The Changing Federal Workplace: Employee Perspectives

A report to the President and the Congress of the United States
by the U.S. Merit Systems Protection Board

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Executive Summary

Since 1992 a number of forces have been at work that have changed the way the Federal Government does business. Among these forces has been an ongoing attempt to balance the Federal budget. As a result many agencies have experienced budget cuts ordered by Congress and the administration and have consequently downsized their operations. Another factor has been the National Performance Review (NPR), an administration effort headed by the Vice President that was aimed at streamlining the Government and making it more efficient and responsive to the public. Each of these forces has contributed to an effort to reduce the size of the Federal workforce by over 270,000 positions by the end of fiscal year 1999. Until now little has been written about the effect these forces have had on governmental operations from the perspective of the members of the Federal workforce.

This report discusses the views of Federal employees provided in response to a survey conducted by the U.S. Merit Systems Protection Board (MSPB or the Board) in the Spring of 1996. This was the fifth in a series of surveys conducted by MSPB since 1983 to obtain the views of Federal employees on a number of workplace issues such as working conditions, job satisfaction, and the quality of coworkers and supervisors. This most recent survey also included items that permitted the evaluation of the effect that many of the forces for change have had on organizational operations and worker productivity.

This report summarizes the responses of 9,710 Federal employees who completed our survey as part of a randomly drawn, representative cross-section of the 1.7 million full-time permanent members of the Nation's civil service. The results confirm that employees have indeed experienced a number of significant changes over the past 4 years as a consequence of the larger forces of change that have been taking place since 1992. Some of these changes have been positive, with employees in many organizations reporting increased overall productivity. We also found continuing high job satisfaction despite budget cuts and the fear of layoffs. On the other hand, employees in other organizations reported that efforts had not been made to really change the way they did business and that their organizations were instead focused solely on reducing expenditures.

Findings

According to employees, budget cuts, downsizing, and reinvention efforts have had noticeable effects, both positive and negative, on the operation of many Federal organizations.

- Since the Government undertook its efforts to downsize, 58 percent of the supervisors responding to our survey said there had been a noticeable reduction in the number of supervisory positions in their organizations. Almost three-quarters of the supervisors in our sample also said their responsibilities had increased over the previous 2 years and nearly half told us that the number of subordinates they had to manage had increased over the same time frame.
- While 44 percent of our respondents thought their work units had a sufficient number of employees to do the job, 47 percent did not think this was the case. Despite the downsizing that has occurred in many organizations these percentages were virtually identical to the results we obtained in 1992, suggesting that most organizations have adapted to any loss of personnel they have experienced.
- Nearly half of the people answering our survey said that their jobs had changed since 1993 as a result of budget cuts, downsizing, or reinvention efforts. Of those who said this, two out of three thought the change was a negative one.
- Most Federal workers we surveyed also thought that budget cuts and downsizing had had a negative effect on their organizations. Almost no employees said that downsizing had helped their agencies and about half believed that it had eroded institutional memory.
- In addition to noting the negative effect of cutbacks on agency operations, a substantial proportion of the workforce (about 40 percent) said that the possibility of a reduction in force, a furlough resulting from budget limitations, or the possibility of changes in benefits had had a negative effect on their productivity.

Efforts to reinvent the way the Government does business have not been pursued to the same degree by all agencies.

- Governmentwide, only 37 percent of our respondents said their organization had made NPR goals an important priority. The response to this question varied markedly by agency, with employees of the nonmilitary agencies being much more likely to say that NPR goals were a priority in their agencies.
- According to our survey, labor-management partnerships, which have been greatly encouraged by the NPR, covered slightly less than half of our respondents. Once again, there was considerable variation by agency in the extent to which employees reported the establishment of partnerships.

Results of reinvention efforts are mixed overall.

- On one hand, almost half (49 percent) of our respondents said the productivity of their work units had improved over the past 2 years. Moreover, about half of the respondents said they had been given more flexibility in how they do their jobs over the past 2 years.
- On the other hand, relatively few respondents (only 26 percent of those expressing an opinion) said that the labor-management partnerships that had been formed enabled their organizations to better accomplish their missions. And almost half of the employees responding to our survey (49 percent) still believed there were too many levels of management in their organization.
- Additionally, even though increasing Federal manager's flexibility in managing human resources was an NPR goal, only 21 percent said they had been given any additional flexibility in taking personnel actions. At the same time, 57 percent of the supervisors and managers responding to our survey said their personnel office had been downsized. Unfortunately, managers at locations where

downsizing in personnel staff size had occurred frequently told us that the reductions have had a detrimental effect on the service they received from their personnel offices.

- In total, only 20 percent of the Federal workers said that NPR efforts had brought positive change to the Government. Nevertheless, when we compared the responses of employees who said they worked in organizations that had made the goals of the NPR a priority and the responses of employees who said their organizations had not done so we found marked differences in perceptions. These differences included the following:
  - When asked whether productivity had improved over the past 2 years, 59 percent of the employees who worked in organizations where NPR goals had been a priority said that productivity had improved, compared to only 32 percent of those in organizations where NPR goals had not been emphasized.
  - Employees in organizations that emphasized the goals of NPR were also considerably more likely to believe that their abilities and opinions were valued. They were about three times as likely to have said that their organizations made good use of their abilities and almost twice as likely to have stated that their opinions seem to count.
  - In contrast, only 38 percent of the respondents working in organizations that had not made NPR goals a priority said they had been given greater flexibility in doing their jobs. Some 60 percent of the respondents in organizations that had stressed NPR goals thought that they had been given greater flexibility.
  - Employees' beliefs about whether NPR goals had been a priority in their organization were also related to their opinion about the effectiveness of the NPR effort. Whereas only 10 percent of the employees in organizations where NPR goals had not been stressed thought that the NPR has had a positive impact on the Government, 35 percent of those in organizations that had emphasized the NPR goals expressed this opinion.

Employees have a positive view of their jobs and organizations.

- Despite all the changes that have been going on over the past few years, the overall job satisfaction of Federal employees has remained virtually unchanged over our last three surveys. One major factor related to employee job satisfaction was whether they believed their organizations had made the goals of the NPR a priority. Employees who said their organizations had stressed NPR goals were also much more likely to be satisfied with their jobs. Almost four out of five employees (79 percent) in organizations that had made NPR goals a priority said they were satisfied with their jobs. Only about half (52 percent) of the people who said they worked in organizations that had not emphasized NPR goals said they were happy with their jobs.
- Although 23 percent of our respondents thought their organizations were overstaffed, most employees also believed that their organizations were fairly efficient when compared to private sector companies. In fact, 72 percent said they did not think a private sector company could perform the work of their organizations as effectively as they did. Moreover, 82 percent also thought the work performed by their work units provided the public with a worthwhile return on its tax dollars.
- When employees were asked about the quality of the people in their immediate work group, 67 percent rated their coworkers as above average. This was a markedly higher percentage than was found in 1992 or 1989.

Problem employees remain a significant problem for many Federal supervisors.

- Altogether, 56 percent of the supervisors responding to our survey said they had had to deal with at least one problem employee in the past 2 years. Compared to supervisors in 1992, the supervisors who responded to our survey in 1996 reported an increase in the use of every type of action

taken to deal with problem behaviors except informal counseling.

- Additional evidence suggests that organizational culture is a primary deterrent to taking adverse actions. Organizations often do not provide an atmosphere in which managers believe they are expected to confront and, if necessary, take action against problem employees.

Employees continue to be concerned about prohibited personnel practices.

- As we found in earlier surveys, a significant portion of the Federal workforce remains concerned about the incidence of prohibited personnel practices. Although 60 percent of the workforce said their right to work in an environment that is free from prohibited personnel practices was adequately protected, 27 percent thought they had only minimal protection and another 14 percent believed they had no protection from these types of abuses.
- The area where the most employees said they had been subjected to prohibited personnel practices was in competing for jobs and promotions. Almost a quarter of our respondents said they had been denied a job or promotion because one of the selecting officials had given an unfair advantage to another applicant.
- Despite changes in the Hatch Act reducing limits on Federal employee participation in partisan political activities, employees seldom chose to exercise their right to be more active in partisan political activities. Employees also continued to believe they are adequately protected from coercion because of partisan politics.
- Federal employees were also just as likely to think they were victims of discrimination because of their race as they were 4 years ago. Furthermore, in their responses to the question of whether they had been treated fairly with regard to promotions, awards, training, performance appraisals, and discipline, we found evidence that the perceptual disparity between minorities and nonminorities has remained unchanged since 1992.

Recommendations

The results of the 1996 Merit Principles Survey provide a useful perspective on the changes that have been occurring in the Federal Government. Based on what we have learned from our respondents, we offer the following recommendations:

Agencies and organizations should make sure that their efforts to reduce expenditures also include a sincere effort to involve employees in attempts to improve their operations.

Much of the attention that has been devoted to the NPR has focused on reducing the size of the Federal workforce. However, the NPR—along with others—has also emphasized greater employee involvement and empowerment. The value of this focus on employee involvement is confirmed in the results of our 1996 survey which clearly showed that people who worked in organizations that involve their employees in planning and managing their work were much more satisfied with their jobs and also much more likely to believe that their productivity had improved over the past several years.

In many Federal organizations there is a culture that sanctions not dealing effectively with problem employees. This must be changed for the Government to be able to hold employees accountable for their performance.

Our results show that dealing with poor performers and problem employees continues to be a problem in many organizations. Despite the claims of some supervisors to the contrary, we believe that the current system can provide the means to deal with problem employees. This does not mean that changes to the current system should not be considered, only that managers should not wait for systemic changes before they take appropriate action in this area. The current system does not, of course, make the process of dealing with problem employees a particularly pleasant experience. Nor does the system work well unless management creates an organizational climate that makes it clear to all employ-

ees that poor performance or misconduct will not be tolerated.

To be successful in their efforts to increase the extent to which employees are held accountable for their actions, Federal policy makers will have to address the question of how to change organizational culture to make it unacceptable to simply ignore problem employees or pass them off to other organizations. Managers must come to understand and accept that taking actions against problem employees is a key aspect of their jobs. Accordingly, agency heads need to make it clear to managers in their organizations that they are responsible for holding employees accountable for their performance and that they will be supported if they decide to take appropriate action against employees who cannot or will not perform their jobs.

Efforts should be made by OPM and individual agencies to ensure that the Government maintains its ability to find and recruit high-quality applicants.

While we found no indication that the quality of the current Federal workforce or those hired in recent years has been declining, many Federal managers said there has been a noticeable decline in the quality of the applicants for Federal jobs. This has not had much of an effect on the quality of those hired over the last few years, because there have been relatively few new hires. The time will certainly come, however, when employment levels stabilize and the Government will need to replace employees as jobs become vacant. When that happens, it is important that Government organizations have the means to attract high-quality job applicants. This may be a particularly difficult challenge if the private sector job market is good, and if the image of the Federal Government as an employer does not improve.

In a time of greater decentralization and delegation of personnel management authorities, it is increasingly important to ensure that there is an effective and a visible system in place to ensure that supervisors are held accountable for the decisions they make.

The possibility of being treated unfairly or being a victim of a prohibited personnel action continues to concern a large percentage of Federal employees. Moreover, the potential for improper actions being taken may be greater than in the past, especially since many employees (including some supervisors) do not believe that their supervisors have been adequately prepared to take on greater responsibility for personnel actions. Since centralizing personnel decisions has a number of negative consequences, a better answer is to ensure that Federal managers and supervisors are competent and held accountable for results and also for achieving those results within the parameters of the statutory merit system principles.

Introduction and Methodology

Introduction

The Merit Systems Protection Board is charged with conducting studies relating to the civil service and reporting on whether the public interest in a Federal civil service free from prohibited practices is being adequately protected.[1] In attempting to fulfill this charter, the Board conducts surveys of Federal employees about a variety of Federal personnel management issues, including workforce quality, incidences of prohibited personnel practices, workload, and working conditions. We have administered these Governmentwide surveys every 3 or 4 years since 1983. This report discusses the results of our fifth such effort, which we call our "1996 Merit Principles Survey."

In the past, reports based on data obtained through our Merit Principles Surveys have focused on issues such as Federal workforce quality and the job satisfaction of the people who work for the Government.[2] This report looks at these same issues, but from a slightly different perspective than in the past. In analyzing the data from our 1996 survey, we focus much of the report on the impact of downsizing and reinvention efforts on the perceptions of Federal employees concerning their views of working for the Federal Government.

Over the last several years there have been a number of forces at work with the potential to greatly affect the attitudes of Federal employees. Efforts to balance the Federal budget have led to reductions in the funds available to conduct business in many organizations. At the same time, the National Performance Review (NPR) led by Vice President Gore set out to reshape the Government by having agencies reinvent the way they do business to produce a Government that "works better and costs less."[3] This effort included Federal employees as integral parts of the reinvention process, reflecting the view that employees are a valuable source of information about both what is wrong with how Federal organizations have been doing business and how these same organizations can be improved. For this reason, the staff of the NPR was augmented by Federal employees borrowed from agencies across the Government and the reports issued by the NPR have stressed the importance of employee involvement and empowerment.

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[1] 5 U.S.C. 1205(3). (Public Law 95-454, Oct. 13, 1978.)

[2] The report issued on the 1983 Merit Principles Survey was included in the Board's "Report on the Significant Actions of the Office of Personnel Management during 1982." The 1986 results were published in "Federal Personnel Policies and Practices: Perspectives From the Workplace." The 1989 results were published in "Working for America: A Federal Employee Survey," and 1992 results were reported in "Working for America: An Update."

[3] In 1993, the NPR released a report that presented a framework for changing the way Federal Government organizations operated. This report of the National Performance Review was , "From Red Tape to Results: Creating a Government that Works Better and Costs Less," Washington, DC, September 1993.

Nevertheless, even though the NPR emphasized the importance of including employees in the reinvention of Government organizations, the NPR effort was seen by many employees as yet another round of "bureaucrat bashing." The main reason for this was that the NPR anticipated budget savings as the result of reinvention initiatives which were intended to lead to the same result as the budget limitations that existed independent of the NPR effort — a substantial reduction in the size of the Federal workforce. In fact, in 1994, a law was passed mandating a reduction of over 272,000 Federal employees by 1999.[4]

Not surprisingly both of these forces for change had the potential to cause considerable stress for Federal employees. Many employees were threatened with the possibility of losing their jobs. Others had to undertake new jobs or learn new ways of performing their work. Part of this report focuses on how employees have reacted to these changes, including how their attitudes have been affected by the changes that have occurred since 1992. Specifically, we use the responses of survey participants to assess the impact of the forces for change on worker productivity, workforce quality, and job satisfaction. We also look at whether work processes have changed in line with the goals of the NPR reinvention efforts. For example, have employees and supervisors been given greater flexibility in how they perform their jobs? Have employees been given the support they need to do their jobs and have they been held accountable for their performance? In essence, we chronicle the net effect on members of the Federal workforce of the changes employees have experienced over the past few years.

In assessing the effects of these changes it is important to recognize that most members of the Federal workforce rarely differentiate among the various factors behind the changes that have been occurring. For many employees there is no difference between cutbacks that occur because of downsizing initiatives or budget limitations and those that happen as a result of reinvention efforts. In any of these cases, some employees may be threatened with the loss of their jobs. Others may be required to learn new jobs or to do their old jobs in new ways. Changes of this sort can be very stressful and may have unintended consequences. Given these realities, our intent in this report is to shed some light on how all these forces for change have affected employee attitudes and agency operations.

In addition to looking at the issues just discussed, this report presents information concerning employee beliefs about the incidence of prohibited personnel practices and whether they have been treated fairly as employees of the Federal Government. During the past several years the Board has conducted studies that revealed a perceptual gulf between minority and nonminority employees in terms of whether they believed people were treated differently because of their race, sex, or national origin. In this report, we look at employee views about each of these subjects to see if attitudes have been affected by the changes that have been occurring.

In this our fifth survey covering general issues affecting the entire Federal civil service, we asked many questions that were identical or similar to ones we used in previous surveys in order to track changes in employees' attitudes on a number of key issues over the years. The results of our previous four surveys provided a baseline of employee responses against which we could establish the impact of the turbulence of the past few years. The results of our 1996 survey are also intended to be used to create a baseline for future reference. This is especially important since we believe that the same factors that have brought change over the past several years will continue to bring change to the Federal workforce into the foreseeable future.

[4] The Federal Workforce Restructuring Act of 1994 (Public Law 103-226) required the elimination of 272,900 full-time equivalent positions by the end of fiscal year 1999 and set reduction targets for the end of each fiscal year.

Methodology

The people selected to participate in this survey were chosen at random from the entire population of full-time permanent employees of the Federal Government. The sample was constructed in such a way as to ensure that representative results could be obtained for each of the 23 largest Federal agencies. A copy of the survey is in the appendix of this report. Altogether, surveys were distributed to 18,163 employees. Completed surveys were returned by 9,710 employees, for a response rate of about 53 percent. This was a slightly lower response rate than was obtained for our previous Merit Principles Surveys—possibly because the survey was distributed shortly after the return of many Federal employees from being furloughed because of the absence of an approved budget early in fiscal year 1996.

Because of the lower response rate it was particularly important to check for any demographic deviations in the characteristics of our respondents that might indicate the presence of some sort of nonresponse bias. In other words, were certain groups under- or overrepresented among our respondents in a way that made the results less likely to be representative of the Federal Government as a whole? When we checked the demographic characteristics of our respondents we did not find any pattern that would indicate that certain groups of employees were more likely to return our survey than were other groups. Men were just as likely to return our surveys as were women, and minorities had approximately the same response rate as nonminorities. Thus, despite the slightly lower response rate in 1996, we believe our results present an accurate picture of the attitudes of Federal employees in general.

Federal Employee Perspectives on Reinvention Initiatives, Downsizing, and Cutbacks

This section of the report examines Federal employees' perspectives on a number of issues with a particular focus on their views related to reinvention initiatives and how they have been affected by downsizing and budget cutbacks. The first few sections discuss employee responses to survey items that are related to NPR policies and recommendations. It should be kept in mind, however, that it is actually often difficult to distinguish clearly between the effects of the NPR's efforts and those associated with internal organizational efforts at reinvention or downsizing. Subsequent sections will look at the effect that budget cuts and downsizing have had on the attitudes of Federal employees. Included are a discussion of changes in employees' perceptions of the productivity and quality of the Federal workforce as well as a look at how employees believe they have personally been affected by downsizing, budget cuts, and efforts to reinvent the ways their organizations carry out their missions. With regard to these latter sections it is important to remember that, as mentioned earlier, most employees do not differentiate NPR efforts from other programs intended to downsize their operations or cut their budgets. This is not surprising since the NPR's goals are quite broad and there have been legitimate differences of opinion on how much influence, if any, they have exerted on specific workforce or budget reductions.

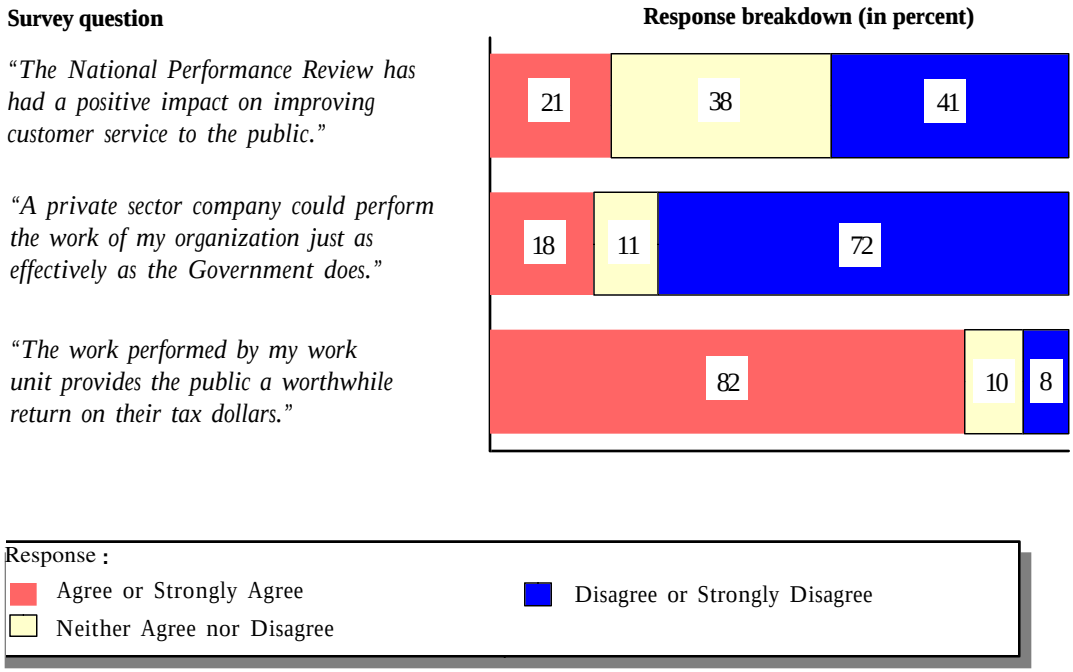
Scope and Effect of NPR Reinvention Efforts

One goal of the NPR was improvement in the quality of Government service to taxpayers. This included an increased emphasis on putting customers first. According to the NPR, "reinventing government isn't just about trimming programs; it's about fundamentally changing the way government does business. By forcing public agencies to compete for their customers—between offices, with other agencies, and with the private sector—we will create a permanent pressure to streamline programs, abandon the obsolete, and improve what's left."[5]

Do Federal employees believe that changes of this type have been occurring? Figure 1 shows the responses to three survey items that bear on this issue. In response to one of our questions, only about one in five employees (21 percent) thought that the NPR had had a positive impact on improving customer service to the public. About twice as many (41 percent) disagreed with this statement. A large percentage (38 percent) had no opinion on this issue. However, the response to this question must be judged in context. As is also shown in figure 1, the vast majority of the employees we surveyed (82 percent) believed that the work performed by their work unit provided the public with a worthwhile return on their tax dollars. Moreover, very few of our respondents (18 percent) thought that a private sector company could perform the work of their organization as effectively as did the Government. In fact, given the already positive views held by many Government workers about the quality of the work performed by their organizations, it is probably notable that even 21 percent saw an improvement in customer ser-

[5] "From Red Tape to Results," pp. 43-44.

Figure 1. Responses to a Series of Questions on Efficiency, Effectiveness, and Service to the Public



Note: Percentages may not total 100 because of rounding
Source: MSPB Merit Principles Survey, 1996

vice. This could indicate that the NPR efforts in this regard were successful in at least some areas.

At least one other item from our survey suggests that the NPR's efforts have been at least somewhat successful. Almost half of our respondents (49 percent) agreed that the productivity of their work unit had improved over the past 2 years, while only 26 percent disagreed. But were the improvements seen by the 49 percent really the result of NPR efforts? On one hand, the answer would seem to be that with all the other changes occurring within the Government, any improvement that has occurred cannot be attributed entirely to NPR efforts. When asked, only 20 percent of our respondents said that the efforts of the NPR have had a positive impact on bringing change to the Government. Nearly half (47 percent) disagreed with this assertion. However, further analysis demonstrates that when NPR goals are stressed by organizations, employees are considerably more positive about the outcomes.

A large part of the problem in evaluating the impact of the NPR is that it has not been made an important priority in many organizations. Governmentwide, only 37 percent of our respondents said their organization had made NPR goals an important priority. As might be expected, there was considerable variation among agencies in the emphasis given to NPR objectives. Figure 2 shows the percentage of employees in each agency who said that NPR goals were a priority in their organization. For a few agencies such as the General Services Administration, the Department of Housing and Urban Development, and the Small Business Administration, most of the respondents said that NPR goals were an important priority. In contrast, considerably fewer employees in the Departments of the Air Force, the Navy, the Army, and Justice indicated that NPR goals had been given a great deal of emphasis.

Figure 2. "My Organization Has Made the Goals of the National Performance Review an Important Priority"

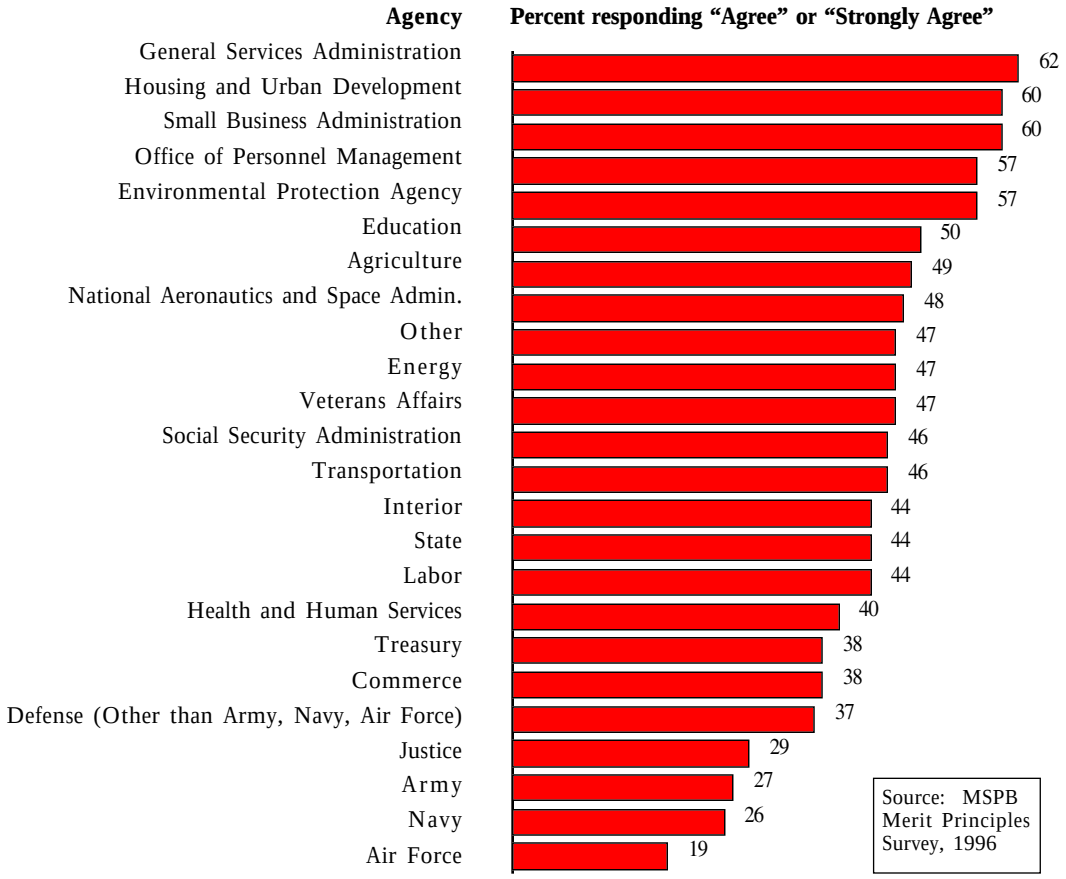


Table 1 compares the morale and attitudes of employees who said that the NPR goals had been a priority in their organizations with those of employees who said they had not been.[6] As the table shows, there was a marked difference in the responses of employees who said that NPR goals had been emphasized when compared to those who did not. For example, on the question of whether productivity had improved over the past 2 years, 59 percent of the employees who indicated they worked in organizations where NPR goals had been a priority said that productivity had improved. In contrast, only 32 percent of the employees who said they worked in organizations where NPR goals had not been emphasized believed that productivity had improved. Employees in organizations that emphasized NPR goals were also considerably more likely to believe that their abilities and opinions were valued. They were almost three times as likely to have said that their organizations made good use of their abilities as were employees who did not believe NPR goals had been a priority in their organizations (59 percent compared to 21 percent) and almost twice as likely to have stated that their opinions seem to count (68 percent versus 36 percent).

[6] The responses of employees who responded "Don't Know" to the question concerning whether their organizations made the goals of the NPR a priority were excluded from this analysis. Including the responses of these employees does not change the pattern of the results of our analyses. Employees who said that the goals of the NPR were a priority in their organization were still significantly more positive on each of the survey questions even when those who answered "Don't Know" were included in the analyses.

Given the differences shown in table 1, it is not surprising that the belief that the NPR has had a positive effect on operations is also related to whether an employee thought that his or her organization had made the NPR goals a priority. While only 10 percent of the employees working in organizations where NPR goals had not been stressed thought that the NPR has had a positive impact on Government, 35 percent of those in organizations that had emphasized the NPR goals were of this opinion. Although this is still not an overwhelming endorsement of the NPR from the point of view of Federal employees, it does indicate that in organizations where NPR goals have been emphasized, employees are much more positive about the results of the NPR effort.

Table 1. Responses to a Series of Morale and Attitudinal Questions, by Employees Whose Organizations Have (or Have Not) Made the Goals of the National Performance Review a Priority, 1996

	Percent agreeing	
Moral and Attitudinal Questions	**Respondents in organizations that have made NPR a priority**	**Respondents in organizations that have not made NPR a priority**
In the past 2 years, the productivity of my work unit has improved.	69	32
A spirit of cooperation and teamwork exists in my immediate work unit.	73	50
My immediate supervisor has organized our work group effectively to get the work done.	60	31
My organization has made good use of my knowledge and skills in looking for ways to become more efficient.	59	21
At the place I work, my opinions seem to count	68	36
In the past 2 years, I have been given more flexibility in how I accomplish my work.	60	38
The efforts of the National Performance Review, which has been working on reinventing Government, have had a positive impact in bringing change to Government	35	10

Note: MSPB survey question concerning the National Performance Review asked respondents whether their organization "... has made the goals of the National Performance Review an important priority."

While it appears that employees were considerably more positive on a variety of survey items if they worked in organizations where the goals of the NPR had been emphasized, it is possible that this difference could be a reflection of variations in existing organizational culture and not a product of the NPR efforts. Some organizations may be more hierarchical by their nature and history, while others may incorporate management styles that embrace concepts such as employee involvement and empowerment. It is possible that because they think their opinions count, employees in these latter kinds of organizations may have more positive attitudes about morale-related issues than people who work in more traditionally structured organizations. At the same time, organizations that already practiced concepts like employee empowerment might be likely to agree with and emphasize the goals of the NPR. For this reason, it's possible that the differences portrayed in table 1 may not be the direct result of the NPR efforts but simply a reflection of inherent agency differences. Even if this is the case, however, the results suggest that ideas such as employee empowerment and teamwork have a real effect on the morale of Federal employees.

Decentralizing Decisionmaking

As just mentioned, a central element of the NPR reinvention effort was an attempt to place greater emphasis on empowering employees. In fact, according to the NPR, the key ingredients of a healthy productive work environment are managers who innovate and motivate and workers who are free to improvise and make decisions. One of the ways the NPR envisioned reaching these goals

was by decentralizing many decisionmaking processes. The idea was that over-management stifles the morale of workers and kills initiative.[7] This is why the NPR established a goal that "all federal agencies will delegate, decentralize, and empower employees to make decisions. This will let front-line workers use their creative judgment as they offer service to customers and solve problems."[8] The intent was to free Federal employees from the constraints of bureaucratic procedures and inordinate amounts of "red tape." Employees were to be allowed to use their judgment, while at the same time they were to be provided with the support they needed to do their jobs and held accountable for the results that they produced.

According to many Federal employees their organizations have indeed begun to decentralize their decisionmaking. About half (51 percent) of the respondents to our survey said that in the past 2 years they have been given more flexibility in how they accomplish their work. Only 26 percent disagreed with this statement. More importantly, flexibility has been increased not only for supervisors but for nonsupervisory personnel as well. Employees were just as likely to indicate that they had been granted greater flexibility as their supervisors. Similarly, there was relatively little variation among the different agencies in the extent to which their employees thought they had been given more flexibility in how they performed their jobs.

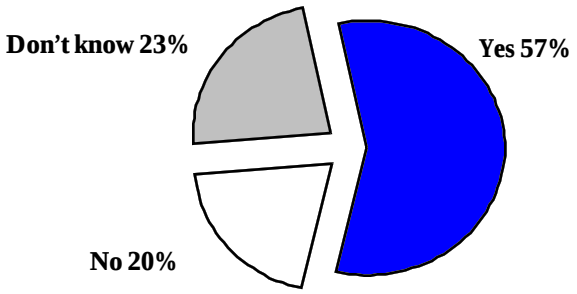
Given the Board's statutorily mandated interest in ensuring that personnel decisions are made in accordance with the merit principles we particularly wanted to know whether supervisors had been delegated additional flexibilities to take personnel actions. When we asked supervisors whether they had been given any such additional flexibilities since 1993, we found that about 21 percent of them felt they had more flexibility. Responses to this item did vary among agencies. Supervisors at the Department of Commerce and the Small Business Administration were the most likely to say they had been given additional flexibility (over 30 percent), while those at the Department of State, the Environmental Protection Agency, the Department of Housing and Urban Development, and the Department of Labor were the least likely to express this view (all had less than 15 percent of their supervisors reporting increased flexibility).

Downsizing and Federal Personnel Office Operations

Along with the delegation of greater personnel flexibility to supervisors, the NPR recommended that agencies streamline their operations by reducing the amount of resources they spend on administrative support functions such as personnel operations. Even though only about one-fifth of the Government's supervisors said they had been given additional flexibilities in taking personnel actions, it is quite possible that agencies have proceeded with reductions in personnel office staffs in order to meet the employee reductions that were also expected as a result of budget-cutting efforts. In order to find out about the extent to which downsizing had occurred in this area, and the effect it had on agency operations, we asked the Federal supervisors and

Figure 3. Supervisors' and Managers' Awareness of Downsizing in Their Personnel Offices

"To your knowledge, has your personnel office experienced any downsizing?"



Source: MSPB Merit Principles Survey, 1996

[7] "From Red Tape to Results," p. 65.

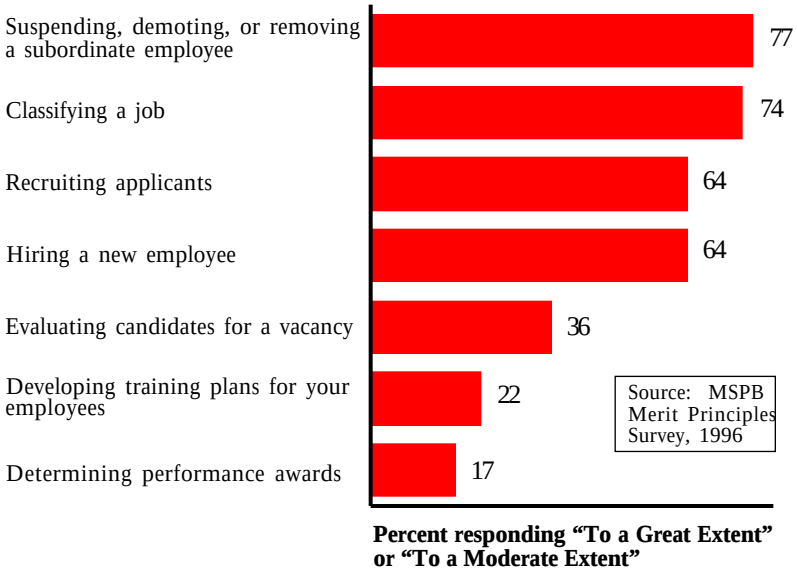
[8] Ibid., p. 71.

managers about whether there had been reductions in the size of their servicing personnel offices.

As shown in figure 3, 57 percent of supervisors and managers said their personnel office had indeed been downsized. Another 23 percent didn't know whether downsizing had occurred, and only 20 percent believed that there had been no decrease in the number of people working in personnel. Apparently the downsizing of personnel staffs has been occurring across the Government even though the delegation of flexibility for personnel actions to supervisors in general has been limited. This being the case, an important question is whether forging ahead on the reduction of personnel office staffs has improved operations or at least maintained the status quo.

Figure 4. Views of Supervisors and Managers About the Kinds of Assistance They Need From Their Personnel Offices

"To what extent do you believe you typically need assistance from your personnel office when you take the following kinds of personnel actions?"



While our results indicated that there have been reductions in the size of personnel staffs at many locations, there were also indications that these reductions have come at a cost. Whether the gains outweigh the costs we do not know. It is clear, however, that many managers at locations where downsizing in personnel staff size has occurred believed that these reductions have had a detrimental effect on the service they receive from their personnel offices. In organizations where the personnel offices have been downsized, 60 percent of the supervisors said that the speed of processing actions had gotten worse. Another 17 percent said that although things had not gotten worse, they were too slow to begin with. Only 3 percent thought that the speed of processing actions had improved as a result of downsizing.

In a similar finding, 55 percent of the supervisors responding to our survey told us that fewer people were now available to assist them on personnel issues. Additionally, less than 40 percent of the supervisors responding to our survey said there were now enough people in their personnel office to help them do their jobs.

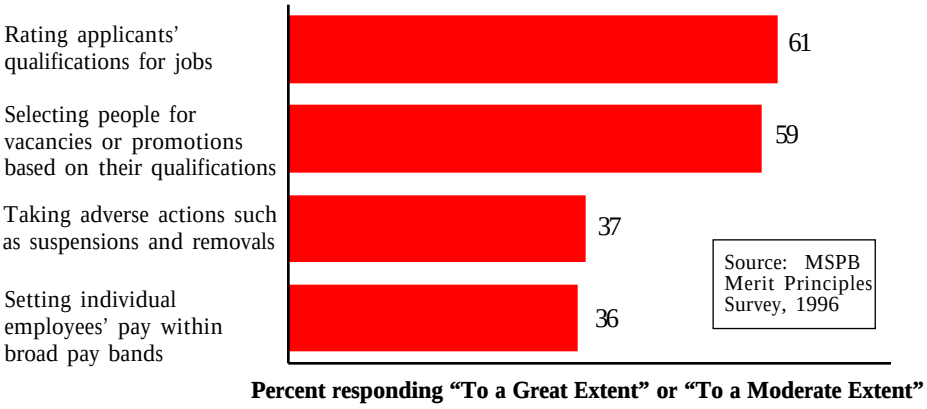
When we asked supervisors about the effect that personnel staff reductions have had on the quality of the assistance they received, once again we found that many supervisors believed that the effect had generally been negative. Almost 40 percent said that the quality of assistance had gotten worse, although 5 percent said that the quality of their servicing had actually improved as the result of downsizing.

Perceived Need for Assistance From Personnel

Based on the responses to our survey it seems that while downsizing is indeed happening in personnel office staffs, the reductions have so far come with a corresponding reduction in the level of support available to Federal managers. This being the case, an important issue is the extent to which supervisors believe that they continue to need assistance from their personnel offices and the extent

Figure 5. Employees' Views on How Their First-Line Supervisors Have (or Would) Respond to New Delegations of Authority Under Government Reinvention Initiatives

"To what extent do you think your supervisor will exercise the following authorities in a fair and effective manner?"



to which they are prepared to take on greater responsibility for personnel actions.

Figure 4 shows the responses of supervisors and managers to a survey question concerning the extent to which they believe they need assistance from their personnel offices to take a variety of personnel actions. As seen in this figure, a significant number of supervisors said they need help from their personnel offices. Almost two-thirds (64 percent) indicated they need at least moderate assistance in recruiting applicants and hiring new employees. Even more said they need help in classifying jobs or taking adverse actions against subordinates (74 percent and 77 percent, respectively). Considerably fewer supervisors said that assistance was needed from the personnel staff to perform other personnel management functions.

When we asked supervisors whether they thought they were prepared to take on greater responsibility in each of the same personnel areas under discussion, we found that very often they thought that they could assume more responsibility than they currently possess. The vast majority of these supervisors feel prepared for more responsibility in developing training plans (79 percent agreed that, to at least a moderate extent, they were prepared to accept more responsibility in this area) and determining awards (87 percent agreed).

Supervisors also said they were prepared to accept more responsibility for all aspects of the hiring process. Despite the fact that almost two-thirds of the supervisors said they needed assistance from personnel in recruiting applicants for their vacancies, 62 percent of the supervisors responding to our survey indicated they were prepared to assume greater responsibility for recruiting. Supervisors were even more positive concerning their ability to do more when it came to evaluating candidates (81 percent said they could do more) and hiring employees (with 77 percent saying they could do more).

Somewhat surprisingly, given their expressed reliance on their personnel offices, supervisors also believed they could be given more responsibility for taking adverse actions against employees (58 percent said they were prepared to do more) and even classifying jobs (44 percent thought so).

Although supervisors were generally quite positive about their ability to take on more personnel responsibilities, this could partly reflect the desire to escape the constraints of a personnel system which many believe does not meet their needs.[9] It is possible that we obtained responses from supervisors who overestimated their ability to perform these functions either because they did not want to be burdened by the perceived limitations of the personnel system or because they were unaware of

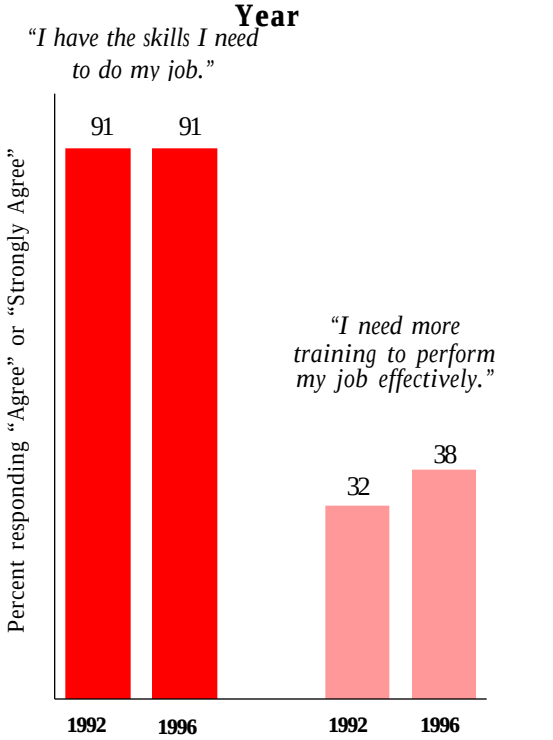
[9] U.S. Merit Systems Protection Board, "Federal Personnel Offices: Time for Change?" Washington, DC, August 1993, p. 8.

the complexities involved in making some human resource management decisions. For these reasons, we thought that it would be useful to find out what employees thought about the capability of their supervisors to handle greater delegations of personnel management responsibilities. Figure 5 shows how employees responded when asked whether their supervisors would carry out several different personnel-related activities in a fair and effective manner if they were given greater authority for doing so.

As shown in this figure, about two-thirds of the employees responding to our survey thought their supervisors would handle additional delegations of authority for rating or selecting candidates for vacancies in a fair and effective manner. Federal workers were not, however, quite as positive concerning the ability of their supervisors to take on more authority for setting the pay of individual employees or for taking adverse actions. In both cases, only slightly more than a third of the respondents believed their supervisors could handle such additional responsibilities in a fair and effective manner.

For each task supervisors were more positive about their own supervisors than were nonsupervisory personnel. On average, more than three-quarters of the supervisors thought their own supervisors could handle more responsibility when it came to rating applicants and making selections. In comparison, only about 60 percent of the nonsupervisors believed that their supervisors were ready to handle additional responsibilities in these areas. There was even more of a difference between supervisory and nonsupervisory personnel in areas of setting pay or taking adverse actions. While about half of the supervisors thought their own supervisor could handle more responsibility for setting pay and taking adverse actions, only about one-third of the nonsupervisory respondents shared this view.

Figure 6. Perceptions of Skills Possessed and Training Needed for Employees to Properly Perform Their Jobs, by Survey Year



Source: MSPB Merit Principles Surveys, 1992, and 1996

Giving Employees the Necessary Resources

Although giving workers greater flexibility in how they perform their jobs may make them more productive, the success of efforts to reinvent governmental operations ultimately depends on having a workforce that has both the skills and the support they need to do their jobs. As shown in figure 6, the vast majority of the Federal workforce believed that they have the skills they need to do their jobs. Despite the reduction in the number of Federal workers over the past several years and the changing nature of work in many Government organizations, Federal employees in 1996 were just as likely to say that they had the skills they needed to perform their jobs as they were in 1992 when we last asked employees about this issue.

Although there was no change between 1992 and 1996 in the proportion of employees who felt

they did not have the skills needed for their jobs, a small increase occurred in the percentage of employees who believed they needed more training to perform their jobs effectively. Figure 6 also shows the responses to this question for both years. While only about 32 percent said they needed more training in 1992, by 1996, 38 percent indicated they required additional training. This was despite the fact that 52 percent of our respondents did say they had received the training they needed to keep pace with the requirements of their job as they have changed.

The fact that a significant minority of employees thought they needed additional training is underscored by the response to another item on our survey. When asked whether they had been treated fairly in terms of training, 36 percent said that they generally had been, while 35 percent did not believe that this had been the case. Clearly, many employees continue to believe that important training needs are not being met. This was also the conclusion of a recent Board study concerning the status of human resources development in the Federal Government. In that study the Board found that many organizations did not do a good job of ensuring that their most critical training needs were identified and met. A number of factors contributed to that situation—including the lack of adequate funds for training and the failure of many organizations to link the determination of training needs to strategic planning and program evaluation.[10]

Another aspect of whether the people working for the Federal Government are adequately supported is whether their organizations have enough employees to do the work that is expected of their organizations. On this issue employees had mixed opinions. While 44 percent thought their work unit had a sufficient number of employees to do its job, 47 percent did not think this was the case.

Interestingly, despite the downsizing that has occurred in many organizations over the last 4 years, these percentages were virtually unchanged from the results we obtained in 1992. This suggests that many organizations may have adapted to any losses of personnel that they may have experienced. One of the ways in which organizations can adapt to a reduction in personnel is to become more productive, and—as mentioned earlier in this report—49 percent of our survey respondents survey said the productivity of their work unit had improved over the past 2 years. Supervisors, in particular (with 62 percent agreeing), thought the productivity of their work unit had improved.

Holding Employees Accountable

Dealing With Problem Employees

Another theme of Government reinvention efforts is that better performance by Federal employees depends on holding these employees accountable for the work they perform. In the words of the NPR, "With greater authority comes greater responsibility. People must be accountable for the results they achieve when they exercise authority."[11] There are two aspects to holding employees accountable for their actions: correcting poor or problem performance and rewarding excellent work. The issue of dealing with poor performers is one which has recently drawn the attention of both the administration and Congress. A great deal of the discussion in this area has centered on reducing both the time required to terminate employees for cause[12] and the number of channels available to employees who want to appeal adverse actions taken against them.[13]

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[10] U.S. Merit Systems Protection Board, "Leadership for Change: Human Resources Development in the Federal Government," Washington, DC, July 1995, pp. 33-34.

[11] "From Red Tape to Results," p. 67.

[12] "From Red Tape to Results," p. 25.

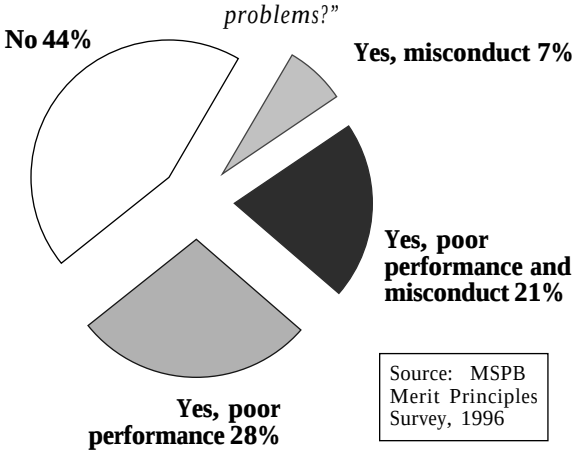
[13] This issue—particularly with regard to the consolidation of third party appeals agencies—was highlighted in an information request the administration received in the Conference Report in connection with the appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President and certain Independent Agencies for FY 1996.

The Board also published an issue paper on this subject during 1996 and is working on an expansion of that paper as a future MSPB report.[14]

Dealing with problem employees is certainly a concern for many Federal supervisors. As illustrated in figure 7, the majority of the supervisors responding to our survey (56 percent) have had to deal with at least one problem employee during the last 2 years. This total is virtually unchanged from the percentage of supervisors reporting similar problems in response to our 1992 survey and, if extrapolated to the entire Federal workforce, means that over 110,000 of the nearly 200,000 Government supervisors have had to deal with at least one problem employee during the past 2 years. For the 56 percent of the supervisors who said they have had to deal with a problem employee, the problem they said they had dealt with most recently was poor performance alone (55 percent). An additional 26 percent of the supervisors said their most recent problem involved both poor performance and misconduct, while for 19 percent it was misconduct alone.

Figure 7. Recent Supervisory and Managerial Experiences With Problem Employees

"During the past 2 years, have you supervised employees with poor performance or misconduct problems?"



Source: MSPB Merit Principles Survey, 1996

Table 2 shows the actions taken by supervisors in attempting to deal with problem employees. As can be seen in this table, supervisors varied greatly in their responses to their problem employees. For all types of problem performance we asked about, by far the most common response, according to the supervisors in our survey, was counseling the employee informally. What is most interesting here is that other Board research found that even though many supervisors said they counseled problem employees, most of the employees against whom adverse actions were taken claim that they were never counseled by their supervisors. Moreover, that research suggests there is frequently a great deal of disagree-

Table 2. Actions Supervisors Reported They Took in Dealing with Problem Behaviors, 1996

Types of Action Taken	All Behaviors	Poor Performance	Misconduct	Both Poor Performance and Misconduct
Counseled employee informally	84	84	82	86
Referred employee to a counseling service	35	26	42	47
Gave employee a less than satisfactory rating	29	32	9	36
Placed the employee on a Performance Improvement Plan	28	30	11	34
Initiated formal action against the employee	31	17	49	45
Took no action	7	8	7	5

Note: Because supervisors (with a problem employee) may have taken more than one action to deal with an employee's behavior problem, percentages do not total 100.

[14] See U.S. Merit Systems Protection Board, "Removing Poor Performers in the Federal Service," Washington DC, September 1995.

Table 3. Effectiveness of Actions Taken by Supervisors in Dealing with Problem Behaviors, 1996

Types of Action Taken	Made Things Betters	Made No Difference	Made Things Worse
Counseled employee informally	49	46	5
Referred employee to a counseling service	32	60	8
Gave employee a less than satisfactory rating	28	55	17
Placed the employee on a Performance Improvement Plan	50	41	10
Initiated formal action against the employee	45	36	19
Took no action	24	56	20

Note: Because supervisors (with a problem employee) may have taken more than one action to deal with an employee's behavior problem, percentages do not total 100.

ment between supervisors and their subordinates about other actions that could be taken to correct problem performance. Specifically, supervisors often reported to us that they did more to improve the performance of problem employees than the employees themselves thought the supervisors had done.[15]

Compared to 1992, supervisors in 1996 reported increased use of every type of action taken to deal with problem behaviors except informal counseling. The percentage of supervisors who referred problem employees to agency-provided counseling services showed the greatest increase; from 20 percent to 35 percent. In 1992, 26 percent of the supervisors said that they gave their poor performers a less than satisfactory rating. By 1996 this had increased to 32 percent. Similarly, 24 percent of the supervisors with poor performers in 1992 said they put their problem performers on a performance improvement plan (PIP). In 1996, 30 percent of the supervisors said that they used a PIP. According to the supervisors in our sample, there was also an increase in their willingness to initiate formal action against employees who were not performing adequately (from 12 to 17 percent). This increase in the willingness to deal with problem performers, albeit small, could be attributable to the increased emphasis placed on dealing with these types of problems in recent years by both the NPR and Congress. It is also possible, however, that with the downsizing that has occurred in many agencies, supervisors have had to depend more on the people they have left to accomplish the work they are responsible for. In this situation supervisors may be more willing to take action against their subordinates who are not performing adequately.

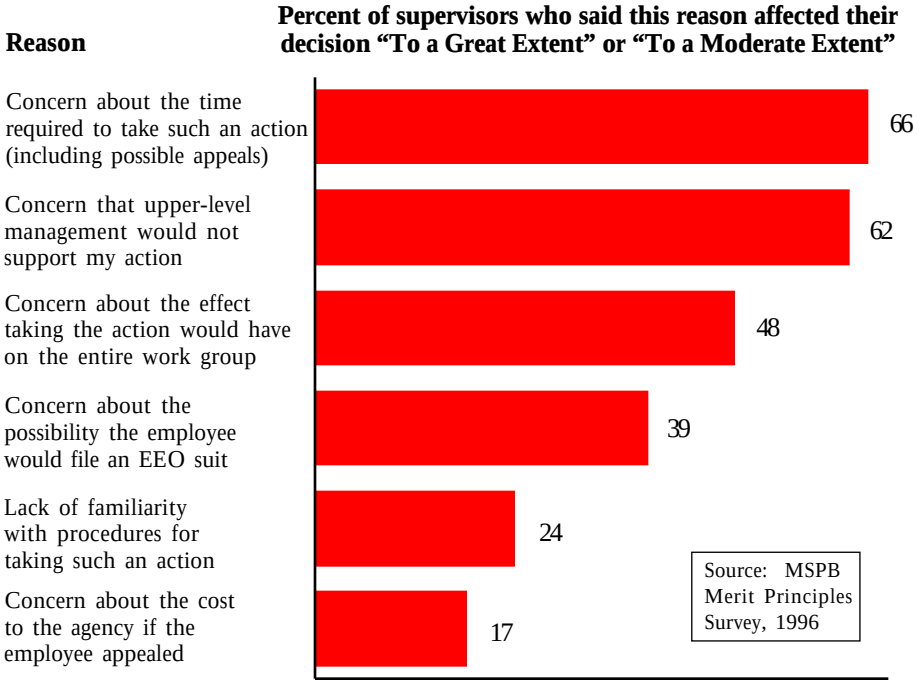
The effect of taking various types of actions to deal with problem employees is summarized in table 3. As shown in this table, informal counseling was found to be effective about half of the time. Additionally, supervisors rarely said that informal counseling made the situation worse. Referring the problem employee to agency-sponsored counseling, which increased dramatically between 1992 and 1996, seemed to be helpful about a third of the time and, again, rarely was thought to make things worse. Putting a poor performer on a PIP was also seen to be fairly effective. In contrast, giving a problem employee a less than satisfactory rating was not seen as a particularly effective way of dealing with poor performance. Only 28 percent of the supervisors using this method said it made things better, while 17 percent actually thought it made things worse. Interestingly, taking no action was seen as being about as ineffective a response to problem performance as giving the employee a lowered performance rating.

Even though managers in 1996 said they were taking more actions in an attempt to deal with poor performers, many Federal employees continued to

[15] Findings from a survey conducted by the Board in 1996 to explore the reasons behind the fact that minority employees of the Federal Government are disciplined at a higher rate than nonminority employees.

believe that the supervisors in their agencies were not doing enough to deal with their co-workers whose performance was inadequate. In response to a question that asked our respondents how frequently their organizations take appropriate steps to correct inadequate performance, almost half (44 percent) indicated that their agencies did not take actions of this type as often as they should. Moreover, slightly more than half (51 percent) said their agencies frequently failed to separate employees who cannot or will not improve their performance.

Figure 8. Reasons Cited by Supervisors Who, Within the Last 2 Years, Chose Not to Take Adverse Actions That They Otherwise Thought Were Warranted.



There were also differences among agencies in terms of respondents' opinions about the extent to which their organizations dealt with poor performers. Employees who worked for the Departments of Veterans Affairs and Justice, and the Office of Personnel Management were the most positive concerning their agencies' track records for dealing with poor performers. Even in these three organizations, however, the majority of the respondents thought their agencies were not dealing with all of their poor performers. Employees from other agencies were considerably more negative about their agencies' dealings with poor performers. For example, at least 60 percent of the employees responding from the Departments of Education and State, and the Environmental Protection Agency said their agencies often failed to separate poor performers.

It is important to note that employees at all levels of responsibility were in general agreement that actions to deal with poor performers were not taken as frequently as they should be. In fact, supervisors and managers were just as likely as nonsupervisors to believe that their organizations did not take actions to correct inadequate performance and slightly more likely to say their organizations often failed to separate poor performers (59 percent of supervisors and managers expressed this view, compared to 51 percent of nonsupervisors). It might seem surprising to some that supervisors are more negative than nonsupervisors about the way their agencies deal with poor performers, because it is the responsibility of supervisors to deal with employee performance problems. However, this finding is consistent with our findings in the other studies that focused on how supervisors view the process for dealing with

poor performers.[16] As noted in our issue paper on this subject, many Federal supervisors believe there are too many obstacles to dealing with employees who are performing poorly and, as a result, often feel frustrated in their attempts to separate problem performers.

Reasons for Not Taking Action Against Problem Employees

Since apparently relatively few supervisors actually take formal adverse actions against their problem subordinates or even try to deal with them except through informal counseling, it might be reasonable to conclude that some supervisors at least may be reluctant to confront their problem employees. We attempted to explore why this might be the case in a series of questions that asked those supervisors who said they had avoided taking a warranted adverse action against an employee, what influenced their decision not to act. Figure 8 shows supervisory responses to several possible factors.

As seen in this figure, the most frequently cited reasons for supervisors' failure to take adverse actions against subordinates were concern that upper level management would not support their action and concern about the time required to take such an action (cited by 62 percent and 66 percent of the supervisors, respectively, as at least a moderate factor in their decision not to take an action they believed to be warranted). The perception that the process for dealing with problem employees can take a great deal of time is a factor that can take on an inordinate amount of importance if the supervisor is reluctant to confront a subordinate who is causing problems. Time can become even more of a deterrent if the supervisor believes that he or she does not really have management's support. In these types of situations supervisors may feel that they will be engaging in a long, stressful battle which they may not win and which might best be simply avoided.

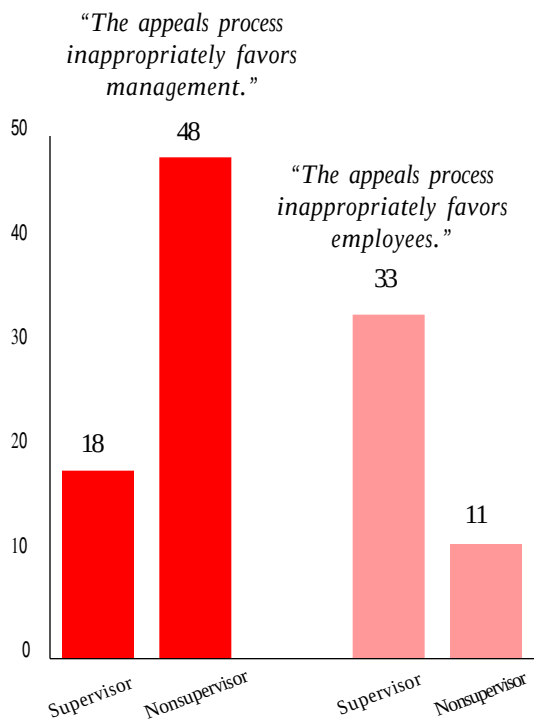
Clearly supervisors can offer many reasons for why they do not always deal effectively with subordinates who present them with problems. While all of these explanations may contribute to the difficulty associated with dealing with problem employees, we also have found that there may be a more fundamental issue which has often been neglected in discussions of this problem. As noted in a Board report mentioned earlier, we have found that supervisors who find it difficult to deal with problem employees often have a problem that stems more from the unpleasantness of confronting a subordinate than from the unwieldiness of the process.[17] Dealing with a problem employee normally involves confronting someone who is not going to like what you have to say, who is likely to disagree with your assessment of the situation, and who may attempt to persuade other people in the organization to take their side.

Despite the belief of some supervisors to the contrary, the current system does provide the means to deal with problem employees. It does not, however, make the process of dealing with problem employees any more pleasant. Nor does it work well when management does not create an organizational climate that makes it clear to all employees that poor performance or misconduct will not be tolerated. To be successful in their efforts to increase the extent to which employees are held accountable for their actions, the administration and Congress will have to address the question of how to change organizational culture so that managers understand that it is not acceptable to simply ignore problem employees or pass them off to other organizations. All too often it has been easier to do this than to confront them. If employees are to be held accountable, the culture of organizations will need to change and managers must come to understand and accept that this is an important and in some cases critical part of the their jobs.

[16] U. S. Merit Systems Protection Board, "Removing Poor Performers in the Federal Service," Issue Paper, September 1995.

[17] Ibid., p. 8.

Figure 9. Perceptions by Nonsupervisors and Supervisors of the Fairness of the Appeals Process



Source: MSPB Merit Principles Survey, 1996

Perspectives on the Appeals Process

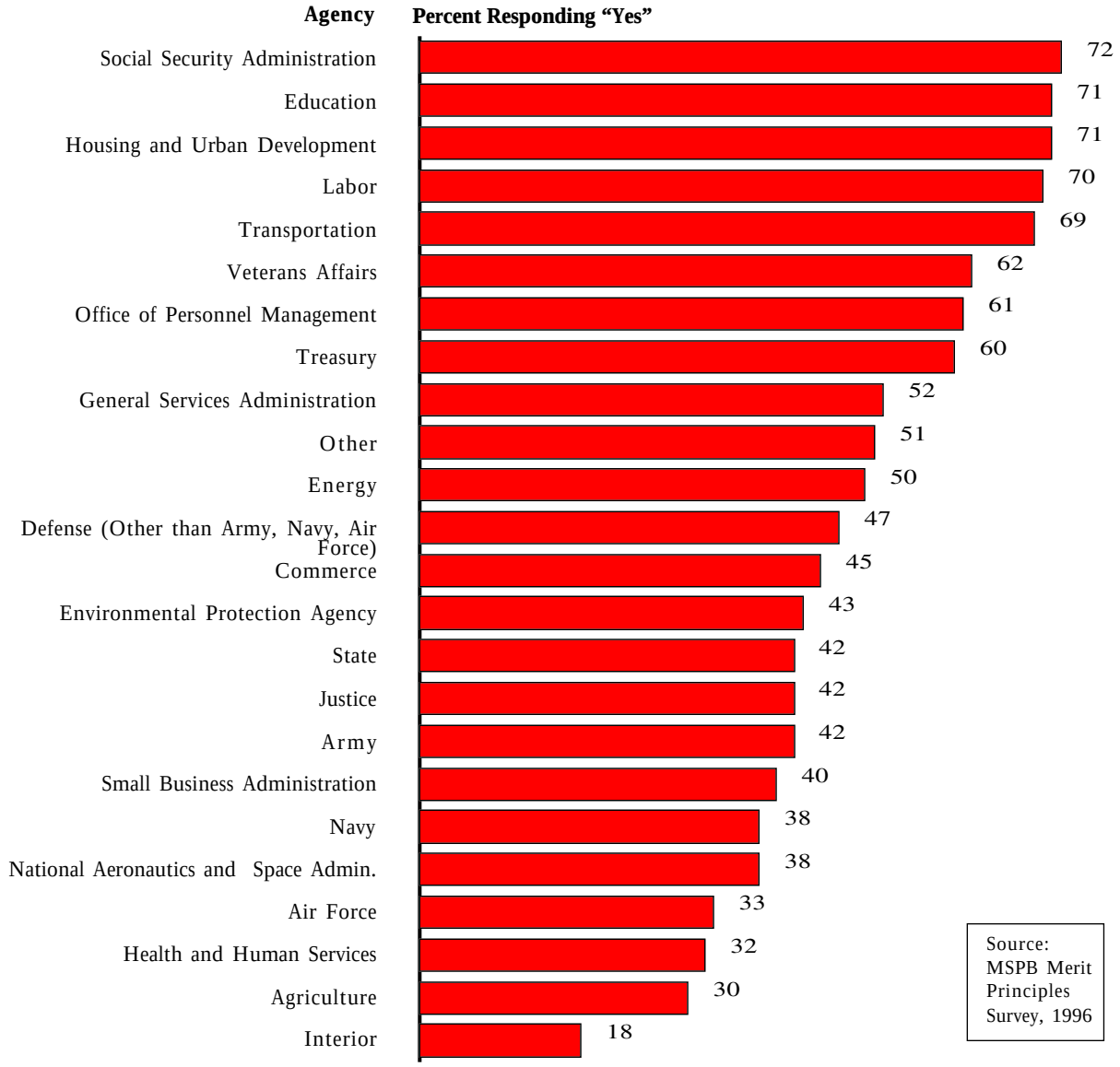
We also attempted to assess the perspectives of both supervisors and employees on the avenues of appeal that are available to them if their organizations were to take an adverse action against them. Perhaps the most significant finding in this area was that about 40 percent of both the employees and the supervisors who responded to our survey said they either had no opinion or did not know enough about the appeals process to respond to our questions. Clearly a large segment of the Federal workforce has not had experience with or knowledge of the available appeal processes.

Among the respondents who had an opinion, 42 percent said there were too many different appeal channels available to employees. Interestingly, there was very little difference in the responses of supervisory and nonsupervisory personnel to this question. However, nonsupervisors were somewhat more likely than supervisors to believe that the procedures for filing an appeal were too hard to understand (35 percent of nonsupervisors versus 27 percent of supervisors said this).

Not surprisingly, there were large differences in the responses of supervisors and nonsupervisors concerning who benefits most from the appeals process, employees or management. As shown in figure 9, among the nonsupervisors who expressed an opinion, 48 percent believed that the appeals process inappropriately favors management. In contrast, only 18 percent of the supervisors expressed this view, while 62 percent disagreed. When we asked the flip side of this question—i.e., whether the appeals process inappropriately favors employees—the results were reversed. One-third of the supervisors thought the process is biased towards employees, whereas only 11 percent of the employees held this view. In contrast, 59 percent of the nonsupervisory personnel said that the process is not biased toward employees.

Since many of our respondents believed that more adverse actions could be taken against Federal employees, probably the most important question is whether the appeals process is accomplishing what it is supposed to; i.e., protecting employees from having inappropriate actions taken against them, while at the same time not discouraging supervisors from taking the corrective actions that are needed. In other words, has the right balance been struck between providing protection for employees and ensuring the efficiency of the Government? Once again, supervisors and nonsupervisors had somewhat different views on this issue. Although 36 percent of nonsupervisors thought the appeals process kept supervisors from taking the corrective actions that should be taken, an equivalent number (37 percent) did not think this was the case. In comparison, a majority of supervisors (52 percent) said the appeals process discouraged them from taking adverse actions when they thought them to be appropriate.

Figure 10. "Have Management and the Local Federal Employee Unions Established Partnerships in Your Agency?"



When asked whether the appeals process discouraged supervisors from taking inappropriate actions, 28 percent of nonsupervisors thought it did, while 39 said it did not. Supervisors, on the other hand, were much more likely to say the appeals process deterred them from taking inappropriate actions, with 46 percent expressing agreement with this item. As mentioned earlier, it should be remembered that about 40 percent of both nonsupervisors and supervisors expressed no opinions one way or the other on these issues. Nevertheless, it is clear that supervisors were considerably more likely than nonsupervisors to see the appeals process as a deterrent to taking adverse actions, whether they were appropriate or not.

Forming Labor-Management Partnerships

Another NPR goal was to improve the state of labor relations in the Government. This was seen as fundamental to the reinvention effort based upon expe-

riences in the private sector. According to the NPR, corporate executives from unionized firms had found that "no move to reorganize for quality can succeed without the full and equal participation of workers and their unions."[18] To further this goal President Clinton issued Executive Order 12871 on October 1, 1993, calling for all Federal agencies to established labor-management partnerships. We attempted to find out how widespread the establishment of these partnerships has been across the Government through a question on our survey. According to our respondents, at the time of our survey, partnerships had been formed in slightly less than half of their organizations. As shown in figure 10, there was considerable variation by agency in the extent to which employees believed that their agencies had established partnerships. Employees at the Departments of Education and Housing and Urban Development, and the Social Security Administration were the most likely to believe that one or more partnerships had been established in their agencies. In comparison, employees at the Department of the Interior rarely indicated that partnerships had been established in their organizations.

We also asked our survey participants whether those who worked in organizations where partnerships had been formed thought the partnerships helped their organizations accomplish their missions. In fact, relatively few (only 26 percent of those who expressed an opinion) said that the partnerships had enabled their organizations to better accomplish their missions. However, since the idea of partnerships was still somewhat new at the time of our survey it is probably not surprising that their effect has thus far been modest. Even so, it is likely that the role of labor-management partnerships will continue to evolve in the Federal Government and a number of important questions need to be answered concerning their operation. For this reason the Board will be taking a closer look at the impact of labor-management partnerships on Federal operations.

Eliminating What We Don't Need and Improving Efficiency

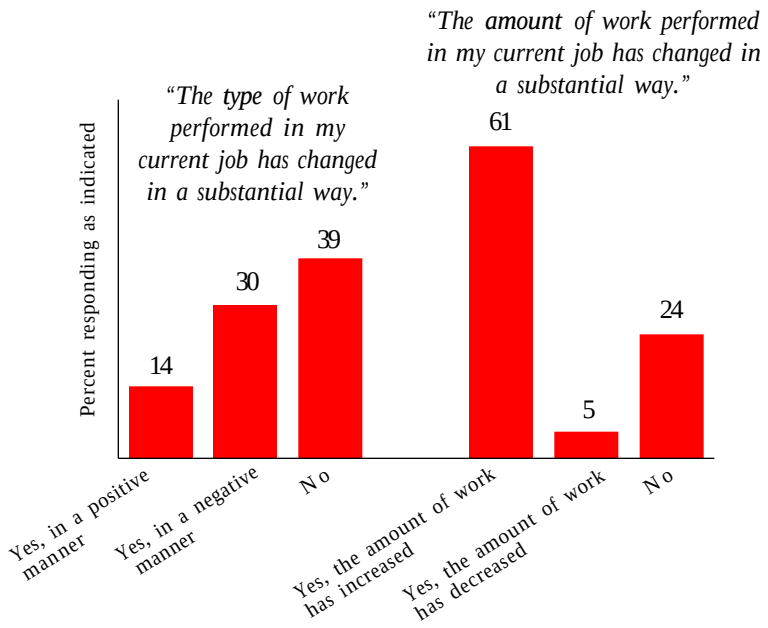
Certainly one of the most publicized goals of the NPR was to change the Government by making the services it provides less costly. As mentioned earlier, a large part of the savings envisioned by the NPR was to be achieved by reducing the size of the Federal workforce by the end of fiscal year 1999. Of course significant reductions in personnel can best be achieved if there is also a reduction in Government missions or services, an increase in productivity and efficiency, or a combination of both. Accordingly, our survey looked at whether Federal workers thought that the Government could be streamlined and made significantly more efficient.

One survey question that addressed Government efficiency asked employees if they thought their organizations are overstaffed. It is notable that even after considerable downsizing, 23 percent of our respondents thought their organizations were overstaffed and could do the same jobs with fewer people *if* the work processes were changed. The responses to this question showed relatively little variation by agency.

According to the NPR, many of the reductions in staff that were to occur were to be targeted towards middle management. And, in fact, when employees were asked whether there were too many levels of management in their organization, 49 percent said there were. Not surprisingly, nonsupervisory employees were somewhat more likely to hold this view (50 percent agreed) than were supervisors (39 percent agreed). There was, however, no difference of opinion between people who worked outside headquarters and those employed in agency headquarters positions. Moreover, workers in headquarters operations were no more likely than those working in the field to believe that their organizations were overstaffed.

[18] "From Red Tape to Results," p. 87.

Figure 11. Effect That Budget Cuts, Downsizing, or Reinvention Initiatives Since 1993 Have Had on the Type and Amount of Work Employees Are Performing



Source: MSPB Merit Principles Survey, 1996

It is also worth noting that even though a significant minority of our respondents said their organizations were overstaffed, the vast majority also indicated that, in general, their organizations were fairly efficient when compared to private sector companies. In fact, 72 percent did not think that a private sector company could perform the work of their organizations as well as they did. Only 18 percent said that a private sector company would be as productive as their organizations. Thus, although some employees saw room for improvement, most thought their organizations were already performing quite efficiently.

Impact of Budget Cuts

Effect on Employees

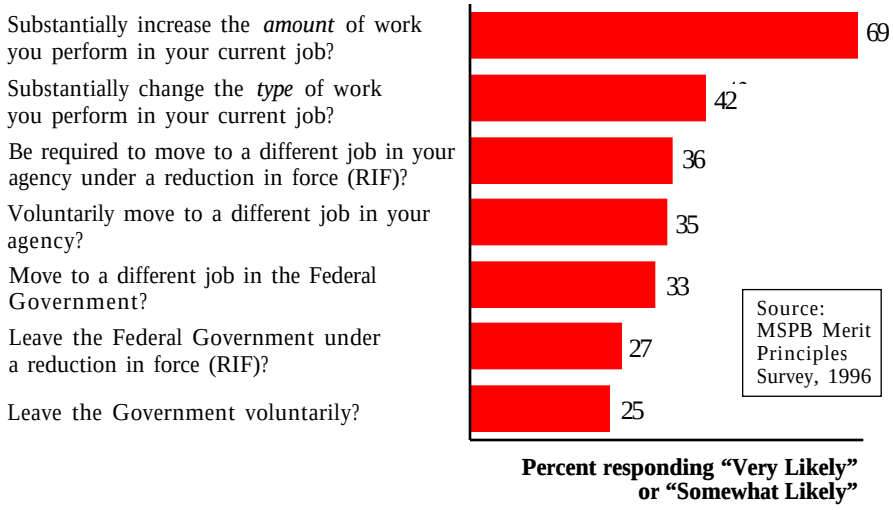
Although budget cuts were certainly not the sole goal of the NPR, many survey respondents told us in written comments that as far as they were concerned, the NPR was simply a way to reduce the size of the Government workforce and thereby save money. From the perspective of these employees, downsizing and budget cuts, rather than improved operations, were the main purposes of Government reinvention efforts. Even if this characterization of NPR goals is not an entirely accurate portrayal of Government reinvention efforts, we expected that the reductions in budgets and personnel staffing levels that have occurred would have a tangible effect on both Federal employees and agency operations. Accordingly, a number of our survey items were designed to solicit employees' views on the impact of shrinking budgets and personnel cutbacks.

As figure 11 illustrates, a total of 44 percent of our respondents said the type of work they performed had changed substantially as a result of budget cuts, downsizing, or reinvention efforts occurring since 1993. Of those who indicated that their job had changed, twice as many were likely to believe that the change was a negative one (30 percent versus 14 percent). Presumably this meant that they did not prefer to do the type of work that they were now being asked to perform. When employees were asked whether the amount of work they were asked to perform had changed since 1993, two-thirds stated that it had. In this case there was a general consensus that the amount of work had increased (61 percent said this was the case, while only 5 percent said the amount of work they performed had gone down). Clearly many employees believe that cutbacks, downsizing, and reinvention efforts have had a negative effect on their jobs. Fortunately, the place of work has remained the same for most members of the workforce. Relatively few employees (only 8 percent) said these same factors had forced them to move to a new location. There was, however, a slightly higher tendency for employees from the military departments to have been required to relocate than employees from other agencies.

Our survey results also indicate that most employees believed that the forces that have been in play over the last several years will continue to affect them in the near future. When asked about the possible effects of budgets cuts or downsizing in the next few years, 42 percent thought it was at least somewhat likely that these forces would require them to substantially change the type of work they performed in their current job. Even more, 69 percent, believed they would have to substantially increase the amount of work they did. In a similar finding, 68 percent of our respondents said the number of people in their work unit will probably be reduced over the next 2 years despite the fact that their workload would stay the same or be increased.

Figure 12. Employee Perceptions of the Effects of Possible Future Budget Cuts or Downsizing

As a result of possible future budget cuts or downsizing in the next few years, how likely is it that you will:



Although relatively few employees have thus far been forced to relocate as a result of budget cuts or downsizing, more may be required to do so in the future. Figure 12 shows what employees believed the future may hold because of cutbacks that may be coming over the next several years. Apparently a significant portion of the Federal workforce believe that their jobs are threatened by future budget cuts. More than a quarter of our respondents (27 percent) said it was at least somewhat likely that they will be forced to leave the Government under a reduction in force. Even more, 36 percent, believed that a reduction in force may force them to take a new job in their agency. Similar proportions of the workforce thought that, as a result of downsizing and cutbacks, they would leave to take other jobs either within or outside the Government.

Since so many members of the workforce believe their jobs are threatened we wanted to know whether employees thought they could find other jobs outside of the Government if they were to lose theirs as a result of a reduction in force. When asked about this, over half of the survey respondents (53 percent) said they did *not* believe they would be able to find an acceptable job in a reasonable period of time. Apparently the upheavals of the past several years have left a legacy of anxiety for the remaining members of the Federal workforce. Many continue to believe their jobs are at risk and, were they to lose them, they would have a difficult time finding a comparable job outside of the Federal Government.

Effect on Supervisors

One type of cutback clearly envisioned by the NPR was a reduction in the number of supervisors in the Federal Government.[19] In fact, the NPR recommended that the Government double its managerial span of control. To achieve this goal

[19] "From Red Tape to Results," pp. 70-72.

supervisory ranks would have to be cut across the Government. Some 58 percent of the supervisors responding to our survey said that since the Government undertook its efforts to downsize, there has been a noticeable reduction in the number of supervisory positions in their organizations. Responses to this item varied widely by agency. In some agencies, most of the supervisors believed that the number of supervisory positions had been noticeably reduced; e.g., NASA (91 percent) and the Environmental Protection Agency (86 percent). In other cases, considerably fewer people thought the number of supervisors had dropped; e.g., the Departments of Justice (26 percent) and State (47 percent).

Although a reduction in the number of supervisory positions is certainly in line with NPR goals, we note that supervisors in field activities were just as likely as supervisors at headquarters to believe there had been noticeable reductions in the number of supervisory positions. This is important since the NPR suggested that most of the reductions in supervisory positions should occur in the middle management levels of headquarters operations. Apparently, organizations across the Government did not agree that they had a disproportionate number of supervisors allocated to their headquarters activities.

Reductions in the number of supervisory positions have had an effect on the responsibilities of the remaining supervisors. Most (71 percent) of the supervisors in our sample said that their responsibilities had increased over the last 2 years. A similar response was obtained for supervisors in virtually every agency, but supervisors in the field were somewhat more likely to believe that they had more to do (73 percent agreed) than were supervisors at headquarters (61 percent agreed). Almost half of the supervisors (44 percent) also told us that the number of subordinates they had to manage had increased over the past 2 years. Once again, supervisors from the field were somewhat more likely to say the number of their subordinates had increased (45 percent) than were supervisors who worked at headquarters (39 percent). By these measures at least, the reductions in the number of supervisors have meant a greater increase in work for supervisors in the field than for those at headquarters.

Even though many supervisors believed that as a consequence of reductions in the number of supervisors they now have more to do, it is interesting to note that supervisors in 1996 were just as likely as supervisors in 1992 to have said that their work units had enough employees to do the job. This may mean that improvements in efficiency have made up for the reductions in personnel in many organizations. It could also mean that some organizations have adapted to reduced numbers of workers by eliminating some of the things they had previously been doing.

Effect on Workforce Quality

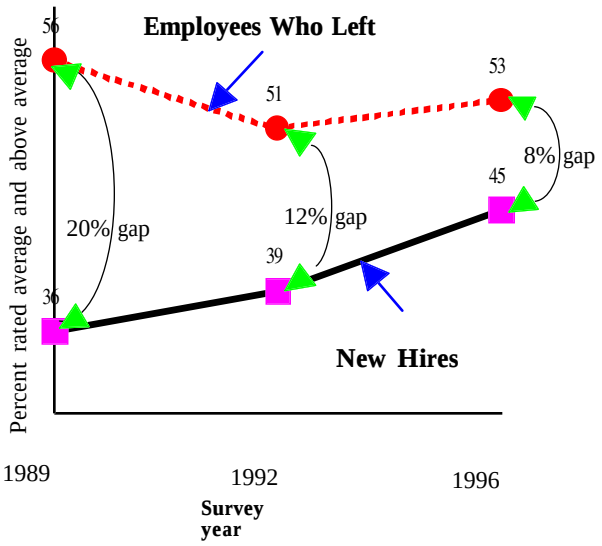
As noted earlier in this report, our respondents told us that budget cuts and downsizing efforts have thus far resulted in relatively few employees involuntarily losing their jobs. In large measure this has occurred because some organizations have used normal attrition to reduce the size of their staffs and others have encouraged employees to leave voluntarily through the use of buyouts.[20] As a result of both of these types of policies the workers who remain with their organizations are even more essential for ensuring that the work gets done. Remaining, however, is the question of what effect, if any, these policies have had on the quality of the remaining workforce. For example, have the people who left been of higher quality than those who chose to stay?

Additionally, since positions in many organizations have not been filled as they became vacant,

[20] The U.S. Office of Personnel Management reports that as of January 1997, over 128,000 Federal workers took buyouts to leave Government employment. As a result, less than 31,000 involuntary separations by reduction in force took place in fiscal years 1993 through 1996. For more information, see U.S. Office of Personnel Management, "The Statistical Story of Federal Downsizing," Washington, DC, August 1997.

Figure 13. Quality of Employees Who Left and New Hires, by Survey Year

"Overall, how would you rate the quality of: "



Source: MSPB Merit Principles Surveys, 1989, 1992, and 1996

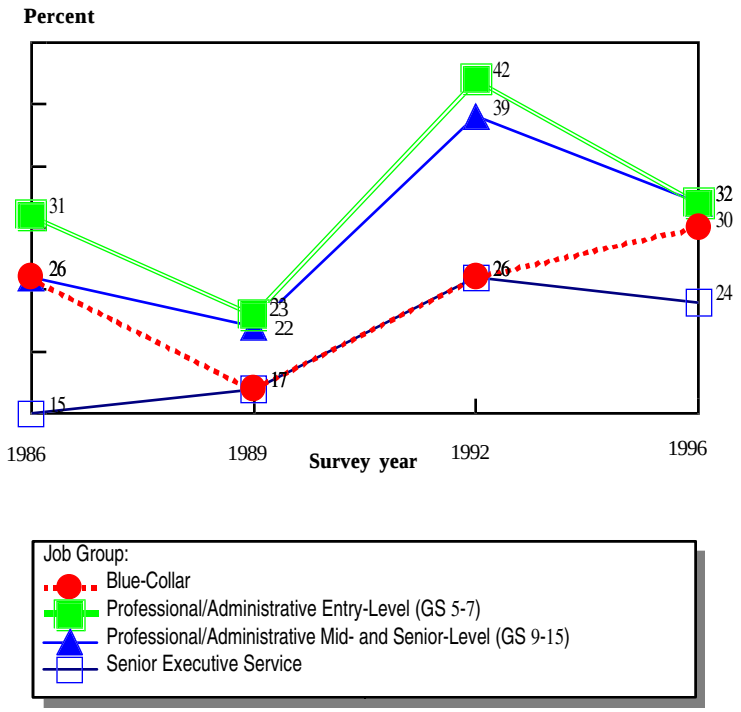
there has been a reduced need for new hires. As a consequence it is likely that some agencies have placed less emphasis in recent years on recruiting. To the extent that this has occurred it could have had an effect on the quality of those people who were hired during this period. If less attention was focused on hiring, it may be that, on average, the quality of the people who were newly hired declined. This is an important concern because even in an era of downsizing, one of the keys to any organization's future is finding new employees with the skills and abilities needed to meet mission requirements.

It order to see what effect downsizing, reinvention efforts, and cutbacks may have had on workforce quality we compared the responses of employees in 1996 to information addressing the same issue provided through the Merit Principles Surveys conducted in 1989 and 1992. When employees were asked in 1996 about the quality of coworkers in their immediate work group, about two-thirds (67 percent) rated their coworkers above average in quality. This was a markedly higher percentage than in 1992, when 56 percent of employees rated their coworkers above average. It was also considerably higher than 1989's 53 percent. From the perspective of employees it seems the changes occurring over the past several years have resulted in a much more positive view of the work performed by other people in their organizations.

While we have no definitive explanation for this difference, several possible factors may have contributed to the change in perceptions. For example, as they have been downsizing, organizations may have been encouraging their less qualified employees to leave voluntarily. It is also possible, however, that employees have developed more positive views of their fellow workers for other reasons. Organizations may have changed how they attempt to accomplish their missions and, in doing so, may have made members of the workforce more productive. It's also possible that some Federal workers, feeling under attack from a variety of sources, have come to look more kindly at others who, like themselves, may believe their jobs are threatened. Alternatively, workers who feel their jobs are threatened may be putting forth more effort to demonstrate their value to their organizations.

To shed more light on these possibilities, we asked two questions on our survey that bear on the issue of workforce quality. These questions looked at employees' views of the quality of both the people who joined their work group from outside the Government during the past 2 years, and those who left during the same period. Figure 13 shows how responses to these two questions have changed over the course of last three Merit Principles Surveys (1989-1996). What is most noteworthy is the fact that the gap in perceived quality between those who left the Government and those who were hired has continued to shrink since 1989. In that year the gap was 20 percentage points in favor of those who left. By 1992 it had fallen to 12 percentage points, and in 1996 it was only 8 points. This gap did not shrink because of a reduction in the perceived quality of the people who have left the Government. In fact, the perceived quality

Figure 14. Quality of Applicants: Percent of Supervisors Saying Applicant Quality Has Improved in Selected Job Groups, by Survey Year



Source: MSPB Merit Principles Surveys, 1986, 1989, 1992, and 1996

of those who left has remained relatively stable. Instead, it appears that the Government's new hires have been judged to be more qualified in recent years. This trend continues to support the conclusion drawn in a variety of reports issued earlier in this decade that did not find evidence of any meaningful decline in Federal workforce quality.[21]

While Federal employees clearly think highly of the people in their work group, the question remains whether the Government is likely to be able to continue to hire qualified people to fill its vacancies in the future. In some measure at least, the answer to this question depends on the ability of the Government to attract highly qualified job applicants. At the time of our last survey, supervisors were reporting "substantial and consistent increases in the quality of applicants across a wide variety of job types and categories."[22] We concluded at that time that the image of the Federal Government as an employer had improved substantially between 1989 and 1992.

Unfortunately, despite the fact that the perceived quality of new hires has increased over the course of our last two surveys, the results of the current survey also suggest that the Government may not be attracting as many highly qualified applicants as it did in 1992. When we asked supervisors to tell us to what extent the quality of applicants had worsened or improved in the past 3 years, we found that their assessment of applicant quality had fallen for

[21] See U.S. Merit Systems Protection Board, "Workforce Quality and Federal Procurement: An Assessment," Washington, DC, July 1992, and U.S. Office of Personnel Management, "Scientists and Engineers in Civilian Agencies: Studies of Quality-Related Factors," Rept. No. WQR 91-01, Washington, DC, March 1991.

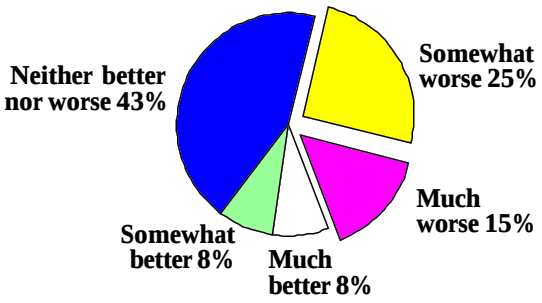
[22] U.S. Merit Systems Protection Board, "Working for America: An Update," Washington, DC, July 1994, p. 6.

just about every type of job category. The exception to this general statement was for applicants for blue-collar jobs. Figure 14 shows how perceptions have changed over the years for several important categories of jobs.

It is ironic that the one job category where the quality of applicants has been improving is blue-collar jobs. As a proportion of its workforce the Government has lost more blue-collar jobs than it has from any other job category. On the other hand, even while the Government has lost an overall total of almost 300,000 full-time permanent jobs since 1992, it has actually increased the number of professional and administrative employees. Unfortunately, as the information in figure 14 demonstrates, it is exactly these categories that have shown the largest decreases in the perceived quality of applicants. Perhaps the image of the Government as an employer has declined for people working in these job categories who would have otherwise considered the Government as a possible employer. This conclusion is also supported by the fact that there has been a noticeable decline among Federal employees in terms of whether they would recommend the Federal Government as a place to work. In 1992, 67 percent of respondents said they would make this recommendation. By 1996 only 57 percent would.

The results of our survey on workforce quality seem to present something of a paradox. While both supervisors and nonsupervisors believe that the quality of new hires has improved, supervisors told us that the quality of applicants has deteriorated. It is possible that this situation is an artifact of the times. The general economy has been good over the past several years and, in times of relative prosperity, the Government may not be the employer of choice for many highly qualified workers from the private sector. This apparently was not the case in 1992, when the economy was not as healthy as in 1996. For this reason, the Government may have been a much more attractive potential employer 5 years ago. Also, the attractiveness of the Government as an employer may have declined as the public became aware of efforts to significantly reduce the size of the Federal bureaucracy.

Figure 15. Supervisors' Views on the Quality of Candidates Referred Under a Priority Placement System Compared to Those Referred Through Other Means



Source: MSPB Merit Principles Survey, 1996

But if the quality of applicants has gone down, how could the quality of new hires have increased? The answer could lie in the fact that the actual number of new hires also has decreased. With fewer selections being made, it is possible that the Government could afford to be more selective. With fewer jobs to fill, managers can confine their selections to the very top of the candidate pool. Under such circumstances, selecting officials never (or at least less frequently) need to select from among the more mediocre candidates, as can happen when there are larger numbers of jobs to fill.

But what happens if the Government returns to the levels of hiring that were seen before the recent efforts at downsizing? If the overall pool of candidates from which managers may select does not expand as Federal hiring expands, then ultimately the quality of actual new hires will fall. This could create major problems since the continued selection of high quality new hires is critical if the Government is to provide a high level of service to the American public.

Quality issues may be even more of a problem if budgets continue to be as tight in the future as they are currently. Even now, almost two-thirds (61

percent) of the supervisors responding to our survey said budget cuts had hindered their ability to hire the best qualified candidates for the vacancies they have been filling. For these reasons it is important that agencies continue to monitor the quality of the applicants who are applying for their jobs and, if necessary, take action to ensure that their recruitment efforts provide managers with adequate numbers of high-quality applicants.

Another issue that affects both employees who may lose their jobs because of downsizing and the quality of the remaining workforce is the extent to which displaced employees are given priority placement consideration for vacancies in other organizations. Historically the military departments have had priority placement programs for civilian employees who would otherwise lose their jobs. The military departments have made greater use of priority placement programs because civilians who work for the military have often been asked to move to new locations. Sometimes this has occurred because even if the military is building up in some locations it may be closing down or reducing in others. Generally these priority placement programs have granted employees who have been notified that they may lose their jobs under a reduction-in-force the right to apply for vacant Federal jobs throughout their agency. Normally these employees are also given priority consideration for these vacancies if they are qualified for the jobs.

Several questions in our survey attempted to assess managers' experience with priority placement programs and their impact on managers' ability to staff their organizations with high-quality personnel. When supervisors who said they had hired at least one person during the last 2 years were asked about their experience with these types of programs, about half (51 percent) said they had been asked to consider candidates for their vacancy under a priority placement system. As might be expected, supervisors in the military departments were much more likely to have considered priority placement candidates than were supervisors who worked for other organizations.

Figure 15 shows the responses of supervisors to a question concerning how they thought the priority placement candidates they had considered compared to other candidates who were not in the priority placement system. As this figure shows, supervisors rarely thought that the priority placement candidates were better qualified than the other people whose applications they were reviewing. In fact, 40 percent thought the priority placement candidates were either somewhat or much worse.

Although supervisors were fairly negative overall concerning the qualifications of the priority placement candidates they had considered, when asked to what extent they were confident that they could select a well-qualified person if they were required to give priority consideration to displaced employees from other agencies, 70 percent said they were confident to at least a moderate extent. Since the time of our survey, the U.S. Office of Personnel Management (OPM) has developed a priority placement program called the Interagency Career Transition Assistance Program which ensures consideration of displaced employees for vacancies in other agencies. As this program was not in place at the time of our survey, the responses we have just

Table 4. Changes in Job Statisfaction Indicators, 1989, 1992, 1996

	Percent Responding "Agree" or "Strongly Agree"		
Job Satisfaction Questions	**1989**	**1992**	**1996**
In general, I am satisfied with my job.	70	72	70
The work I do on my job is meaningful to me.	88	87	87
I would recommend the Federal Government as a place to work.	49	67	57
I have skills I need to do my job.	94	92	91
Overall, I am satisfied with my supervisor.	*	60	61
Overall, I am satisfied with my current pay.	28	42	50

* Question was not asked in 1989.

discussed do not reflect any of its results to date. However, given the importance of this program to displaced employees and its potential impact on workforce quality, we will be examining the efficacy of this program as part of a separate MSPB study.

Reinvention Initiatives and Job Satisfaction

Another NPR goal was to enhance the quality of work life for Federal employees. As most people realize, if employees are unhappy, they are less likely to focus on the needs of their customers. Conversely, there is a strong correlation between employee satisfaction and customer satisfaction.[23] Job satisfaction is an area we have explored in each of our previous Merit Principles Surveys. Given all of the changes that have occurred as the result of reinvention efforts, downsizing, and budget reductions, we were particularly interested in 1996 in what effect these initiatives would have on employees' views of their jobs. On the one hand, it might be hypothesized that the turmoil that must surround these changes would have a negative effect on the job satisfaction of at least some employees. These negative feelings could be exacerbated by employee fears of possible job loss. Employees might also feel less favorable about working for the Government if they believe they are not being treated fairly in terms of their compensation or if they are afraid that their benefits will be reduced.

On the other hand, some employees might feel good about working for the Government simply because they are happy to still have a job. Additionally, if the ideas underpinning many NPR initiatives are correct, employees should be more satisfied with their jobs if they have a voice in how they perform their work. Still other employees may have increased satisfaction if they are given more flexibility in how they do their jobs. Thus there are reasons to expect that job satisfaction could decrease for some employees while increasing for others.

Whether for the reasons just discussed or for others, when we asked employees how they felt about their jobs, we found that overall job satisfaction has remained virtually unchanged since our survey in 1989. At that time, 70 percent of the workforce said they were satisfied with their jobs. In 1992, 72 percent of our respondents expressed satisfaction with jobs and, in 1996, 70 percent of our respondents once again said they were satisfied.

There were other indications from our data that overall job satisfaction has not changed over the last seven years. Table 4 shows the responses of employees to items related to job satisfaction in the last three Merit Principles Surveys. For most of the items included in this table there was no substantive difference among the responses of employees in 1989, 1992, and 1996. However, as was mentioned earlier, there was a drop from 1992 in the percentage of employees who said they would recommend the Government as a place to work. It is quite possible that this drop reflects ill feelings about working for the Government caused by Governmentwide downsizing efforts and the furlough of many Federal employees that occurred in late 1995 and early 1996, only a few months before the distribution of this survey. Even if this was the case, more employees said they would recommend working for the Government in 1996 than in 1989.

The one area of job satisfaction that has been steadily increasing over the years is employee satisfaction with pay. In 1989, only 28 percent of the workforce said they were satisfied with their pay. By 1996 the proportion had nearly doubled to 50 percent. This is a particularly interesting finding in light of the fact that when asked to compare their pay to that of people in similar jobs outside the Federal Government, 69 percent of our respondents thought they were paid less. Only 13 percent said they were paid more than someone in the private sector. These responses were very similar to the ones employees gave the last time we asked this question on one of our surveys. In 1986, 66 percent of our respondents said they were paid

[23] "From Red Tape to Results," p.85.

Figure 16. Level of Job Satisfaction of Those Who Perceive Their Organizations Have, or Have Not, Made the Goals of the National Performance Review an Important Priority

Source: MSPB Merit Principles Survey, 1996

less than people doing comparable jobs outside the Government.

If people still believe that the Government pays less than the private sector, why did satisfaction with pay continue to increase? Perhaps locality pay, even if not functioning as it was originally designed, provides employees with a greater sense of fairness of the pay system. Or perhaps pay is now judged from a different perspective than it was in the past. Maybe in 1996 Federal employees who had survived their organizations' downsizing efforts were satisfied by virtue of the fact that they were still getting a paycheck.

Although we really do not know how to explain the increased satisfaction with pay, we were able to explore other aspects of overall job satisfaction. We did this by statistically comparing the responses to other questions on the survey with each employee's response to the question, "In general, I am satisfied with my job." When we did this we found that overall job satisfaction was strongly related to a number of aspects of the working environment. The survey items most related to overall job satisfaction were:

- My organization has made good use of my knowledge and skills in looking for ways to become more efficient.
- At the place I work, my opinions seem to count.
- My immediate supervisor has organized our work group effectively to get the work done.
- In the past 2 years, I have been given more flexibility in how I accomplish my work.
- A spirit of cooperation and teamwork exists in my immediate work unit.
- The work performed by my work unit provides the public a worthwhile return on their tax dollars.
- In the past 2 years, the productivity of my work unit has improved.

Table 5. Employees' Views on the Effects of Budget Cuts and Downsizing Initiatives, 1996

	Percent Responding	
Survey Questions	Agree or Strongly Agree	Disagree or Strongly Disagree
Downsizing has helped my organization to accomplish its mission more efficiently.	8	75
Budget cuts have had a negative effect on my organization's mission accomplishment.	69	17
Downsizing has seriously eroded the institutional memory or knowledge in my organization.	51	22

A few other items, such as satisfaction with pay, were also related to overall job satisfaction but to a lesser extent than the items shown above. Interestingly, these items were the same ones that were discussed earlier in this report in the context of the effect of the NPR. As was shown in table 3, employees in organizations where NPR goals were a priority were considerably more likely to agree with each of these items. Since these items were also strongly related to job satisfaction it could be hypothesized that people in organizations where the goals of the NPR were a priority should show a higher degree of job satisfaction than employees in organizations where the NPR goals were not stressed.

As figure 16 illustrates, this was indeed the case. Almost four out of five employees (79 percent) who said their organizations had made NPR goals a priority also said they were satisfied with their jobs. In comparison, only about half of the employees (52 percent) who said their organization had not emphasized NPR goals were satisfied with their jobs. Again it is important to recognize that this does not necessarily mean that implementing NPR initiatives will result in a more satisfied workforce. It is possible that organizations where employees were generally happy with their jobs were also ones that were more receptive to NPR ideas. However, the results do suggest that employees will be happier with their jobs if they believe they are being used productively and that their opinions seem to count.

Another aspect of job satisfaction that remains relatively high among Federal employees is sat-

Figure 17. Factors Contributing to an Employee's Decision to Look for Another Job

"What impact has each of the following had on your decision to look for another job?"

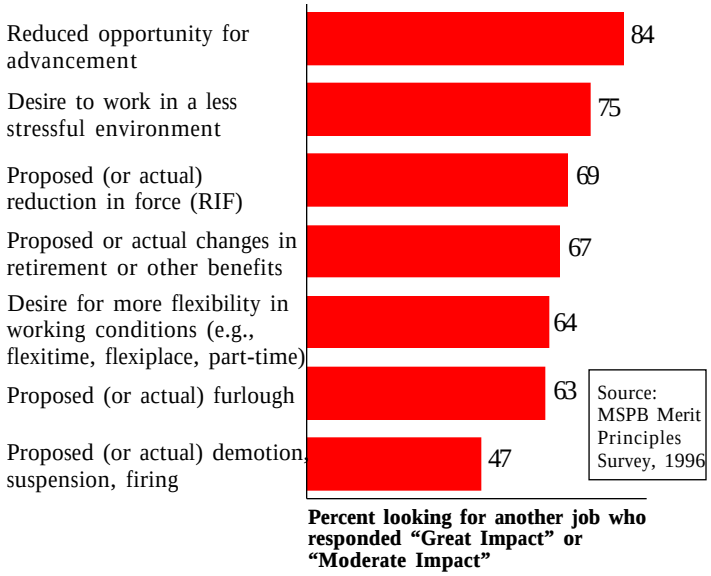
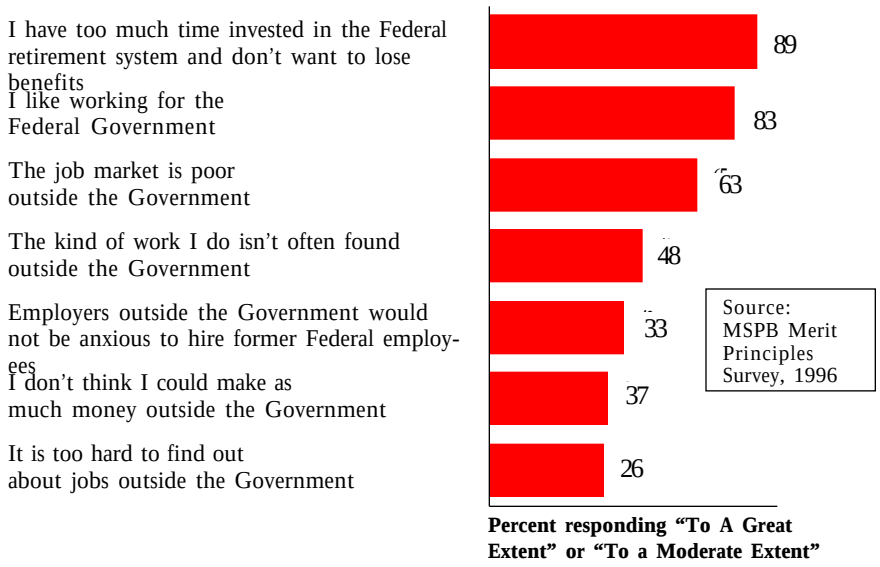


Figure 18. Factors Contributing to an Employee's Decision Not to Look for a Job utside the Government

"If you are not looking for a job outside the Government, to what extent did each of the following influence your decision not to seek employment outside the Government?"



isfaction with one's supervisor. Overall, 61 percent of our respondents said they were satisfied with their supervisors. Once again this level of satisfaction was unchanged from 1992. Employees also more often than not thought their supervisors had good management skills (54 percent) and had organized their work group effectively (51 percent). Nevertheless, a significant portion of the workforce did not share the majority view on these two items (30 percent in both cases). Despite the fact that most employees were satisfied with their supervisors, it is also apparent that a sizable minority of the employees responding to our survey thought their supervisors could do a better job.

Although most Federal workers remain satisfied with their jobs, many nevertheless believe that budget cuts and downsizing have had a negative effect on their organizations. Table 5 summarizes employee responses to several survey questions addressing the results of downsizing efforts. As shown in this table, relatively few employees said that downsizing had helped their agencies while about half believed it had eroded institutional memory. Additionally, while not shown in the table, a substantial portion of the workforce (39 percent) said the possibility of a reduction in force or a furlough resulting from budget cuts had a negative effect on their personal productivity. Similarly, 38 percent of our respondents indicated that concern about the possibility of changes in benefits for Federal employees had had a negative effect on their productivity.

Earlier in this report we noted that a sizable percentage of the workforce (27 percent) were concerned about the possibility of losing their positions through a reduction in force because of possible future budget cuts and downsizing. We included a series of questions in our survey to find out whether concerns arising from the changes that were occurring would influence Federal employees to look for other jobs. Some 22 percent were currently planning to look for a job outside the Government—twice the percentage who said this in response to a similar question in 1992. In addition to the people who said they were going to look for a new job outside the Government, 14 percent said they would seek a new job elsewhere in the Government. Thus, in total, more than one-third of the workforce said in 1996 that they planned to look for a new job in the next year.

We included several items in our survey to find out more about what would influence a person's thinking about whether to look for another job. As seen in figure 17, the consequences of downsizing were important factors for those employees who planned to look for a new job. In fact, one of the main reasons employees gave for considering a new job was that they thought they had experienced a reduced opportunity for advancement in recent years. This perception is supported by employment statistics drawn from Government personnel records. As noted in a recent Board report, during 1993 through 1994 the "promotion rates for employees at levels GS-11 and above fell by about 20 to 30 percent from earlier levels."[24] As discussed in that report, we believe that the successful effort to downsize the Federal Government was a major factor in the decline in promotion rates. When higher level positions were vacated in the past, lower level employees were normally promoted to fill these vacancies. This has not been the case in recent years in many organizations, where decisions have been made to not fill many of the jobs that have become vacant.

To get another perspective on the issue of why employees do or do not chose to seek work outside the Government, our survey included a series of items focusing on factors that could influence a person's decision to remain a Federal employee. The responses of employees who planned to stay with the Government and their reasons for staying are shown in figure 18. As might be expected,

[24] U.S. Merit Systems Protection Board, "Fair and Equitable Treatment: A Progress Report on Minority Employment in the Federal Government," Washington, DC, August 1996, p. 32.

the number one reason for remaining a Federal employee was because the person had too much time invested in the Federal retirement system and didn't want to lose benefits. In all probability, most of the people who expressed this view were employed under the Civil Service Retirement System (CSRS), which covers only employees hired before 1984. The Federal Employees Retirement System that replaced the CSRS was designed to allow employees who left the Government to take with them more of the retirement benefits they had earned. The other major reasons employees chose to stay with the Government are either because they liked working for the Federal Government (which is not surprising given the high levels of job satisfaction noted earlier) or because they thought the job market was poor in the private sector.

Perspectives on Prohibited Personnel Practices and Diversity

Prohibited Personnel Practices

Another issue we wanted to find out about was whether Federal employees believe they are adequately protected against prohibited personnel practices. Our survey results revealed that while most employees did not believe they had been victims of prohibited actions, a significant minority (40 percent) still believed their protection against this possibility was not adequate. Some 26 percent thought they had only minimal protection against prohibited personnel practices and another 14 percent believed they had no protection from these types of abuses. Although 60 percent of our respondents did think their protection against such abuses is adequate, the fact that such a high percentage felt otherwise is a cause for concern and continued vigilance.

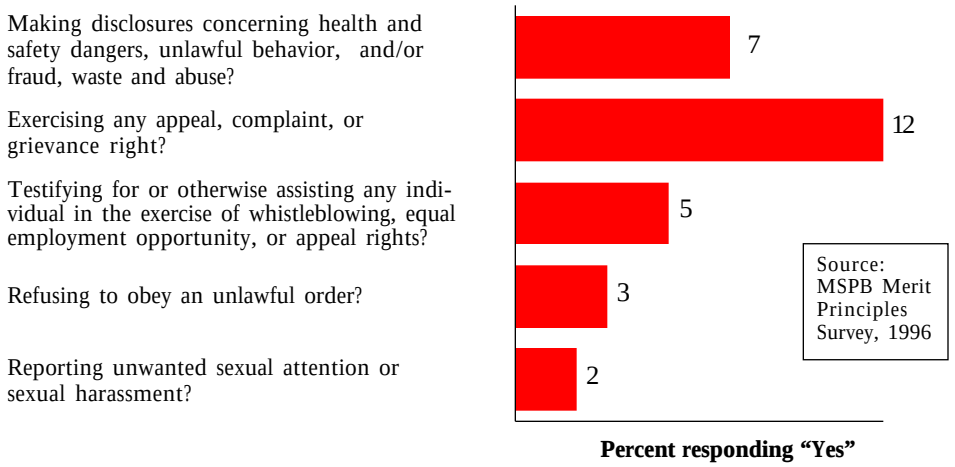
The area where the most employees said they had been subjected to prohibited personnel practices was in competing for jobs and promotions. Almost one in five employees (18 percent) believed they were deliberately misled by an agency official about their rights to compete for a job or promotion. Even more employees (25 percent) said they were denied a job or promotion because one of the selecting officials gave an unfair advantage to another applicant. In the case of both of these survey items the percentage of employees who believed they were victims of prohibited personnel actions was somewhat higher in 1996 than in 1992.

There were other areas where employees less frequently thought they had been the victims of prohibited personnel practices. Only a relatively few employees (5 percent) indicated they were influenced by an agency official to withdraw from competition for a Federal job or promotion in order to help another person's chances. Similarly, 5 percent of our respondents felt they were denied a job or promotion that went instead to a relative of one of the selecting or recommending officials. While there was no change in the response pattern to these two items between 1992 and 1996 and relatively few employees said they were victims of these types of actions, the fact that as many as 5 percent of the workforce believed that these actions had occurred is still significant.

Federal employees are also entitled to protection from reprisals for engaging in protected activities. For example, whistleblowers are protected by provisions of the civil service laws from being retaliated against for making disclosures of information that they reasonably believe evidence violations of law, gross mismanagement, gross waste of funds, abuses of authority, or substantial and specific dangers to public health. Figure 19 shows the percentage of employees who said they had been retaliated against or threatened with retaliation for engaging in certain protected activities. As can be seen in this figure, employees were more likely to believe they had been retaliated against for exercising an appeal, complaint, or grievance right granted by law (12 percent) than to believe that they had been retaliated against for exercising their whistleblower rights (7 percent). There was no change from 1992 to 1996 in the percentage of employees who believed

Figure 19. Employees' Perceptions of Potential (or Actual) Retaliation Against Them

"In the past 2 years, do you feel you have been retaliated against or threatened with retaliation for:"



they were victims of reprisals for engaging in either of these protected activities.

In 1993 the law governing the participation of Federal employees in partisan political activities, known as the Hatch Act, was changed to allow members of the Federal workforce to engage in more types of political activities. Under the Hatch Act nearly all types of partisan political activity had been unlawful and eliminating its prohibitions caused some concern. There was a fear that Federal employees would no longer feel sufficiently protected against both subtle and direct pressures from politically appointed managers to engage in partisan activities. And, there was a fear that without the prohibitions contained in the Hatch Act, the level of political activity on the part of Federal employees would greatly increase. However, based upon the responses to our survey, neither of those scenarios appears to have occurred.

We asked, as we have in the past, a number of questions on this survey dealing with politically motivated pressures. We asked whether the respondents had been pressured to engage in partisan political activity. As was the case with our earlier surveys, less than 1 percent of the respondents said that they had been so pressured. We also asked whether they believed that they had been pressured for political reasons to retaliate against or take an action in favor of another Federal employee. Again, as before, less than 2 percent said that they believed that they had been so pressured. We did not ask whether they engaged in political activities because politically appointed managers might look favorably on that activity, but there was little indication that the Hatch Act revisions have resulted in significant numbers of Federal employees becoming political active. In fact, less than 7 percent of our respondents said that they had become more active in partisan activities since the Hatch Act prohibitions were lifted. This widespread lack of interest in engaging in political activities was forecast by the responses of employees to a question in our 1992 Merit Principles Survey. At that time, only 31 percent of respondents said they would like to be more active in partisan political activities. Thirty percent saying they did not want to be more active, and 39 percent expressed no opinion.

The overall responsibility for ensuring that Federal personnel management is implemented consistently with the merit system principles resides with OPM. During the past several years

OPM has dramatically reorganized itself and redefined the scope of its mission. These changes included a significant reduction in its number of personnel. In an attempt to learn how well the new OPM was performing its personnel management responsibilities, we asked Federal supervisors to tell us to what extent they believed OPM was effective in assuring that agency personnel actions were consistent with the merit principles. Overall, about one-third (32 percent) of the supervisors responding to our survey said OPM was effective in this regard to a "moderate extent" or "great extent." Approximately the same percentage (31 percent) said OPM was effective to only a "minimal extent" or to "no extent." The remainder either had no opinion (24 percent) or were unaware of such an OPM effort (13 percent). Given the importance of the merit principles to human resources management in the Federal Government, it is a cause for concern that so few managers have an awareness of or confidence in OPM's role. In order to find out more about how well OPM is carrying out its responsibility to ensure that Federal personnel management is implemented consistently with the merit system principles, the Board will be conducting a study of OPM's oversight function during the next year.

Perceptions of Discrimination and Attitudes Concerning Diversity

In 1996 the Board issued a report on the status of minorities working for the Federal Government that identified a large perceptual gulf between minorities and nonminorities in the way they thought minorities were treated in the Federal Government. Minorities were found to be much more likely to report that they were subject to flagrant or obvious discrimination than nonminorities. Similarly, nonminorities were much more likely to have a positive assessment of the progress made by minorities in moving into top-level positions than minorities themselves had.[25] As we have discussed, downsizing, cutbacks, and reinvention efforts have often had an effect on the attitudes of Federal employees. But have these forces also had an effect on the differences in the way minorities and nonminorities view their working environment? Put another way, has the disparity in perceptions between minorities and nonminorities been exacerbated by these events or have the perceptual differences faded because of the threat that downsizing and budgets cuts pose to all members of the workforce?

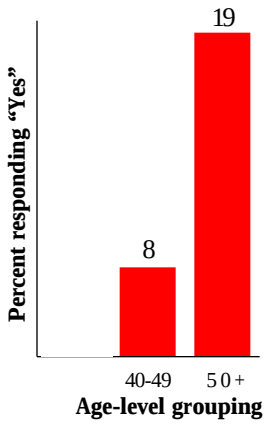
As discussed earlier in this report, many employees said they did not have enough protection from potential prohibited personnel practices. Similarly, a significant minority of employees told us they had been denied a job or a job benefit because of unlawful discrimination. The responses to this item did vary by type of discrimination. About 14 percent of our respondents believed they had been victims of racial discrimination. Slightly fewer, 13 percent, said they had been discriminated against because of their sex, while 11 percent felt they had been treated unfairly because of their age. Only about 2 percent of the Federal workforce said they had suffered from discrimination based on their religion, marital status, political affiliation, or the existence of a handicapping condition. Overall, these responses were quite similar to those obtained in our 1992 survey of Federal employees.

As might be expected, responses to each of the questions concerning possible discrimination varied with the race or age of the respondent. When asked whether they had been denied a job, promotion, or other job benefit because of their race, 34 percent of the African Americans, 35 percent of the Asian Pacific Americans, 23 percent of Hispanics, and 18 percent of the Native Americans thought they had been. About 9 percent of the White employees thought they had been discriminated against because of their race. These percentages were, for all groups except African Americans, a bit higher than those obtained in response to the same question in 1992. Apparently, current Federal employees are at least as likely now as they were 4

[25] Ibid., p. 62.

Figure 20. Respondents Who Believe They Have Been Discriminated Against Because of Their Age, by Age-Level Grouping

"In the past 2 years, do you feel you have been denied a job, promotion, or other job benefit because of unlawful discrimination based upon age?"



Source: MSPB Merit Principles Survey, 1996

years ago to think they are victims of discrimination because of their race.

Belief that an employee was a victim of age discrimination also varied with the age of the employee. As shown in figure 20, older employees were much more likely than younger employees to say they had suffered discrimination.

Interestingly, there was no difference in the percentage of men and women who said they were victims of discrimination as a result of their sex.

When we asked employees whether they believed they had been treated fairly or unfairly[26] with regard to promotions, awards, training, performance appraisals, and discipline, we found more evidence that the perceptual disparity between minorities and nonminorities has not changed since 1992. Table 6 shows the percentage of employees displayed by sex and racial category who indicated they had not been treated fairly. Overall, a large percentage of the workforce (47 percent) said they had not been treated fairly in terms of promotions. While there was little difference between men and women with regard to perceptions of fairness of treatment in promotions, minorities were considerably more likely than nonminorities to believe that they had been treated unfairly. This difference of opinion existed despite the fact that in our earlier study of the status of minorities in the Federal Government, we found, that with a few exceptions, minorities were generally promoted at rates similar to those experienced by nonminorities.[27]

As table 6 shows, minorities were also somewhat more likely than nonminorities to believe they had been treated unfairly in terms of awards, performance appraisal ratings, discipline, and, to a slightly lesser extent, training. What is interesting here is that our 1996 study of minorities in the Government revealed that minorities as a group have received lower performance appraisal ratings and fewer and smaller awards, and been more likely to be subject to disciplinary actions than nonminorities.[28] Given these beliefs and realities, it is

Table 6. Perceptions of Unfair Treatment, by Gender and Minority/Nonminority Group Status

"In the past 2 years, to what extent do you believe you have been treated fairly regarding the following:"

	Percent Responding "To a little extent" or "To no extent"			
	Women	Men	Nonminority	Minority
Promotions	46	48	45	54
Awards	41	40	38	47
Training	35	35	34	39
Discipline	26	26	23	33
Performance Rating	25	27	24	32

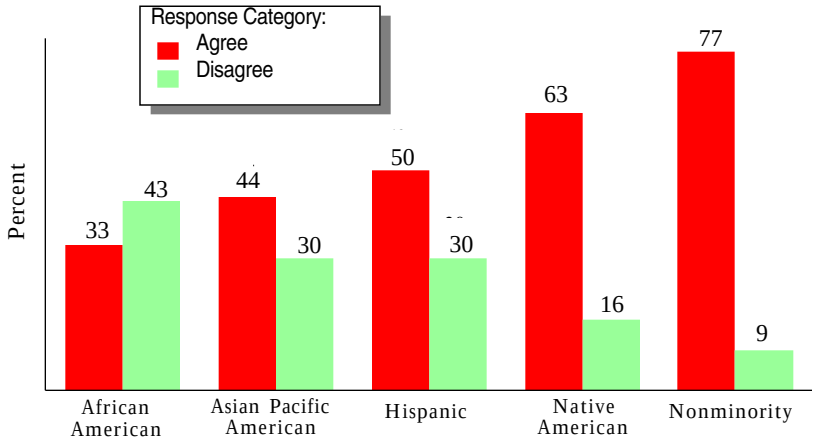
[26] For simplicity of presentation, "fairly" refers to the responses of employees who said they had been treated fairly *to a great extent* or *to a considerable extent*. Similarly, "unfairly" combines the responses of employees who said they were treated fairly *to a little extent* or *to no extent*.

[27] "Fair and Equitable Treatment: A Progress Report on Minority Employment in the Federal Government," p. 31.

[28] Ibid., p. 62.

probably not surprising that employees from different races or national origins had different views on whether people of their race or national origin were treated with respect in their organizations. As figure 21 shows, a large proportion of the employees from each minority group said that people of their race or national origin were not treated with respect.

Figure 21. Percentage of Respondents Who Agree That Their Organizations Treat Them With Respect, by Race/National Origin



Note: "Agree" responses include both "Agree"and "Strongly Agree," and "Disagree" responses include both "Disagree" and "Strongly Disagree."

Source: MSPB Merit Principles Survey, 1996

The belief of many employees that they are not treated fairly and are not given an equal chance to succeed can have dramatic consequences for the productivity of the Federal workforce. When people do not believe they are valued they are less motivated to do their best and to work with others towards the common goal of accomplishing their organization's mission. A demonstration of this lack of motivation can be seen in the responses of employees to a survey question asking whether during the last 2 years they had chosen not to apply for a promotion or developmental opportunity because they thought they had little chance of being selected because of their race, sex, or age. Nearly 22 percent of the African Americans, 28 percent of the Asian Pacific Americans, and 11 percent of the Hispanics in our sample said they had not applied for a job because they felt someone of their race or national origin had little or no chance of being selected. In comparison, only 7 percent of our White respondents held this view. Similarly, employees over the age of 50 were much more likely to believe their age would be held against them and, therefore, had not applied for jobs (17 percent said this) than did younger employees (less than 5 percent said they had not applied for a job because of their age). Relatively few employees (8 percent overall), however, said they had not applied for a job because of their sex, with men being slightly more likely than women to have taken this stance (9 versus 7 percent).

Over the years the Federal Government has in many ways attempted to be a model employer, striving to ensure that all employees and applicants for jobs are treated fairly regardless of their race, sex, or age. As was discussed above, it is clear that many employees do not believe that these attempts have been altogether successful. It is also clear that some employees believe the attempt to ensure fairness for some groups of employees has resulted in inequitable treatment for other categories of employees. For example, when asked whether their organizations' affirmative employment programs had frequently resulted in women being placed in positions for which they were not well qualified, 40 percent of our respondents agreed (40 percent also disagreed). As might be expected, men were more likely than women to hold this opinion (50 percent versus 28 percent).

Similar results were obtained when employees were asked if minorities were placed in positions because of their race for which they were not well

qualified. Overall, 45 percent of the workforce believed this was the case, while 35 percent disagreed. Again the results varied with the race of the respondent. Only 13 percent of the African Americans, 27 percent of the Asian Pacific Americans, and 28 percent of the Hispanics agreed with this idea. In contrast, 51 percent of the Native Americans and 52 percent of the Whites responding to our survey held this view.

When employees were asked whether they thought affirmative employment programs had resulted in "reverse discrimination" against nonminority men, 45 percent said they had and 34 percent disagreed. The majority of the White men responding to our survey said this was the case (61 percent agreed), compared to 23 percent of the minority men and 32 percent of the women of all races. The pervasiveness of this point of view among nonminority men is a bit surprising in light of the facts. In our study of minority employment we found little evidence of discrimination against White men. In fact, as noted in that report, "White males, with a few exceptions, continue to be promoted at rates equivalent to employees from most minority groups."[29] Perhaps as we speculated in that same report, for both minorities and nonminorities, whether male or female, "Human nature also is such that we tend to attribute our failures to something other than our own shortcomings, and so when we encounter difficulty in competing for promotions . . . , we assume those who were successful had an advantage other than their qualifications."[30]

While many employees apparently believed they had not been treated fairly, many employees nevertheless also believed that the effort to achieve a diverse workforce and ensure fair treatment for all was an appropriate goal. When asked whether the impact on workforce diversity should be taken into account when choosing among the best qualified candidates for a vacancy, almost half of our respondents (49 percent) agreed and about a third disagreed (34 percent). While minorities were much more likely to agree with this statement (73 percent did so), 41 percent of the nonminorities in our sample also held this view.

When supervisors were asked about their role in achieving a diverse workforce, slightly less than half (47 percent) told us they were held accountable for the level of representation of minorities and women in their work unit. In general, White men were more likely to hold this view than were women or minority men. About one-third of the supervisors (34 percent) also said they were held accountable for the representation of persons with disabilities in their work unit. Regardless of whether or not they believed they were accountable for diversity, 44 percent of the supervisors did tell us they had the opportunity to take actions that affected the level of representation of women, minorities, or persons with disabilities in their work unit during the last 2 years. Slightly fewer (38 percent) said this was not the case. Most supervisors (88 percent) also told us they had received training on managing diversity, with 59 percent of these supervisors saying that the training had made them a better supervisor.

[29] Ibid., p. 32.
[30] Ibid., p. 54.

Conclusions and Recommendations

We believe that the results of our most recent Merit Principles Survey provide a useful context for judging the effect of the many changes that have been occurring in the Federal Government. From the perspective of Federal employees the changes that have been occurring clearly have both positive and negative consequences. Based on what we have learned from the survey respondents, we offer the following conclusions and recommendations.

Agencies and organizations should make sure that their efforts to reduce expenditures also include a sincere effort to involve employees in attempts to improve their operations.

Both the responses of Federal employees to our survey questions and the written comments they provided made it clear that, for most employees, there was no distinction between attempts to reinvent the way the Government does business and efforts intended solely to reduce both the cost of operations and the number of Federal employees. While many employees have been affected by reduced budgets and downsizing, relatively few said their organizations really embraced the goals of the National Performance Review. This may mean that although many Federal organizations have been forced to change the way they have been doing business because of reductions in budgets and personnel, they nevertheless may have been missing a chance for further improvement if they have not attempted to include the members of their workforce in the change process.

Much of the attention that has been devoted to the NPR has focused on reducing the size of the Federal workforce. However, the NPR—along with other initiatives to effect constructive change in Government—has also emphasized greater employee involvement and empowerment. The value of this focus on employee involvement is confirmed in the results of our 1996 survey which clearly showed that people who worked in organizations that involve their employees in planning and managing their work were much more satisfied with their jobs and also much more likely to believe that their productivity had improved over the past several years. Organizations that do not tap the ideas and abilities of the people who work for them run the risk of stagnating, which may end up meaning that they simply do less with less or even cease to function.

In many Federal organizations there is a culture that sanctions not dealing effectively with problem employees. This must be changed for the Government to be able to hold employees accountable for their performance.

Our results show that dealing with poor performers and problem employees continues to be a problem in many organizations. Despite the claims of some supervisors to the contrary, we believe that the current system can provide the means to deal with problem employees. This does not mean that changes to the current system should not be considered, only that managers should not wait for systemic changes before they take appropriate action in this area. The current system does not, of course,

make the process of dealing with problem employees a particularly pleasant experience. Nor does the system work well unless management creates an organizational climate that makes it clear to all employees that poor performance or misconduct will not be tolerated.

To be successful in their efforts to increase the extent to which employees are held accountable for their actions, Federal policy makers will have to address the question of how to change organizational culture to make it unacceptable to simply ignore problem employees or pass them off to other organizations. All too often it has been easier for managers to adopt these strategies than to confront problem employees. If employees are to be held accountable for their behavior, the culture of organizations will need to change and managers must come to understand and accept that taking actions against problem employees is a key aspect of the their jobs. Accordingly, agency heads need to make it clear to managers in their organizations that they are responsible for holding employees accountable for their performance and that they will be supported if they decide to take appropriate action against employees who cannot or will not perform their jobs.

Efforts should be made by OPM and individual agencies to ensure that the Government maintains its ability to find and recruit high-quality applicants.

While we found no indication that the quality of the current Federal workforce or those hired in recent years has been declining, many Federal managers said there has been a noticeable decline in the quality of the applicants for Federal jobs. This has not had much of an effect on the quality of those hired over the last few years, because there have been relatively few new hires and the Government has been able to get enough highly qualified applicants. The time will certainly come, however, when employment levels stabilize and the Government will need to replace employees as jobs become vacant. When that happens, it is important that Government organizations have the means to attract high-quality job applicants. This may be a particularly difficult challenge if the private sector job market is good, and if the image of the Federal Government as an employer does not improve.

In a time of greater decentralization and delegation of personnel management authorities, it is increasingly important to ensure that there is an effective and a visible system in place to ensure that supervisors are held accountable for the decisions they make.

The possibility of being treated unfairly or being a victim of a prohibited personnel practice continues to concern a large percentage of Federal employees. Moreover, the potential for improper actions being taken may be greater than in the past, especially since many employees (including some supervisors) do not believe that their supervisors have been adequately prepared to take on greater responsibility for personnel actions. Since centralizing personnel decisions has a number of negative consequences, a better answer is to ensure that Federal managers and supervisors are competent and held accountable for results and also for achieving those results within the parameters of the statutory merit system principles. Further, in the relatively few instances where a prohibited personnel action is deliberately taken negative consequences should be swift and public.

Appendix 1

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