page 2)*

Fair Treatment in the Federal Government. *MSPB explores trends over the past 25 years of employee perceptions regarding fair and equitable treatment. (Page 4)*

Direct-Hire Authority. *Who's using it, how often, and for what occupations? (Page 4)*

Agency Corner. *Find out how the National Aeronautics and Space Administration uses technology to supplement its orientation program. (Page 5)*

Assessing the Assessments. *Look at why accomplishment records may be a valuable addition to your agency assessment program. (Page 6)*

Reference Checking. *Automation can help, but find out why you should keep the personal touch in reference checking. (Page 7)*

Employee Appeals. *A look at the numbers. (Page 7)*