

# ISSUES OF MERIT

January 2008

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

## WHAT'S INSIDE

Director's Perspective  
Page 2

MPS 2007 Round-Up  
Page 3

Effectively Managing  
Conflict  
Page 4

Tools of the Trade:  
Developing an  
Assessment Plan  
Page 5

Using 360-Degree  
Feedback  
Page 6

## Selecting with Selective Factors

*Selective factors are a useful tool to identify qualified applicants—when used correctly.*

Our analysts frequently review Federal vacancy announcements to help agencies improve their efforts to recruit the best applicants. We found several vacancy announcements in a recent review that contained lengthy lists of selective factors. In addition, in a recent study on the hiring of upper level employees, we found that agencies sometimes limit the applicant pool unnecessarily by using selective factors inappropriately. This caused us to wonder if we could all benefit from a review of the intended use of selective factors in Federal hiring.

**Definitions.** Each Federal occupation has minimum qualification requirements that were established by the Office of Personnel Management (OPM). In addition, an agency can make these minimum qualification requirements more specific by adding selective factors. OPM's Qualification Standards Manual defines selective factors as "knowledge, skills, abilities, or special qualifications that are in addition to the minimum requirements in a qualification standard, but are determined to be essential to perform the duties and responsibilities of a particular position." Applicants who do not meet a selective factor are not considered further in the application process.

OPM suggests that selective factors typically have four characteristics.

They: (1) require extensive training or experience to develop; (2) are necessary for success on the job; (3) are usually associated with a specific technical competency; and (4) cannot be learned on the job in a reasonable amount of time (Delegated Examining Operations Handbook). If agencies follow these guidelines, then the use of selective factors should be rare and applied only when unique occupational requirements are present that require the agency to go beyond the stated standards of the job.

**Intended Use.** Both minimum qualifications and selective factors are designed to increase the efficiency of hiring—for both applicants and agencies—by quickly screening out unqualified applicants that are unlikely to succeed on the job. Neither is intended to rank qualified applicants nor to serve as the only assessment of job applicants.

Applicants who meet minimum qualifications and the selective factor(s) are further assessed with respect to quality ranking factors. Quality ranking factors are competencies which have been identified as important for success on the

*continued, page 7*

## ISSUES OF MERIT

U.S. Merit Systems  
Protection Board

**CHAIRMAN**

Neil A. G. McPhie

**VICE CHAIRMAN**

Mary M. Rose

**BOARD MEMBER**

Barbara J. Sapin

Office of Policy and Evaluation

**ACTING DIRECTOR**

John Crum, Ph.D.

**Our Mission**

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

**Issues of Merit**

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

**Reprint Permission**

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

**For More Information**

Contact us at:

[www.mspb.gov](http://www.mspb.gov)  
(click on "MSPB Studies")

STUDIES@mspb.gov

202-653-6772 x1350

1-800-209-8960

V/TDD: 202-653-8896

(TTY users may use the Federal  
Relay Service, 800-877-8339)

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

## DIRECTOR'S PERSPECTIVE

# Crafting Change: Taking Our Own Advice

*MSPB knows first hand that revamping the hiring process is not easy.*

There is an old saying: the devil you know is better than the devil you don't. The idea is that it is easier to avoid change and keep things the same than to take the chance of changing something to make it better. After all, in trying to make it better, you might actually make it worse. And no one wants that.

Change is not easy; but it is often necessary. Take, for instance, the Federal hiring process. We all acknowledge that the process can be improved.

The process is confusing, takes too long, and may serve as a barrier to attracting high-quality candidates. The MSPB has said this repeatedly through reports, newsletter articles, and director's columns on the topic. And we have heard from many of our readers who agree with our recommendations to reform the hiring process, such as improving vacancy announcements and using better assessments.

However, I'm sure a few readers are also thinking that it is easy for the MSPB to make recommendations, versus having to actually implement those recommendations. For that reason, I am writing to let you know that the MSPB is not just telling everyone else what to do. We are trying to walk the walk. Here are some of the things we have done when hiring in the Office of Policy and Evaluation (OPE).

We reviewed our job announcements and found that, along with the rest of Government, they were not all that enticing. OPE's announcements used jargon and contained extraneous information. More importantly, they did not "sell" the job. So, we started by refining the description of the job, re-writing the specialized experience so that people could understand the qualifications

required, deleting information that was not needed, and using OPM's tabbed format to put the information in an easy-to-read style.

On the more innovative side, we added a section called, "Is This Job for Me."

We used this section to describe what the job is and is not, as a sort of job preview for applicants. For instance, a job might be ideal for you if you enjoy writing and look forward to drafting written publications over several weeks or months. It may not be ideal if the prospect of developing and crafting a written argument—over weeks or months—does not appeal to you.

A key theme running through our research is the need to use high-quality assessments that are good predictors of future performance to identify the best candidates, rather than relying on measures of training and experience. This is an approach we have taken quite seriously. For example, we created a multiple hurdle approach to applicant assessment. Multiple hurdles means using a set of relatively valid assessment



*continued, page 3*

# Changing the Hiring Process

*(continued from page 2)*

procedures successively to manage and narrow the field of qualified candidates. Typically, we have used KSA narratives or occupational questionnaires to do the initial screening of our applicants and then follow that screening successively with assessments that have higher validity, including structured interviews, a work sample test, and finally reference checks. Recently, we have replaced the low validity KSAs and occupational questionnaires with an accomplishment record we believe will be more predictive, and we are looking at the impact that change has had on the hiring process. In addition, we have stopped using the rule of three for our external hires and are using category rating, which has proven to expand the number of high-quality candidates we can consider, while protecting veterans' preference.

Finally, we have tried to expand our recruitment methods. In addition to posting our jobs on USAJOBS, we have worked with OPM to market our vacancies through the Featured Job section on the front page of USAJOBS, thereby attracting candidates who might not find the vacancy with a simple search. We also searched resumes on USAJOBS to proactively identify candidates with the skills we seek. Because our analyst position is somewhat

unique, we have also advertised with professional organizations to target the kinds of applicant skills we need.

Remaking the hiring process is not easy, but some things do work. Applicants gave us a lot of positive feedback on the "Is This Job for Me" section of the announcement. Other things did not work as we had hoped. We spent a lot of time, for example, trying to devise an occupational questionnaire that would adequately distinguish among candidates—unfortunately, it never did. Now, we use these questions as an initial screen.

It is tempting to go back to what has been used in the past because it seemed to work, or to not try to change at all. However, to keep up with the transforming times, technology, and applicants, we have to modify how we do things. The famous inventor Charles Kettering once said, "The world hates change, yet it is the only thing that has brought progress." Change is not easy; but it is often necessary.

*John Crum*

Acting Director, Policy and Evaluation

## The Merit Principles Survey 2007... A Great Success!

MSPB would like to thank all Federal employees, supervisors and managers who contributed to the success of our Merit Principles Survey 2007 (MPS 2007). We administered the survey to 68,654 Federal employees and supervisors across Government from September 4 through November 2. We achieved a strong overall response rate of 57 percent (which includes only surveys that were fully completed). In fact, 25 of the 27 participating agencies achieved a 50 percent response rate or better, with the following agencies in the top 3:

- |  |     |
|--|-----|
| 1. Federal Deposit Insurance Corporation | 85% |
| 2. Merit Systems Protection Board        | 75% |
| 3. Securities and Exchange Commission    | 74% |

The Merit Principles Survey is a tool that measures the "health" of Federal merit systems over time. The MPS

2007 contained core questions about merit in the Federal workforce that allows us to study how well the Federal Government is managing its workforce in adherence to the merit system principles. The MSPB has periodically conducted the survey since 1983 as part of our statutory oversight responsibilities. We plan to publish a report of the Governmentwide results next summer that may be accessed from the MSPB Web site ([www.mspb.gov](http://www.mspb.gov)) after publication.

In addition, the MPS 2007 assisted 14 agencies in meeting their Federal annual survey requirement. For these agencies, we included the congressionally mandated 45 questions as part of the MPS 2007. We have provided those agencies with a survey report that will be posted to their Web sites so that employees, supervisors, and other stakeholders can see how the agency is faring in its workforce management.

# Effectively Managing Conflicts: The “X” Factor in Job Satisfaction and Retention?

*How agencies handle organizational conflict may be more important to employee satisfaction than whether or not conflict actually occurs.*

When seeking ways to increase employee satisfaction and retain valued employees, organizations often focus on salaries, work-life programs, and recognition programs. More sophisticated employers also consider matters such as job autonomy, teamwork, and the job-skills match. Data from MSPB’s Merit Principles Survey 2005 points to another area that may warrant attention: conflict management.

Figure 1 shows how employee job satisfaction and intent to leave the agency varied with employees’ experience of workplace conflict and their perceptions of how well agencies deal with workplace conflict. It is no surprise that

employees who both experienced a serious conflict in their work units and also reported that the agency does not manage conflict well were, on the whole, less satisfied with their jobs and more likely to seek another job than their “conflict free” colleagues. What is surprising is that the occurrence of conflict, in and of itself, has little long-term effect on job satisfaction or retention. Instead, it is how constructively the agency handles conflict that is more important to employee satisfaction and retention.

Employees who reported that their agency manages conflict well were more likely to be satisfied with their job and less likely to want to leave the agency than those who responded that their agency does not constructively manage conflict. This is true whether they personally experienced conflict or not. In turn, ineffective conflict management seems to affect even those who have not had a recent, direct experience of workplace conflict.

While a halo effect might partly explain employee responses to these questions (i.e., employees who are not satisfied with their job and are looking to leave may view everything about the agency more negatively, including conflict resolution), the data do show a relationship



between how workplace conflict is managed and employee satisfaction and intent to leave. And though we can’t distinguish which causes which, we can tell agencies that properly managing conflict is important and may improve your employee satisfaction and retention rates. ❖

## How Prevalent Is Conflict?

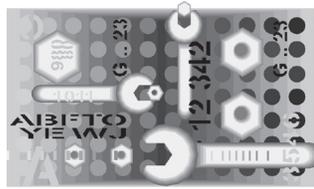
MSPB’s Merit Principles Survey 2005 asked employees and supervisors if they had experienced a serious conflict in their work unit in the past 2 years.

We defined serious conflict as “one that you felt if not addressed would result in negative workforce consequences such as low morale, low organizational productivity or performance, perceived unfairness, absenteeism, attrition, or even fear.” Here’s what they said:

- 48% of supervisors reported a serious conflict
- 36% of employees reported a serious conflict

So conflict does happen, and agencies need to manage it constructively to bar its negative consequences.

# TOOLS OF THE TRADE



## Asking the Right Questions: Part II

*Applicant assessment questions are only as good as the plan they are integrated into.*

In the July 2007 edition of *Issues of Merit*, we provided suggestions for developing effective applicant assessment questions that can be used in interviews or to rate training and experience. One specific point we made was that to be effective, well-written questions should be integrated into an overall assessment plan that describes the attributes to be measured and how those attributes will be measured. This article provides some suggestions for developing that type of assessment plan.

**Begin with job analysis.** To develop an assessment plan, you must know (1) what the job involves and (2) what it takes to do the job well—the competencies needed to succeed. The indispensable tool for developing this knowledge is job analysis. You can find an overview of job analysis in our January 2002 *Issues of Merit* and a “how-to” guide for conducting a job analysis in OPM’s *Delegated Examining Operations Handbook*, available through [www.opm.gov](http://www.opm.gov).

**Cover more than one competency.** The “balanced scorecard” concept—using multiple factors to measure organizational success—has become increasingly popular in business and in Government. We suggest seeking similar balance in your assessment plan, because successful performance in any job involves several distinct competencies. Technical expertise is almost always important, but it is rarely, if ever, sufficient. For example, the job analysis for an engineering position may indicate that the job requires knowledge of hydraulics *and* computer modeling *and* writing skills *and* analytical ability (among other competencies). When identifying the competencies most important for assessment and selection, we suggest giving some thought to your applicant pool. Are there particular competencies that are likely to be scarce? Are there combinations of competencies that are uncommon, but highly desirable?

**Decide how you will assess important competencies.** Application questionnaires have many

strengths: they are easy to administer, inexpensive, and quick. But questionnaires, like any other assessment tools, also have limitations. Don’t assume that the questionnaire is the only tool available to you, or that a questionnaire is the right tool for every competency. Consider including “multiple hurdles” (different assessment methods at different stages of the hiring process) in your assessment plan. For example, a structured interview can be an effective way to assess an applicant’s interpersonal skills. OPM’s *Delegated Examining Operations Handbook* provides a description of many common assessment tools and a discussion of their respective advantages and disadvantages.

When determining which competencies to assess through application questions, be selective. Experienced practitioners have found that four to eight competencies can provide useful distinctions among applicants while keeping applicant burden reasonable. It is better to do justice to a handful of important competencies than to “skim the surface” of an exhaustive list.

**Use multiple questions to cover a single competency.** Sometimes, a job requirement (such as citizenship or a driver’s license) can be addressed with a single question. Competencies are not as accommodating. For example, for a job requiring competence in influencing/negotiating, you may want separate questions for exercising influence and conducting negotiations. Similarly, the job analysis and your knowledge of the applicant pool may lead you to develop questions addressing distinct roles (such as negotiating contracts and advocating policies). Using multiple questions for a competency has two benefits. First, multiple questions allow you to cover more territory, enabling your applicants to provide a fuller picture of their experience and enabling you to make better screening and hiring decisions. Second, multiple questions are easier to develop, score, and answer than a single question that attempts to encompass an entire competency.

Developing an assessment plan is a good business practice. Identifying the attributes you seek ahead of time helps you plan what questions to ask so you can identify the candidates that possess those attributes. This practice will invariably improve the quality of your workforce. ❖

*Guest contributors to this article were Dianna Saxman, Staff Acquisition Program Manager, and Margaret Barton, Personnel Research Psychologist, Center for Talent Services, U.S. Office of Personnel Management.*

# 360° Feedback: For Development or Evaluation? You Make the Call



360-degree feedback is a process in which an employee's supervisor, peers, direct reports, and sometimes customers and suppliers, provide input about the employee's work behaviors. The most common format is a questionnaire about the employee's demonstration of critical competencies. Feedback is summarized for the employee in the form of both numerical ratings and narrative comments. The information provided by the raters is usually anonymous except for the feedback provided by the employee's direct supervisor.

The application of 360° feedback can be divided into two broad categories: (1) employee development and (2) employee evaluation. Employee development applications include individual development planning, coaching and career counseling. The objective is to help the employee understand both strengths and developmental needs from the varying perspectives of the raters and provide an impetus to improve personal performance. Employee evaluation applications include performance appraisal, succession planning, and selection. The objective is to assess employees' performance for annual appraisal or to select employees for jobs or special opportunities.

Organizations need to carefully consider their goals and organizational culture, as well as legal and ethical issues, before deciding how to apply 360° feedback. The considerations summarized below are based on recognized 360° research in organizations.

## **Employee Development Applications**

- Raters are assured of anonymity. No records are kept of individual ratings. When raters believe they are anonymous, they provide more accurate ratings.
- Raters provide more candid feedback than for evaluation-type applications.
- Raters distinguish between different behaviors of the target employee, allowing the employee to better identify areas for development.
- Employees focus on the overall developmental value of the feedback rather than on numerical ratings.
- Participants are more comfortable with the process, more satisfied with it, and more trusting of their co-workers than when 360s are used for evaluation.

## **Employee Evaluation Applications**

- When a 360 instrument is intended for performance appraisal or selection, the organization must be able to prove that the ratings are a valid and reliable

indicator of the employee's performance, i.e., that high 360 ratings correlate with demonstrated high performance and low 360 ratings correlate with demonstrated low performance.

- If 360 ratings are used to make personnel decisions, specific raters and their ratings must be identifiable in the event of an investigation or law suit.
- Raters for 360 evaluation applications tend to distinguish less among specific behaviors, using an overall impression to color responses.
- Research shows that raters tend to inflate their ratings for evaluation-type applications.
- Disgruntled raters may negatively distort ratings to "get back" at someone for real or imagined slights.
- Conscious or unconscious discrimination may occur based on personal prejudices of gender, race, or other personal characteristics not related to performance.
- Employees often focus more on which rater might have said what and on the numerical ratings rather than on the developmental value of the input.
- Evaluative applications can damage morale, teamwork and employee trust.
- If 360 feedback is used to appraise performance for supervisors and managers, they may avoid managing people appropriately due to concerns about obtaining favorable ratings from direct reports.

## **Development or Evaluation, But Not Both**

The same 360 feedback process should not be used for both development and evaluation. The decision about how the feedback will be applied must be made when it is designed. The behaviors of raters and ratees differ with each application, and the basic premise of the ratings differs. For development, raters need to consider only the relative strengths and development needs of the individual employee. When a 360 tool is used for evaluation, raters need to differentiate among all the employees rated because decisions are made in which some employees receive "more" of something based on the raters' input, such as a higher appraisal rating, more pay or an opportunity. Because of these factors, organizations must be prepared to provide a strong foundation for the process before implementing 360 feedback, particularly when used as part of the formal evaluation process. It is especially critical that organizations clearly identify what they are trying to achieve. ❖

# Selective Factors

(continued from page 1)

job. Qualified applicants who possess these competencies can be expected to perform better on the job than qualified applicants who do not.

**Possible Misuse.** Our recent review of job announcements suggests that some agencies confuse selective factors and quality ranking factors. Some announcements include a long list of selective factors that seem unlikely to be essential minimum requirements that are necessary to perform the job. When numerous selective factors are included, and when they are really “nice-to-have” rather than “must-have” competencies, this gets in the way of hiring the best candidates. It artificially restricts the pool of qualified applicants, excluding many who are really qualified. It thereby restricts the decisions of hiring officials, preventing them from considering applicants who have different combinations of “nice-to-have” competencies. In addition, if a selective factor is overly specific, it might discourage qualified applicants from applying because they may assume the job is “wired” for someone specific who meets that factor. Therefore, selective factors should not be used simply as a way to impose additional requirements an agency prefers but that are not essential to the job.

**Rules of Thumb.** We recommend that human resource personnel improve the hiring processes in their agencies by restricting the use of selective factors to those truly essential for job performance while making greater use of quality ranking factors to identify the best qualified. We recommend the following rules of thumb to help with this task:

- Use selective factors judiciously and infrequently. For instance, a job announcement with multiple selective factors might indicate a problem. One possible solution is to reconsider the definition of minimum qualifications for the position and consider explaining them in more detail in the vacancy announcement.
- Watch for selective factors that are included in a job announcement merely to “scare” applicants into providing more information in a KSA summary than they might for a ranking factor. There are other ways to obtain more information, such as conducting a reference check.
- Avoid using selective factors just to eliminate the need to train new employees in competencies that can easily be learned within the employee’s probation period. This may produce a short-term savings in training at a long-term cost of screening out a better employee.

Using selective factors appropriately will make job announcements easier to understand, expand and diversify the applicant pool, and follow both the letter and spirit of OPM guidelines and the merit system principles. ❖

## What Do You Mean?

### Examples of Why Selective Factors May or May Not Be a Good Idea

\* \* \* \* \*

JOB: Policy Analyst, GS-15

TYPE OF ORGANIZATION: Specialized health-care policy

GOOD SELECTIVE FACTOR: Advanced training and/or experience in public health science, including biostatistics, epidemiology, decision science, and health policy.

DISCUSSION: This is a high-level job in a highly specialized environment. At this level, the technical competencies require extensive training or experience that take time to develop and are necessary for the success of the job.

\* \* \* \* \*

JOB: Supervisory IT Specialist

OPEN TO: Public

NOT-SO-GOOD SELECTIVE FACTOR: Experience managing a staff supporting an enterprise data network, server platform and IT help desk for the Federal Government

DISCUSSION: Although open to the public, the agency requires experience providing IT services for the Federal Government. This excludes from consideration qualified applicants who are not current or former Federal employees, Federal contractors, or military personnel.

\* \* \* \* \*

JOB: Outdoor Recreation Planner

DUTIES: The incumbent will be required to operate an all terrain vehicle.

GOOD SELECTIVE FACTOR: You must possess a valid state drivers license.

DISCUSSION: The ability to legally drive is essential to perform the duties and responsibilities of the particular position but is likely not included in the minimum qualifications.

\* \* \* \* \*

JOB: Human Resources Assistant, GS-5/7

NOT-SO-GOOD SELECTIVE FACTOR: Applicants must possess knowledge of general office automation software, practices, and procedures.

DISCUSSION: The level of skill required for the grade is basic and could easily be trained for on the job or used as a quality ranking factor.



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

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

# ISSUES OF MERIT

January 2008

Volume 13 Issue 1

## IN THIS ISSUE \* IN THIS ISSUE \* IN THIS ISSUE

### **Selecting With Selective Factors.**

*What agencies should know before including selective factors in their assessment plans. (Page 1)*



**Director's Perspective.** *Hiring make overs are easier recommended than done. MSPB discusses its own experiences in remaking the hiring process. (Page 2)*

**MPS 2007 Round-Up.** *Was your agency among the top 3 responders? (Page 3)*

**Organizational Conflict.** *Find out what's more important to employee satisfaction—whether conflict occurs or how agencies handle it? (Page 4)*

**Asking the Right Questions.** *The assessment plan ties together a good assessment process. Find out what to include in your plan. (Page 5)*



**Using 360-Degree Feedback.** *We discuss the pros and cons of using 360 feedback for development and evaluation purposes. (Page 6)*