

ISSUES OF MERIT

January 2012

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

WHAT'S INSIDE

Director's Perspective
Page 2

VEOA Hiring
Page 3

Managing Performance in
a Telework Environment
Page 4

Using Employee Survey
Data
Page 5

Planning for Retention
Page 6

Preparing for Retirement
Page 7

Whistleblowing in the Federal Government

MSPB research notes improvement in perceptions regarding wrongdoing, but whistleblower retaliation is still a problem.

Over the past few decades, Congress has enacted and amended laws designed to encourage employees to report wrongdoing and to protect those who blow the whistle. In 1992, the U.S. Merit Systems Protection Board (MSPB) conducted a survey about whistleblowing, and in 2010 we asked Federal employees many of the same questions to measure progress since then. The results were published in our recent report, *Blowing the Whistle: Barriers to Federal Employees Making Disclosures*.

Our data indicate that since 1992, the percentage of employees who perceive wrongdoing has decreased by more than a third. For those who perceive wrongdoing, the frequency with which they observe it has also decreased somewhat. Additionally, in comparison to 1992, respondents in 2010 who perceived wrongdoing were slightly more likely to report the wrongdoing and less likely to think they were identified as the source of the report.

However, there is still work left to do. Among those individuals who indicated that they reported the wrongdoing and were identified as the source of the report, the potential for retaliation has remained a serious problem. Approximately one-third of such respondents in both 1992 and 2010

perceived threats and/or acts of reprisal.

As noted in our 2010 report, *Whistleblower Protections for Federal Employees*, the laws to protect whistleblowers are complex and can create challenging situations for employees. While it may be beneficial to amend the law that determines the circumstances under which an individual is eligible for protection as a whistleblower, our data indicate that the ability to encourage or discourage disclosures ultimately rests with agencies' leadership and how they react to disclosures.

The most important factors for employees when deciding whether to report wrongdoing are not about the personal consequences for the employee. The survey results show that the agency's willingness to act on a report of wrongdoing matters more to an employee's decision to report the wrongdoing than fear of an unpleasant consequence for the employee. Saving lives is also more important to employees than whether they will experience punishment or a reward.

In times of tight resources, one of the best things that agencies can do to adapt

continued, page 7

ISSUES OF MERIT

U.S. Merit Systems
Protection Board

CHAIRMAN

Susan Tsui Grundmann

VICE CHAIRMAN

Anne M. Wagner

BOARD MEMBER

Mary M. Rose

Office of Policy and Evaluation

DIRECTOR

John Crum, Ph.D.

DEPUTY DIRECTOR

Laura Shugrue

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/studies
STUDIES@mspb.gov
202-254-4802 x4802
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

Strategic Human Capital Planning: The Time is Now

As budgets and hiring opportunities dwindle, agencies need to plan carefully for their human capital needs now and in the future.

As everyone in the Federal Government is probably aware, budgets for most organizations are likely to be quite a bit leaner for the foreseeable future. Additionally, there may be hiring restrictions put in place with the intent of reducing the size of the Federal workforce. Unfortunately, at the same time, there are early indications that the long feared retirement tsunami may also soon strike the workforce. As a result, Federal managers may be faced with not only losing some of their best performers who have the most institutional knowledge, but they may also have limited ability to fill behind these people when they leave.

In order to manage effectively under these difficult conditions, managers need to be prepared to make informed and strategic decisions about how to shape and manage their workforce. This means not only making good hiring selections, as I discussed in my last director's column, but also making sure that they are hiring people with the skills the organization needs both at the time of the selection and in the foreseeable future. In addition, managers need to consider how they can use training and development opportunities to shape the skill sets of their employees. In other words, agencies and managers need to make concerted efforts to engage in strategic human capital planning.

Fortunately, the Government Performance and Results Act Modernization Act of 2010 (GPRAMA) recognizes the importance of strategic

human capital management in achieving agency goals and objectives. The GPRAMA specifically addresses skills, training, human capital, and strategic human capital management as a part of agency planning and reporting. Under GPRAMA, agencies are required to describe how the long-term strategic goals and objectives are to be met, including the operational processes, skills and technology, and the human capital, information and other resources required to achieve those goals and objectives.

Agencies are also required to describe how annual performance goals are to be achieved, including how human capital management strategies will help meet those performance goals. For those agencies with a Chief Human Capital Officer (CHCO), the CHCO will be responsible for preparing a performance report which will include a review of the performance goals and evaluation of the performance plan relative to the agency's strategic human capital management.

To meet these requirements, agencies should develop strategic human capital plans that address the short- and long-term human capital requirements of the agency. At a minimum, these plans should include the number of employees needed in mission critical occupations. In addition, the plan should identify the skills, training, and career development required to ensure that the agency maintains the needed proficiency in technical, professional, administrative, management, and leadership positions to achieve and support its mission.

continued, page 3

Director's Perspective

(continued from page 2)

Strategic human capital planning is an effort agencies need to take very seriously. At least to some degree, inadequate planning during the last Federal downsizing effort in the 1990s resulted in significant gaps in the developmental pipeline for critical positions in many agencies. During that period when agencies were frequently allowed to fill only a limited number of their vacated positions, they often did not take the time to engage in strategic human capital planning. Many simply hired more people with the same basic skills as those who had left the agency, albeit with less experience and institutional knowledge.

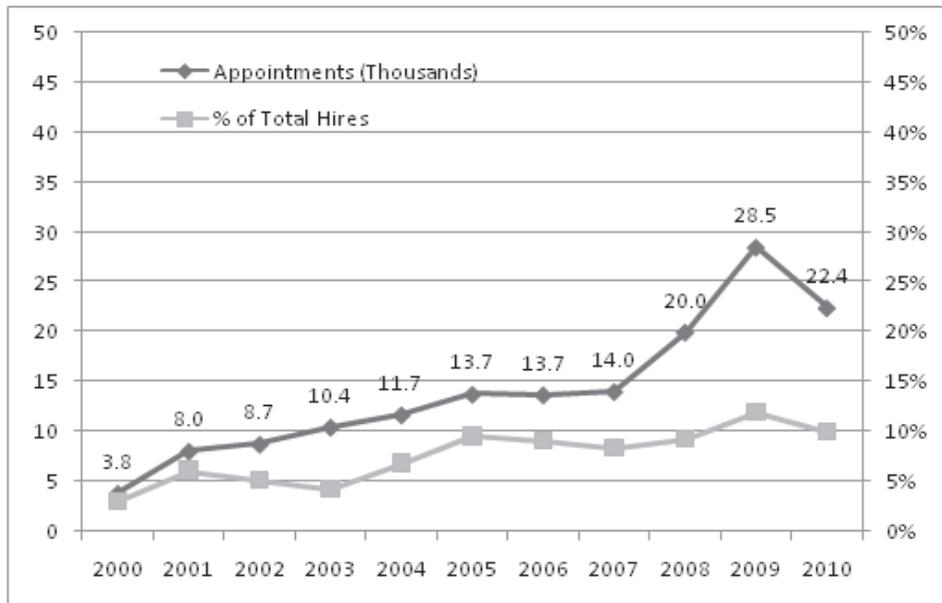
In order to manage effectively with a smaller workforce in the future, managers may have to employ workers with different skills and capabilities than those

that are currently on staff. Or they may need to re-train the employees they currently have. Agencies and managers need to think about alternative ways of doing business that rely less on large staffs and more on staffs that possess critical skills and capabilities. The time to begin working on this endeavor is now so that organizations are positioned to take advantage of hiring and developmental opportunities as resources permit. ❖

Director, Policy and Evaluation

Hiring Under VEOA: An Opportunity Taken

In 1998, Congress passed the Veterans Employment Opportunities Act (VEOA) to expand employment opportunities for veterans. The law provides recently-separated veterans the opportunity to compete for Federal jobs under merit promotion procedures when agencies recruit outside their current workforces. As shown below, this authority has been used widely to hire veterans into permanent, full-time Federal positions. In 2010, Federal agencies made more than 22,000 appointments under VEOA, and VEOA accounted for approximately 10 percent of all hires.



Source: MSPB analysis of information in OPM's Central Personnel Data File, fiscal years 2000 through 2010.

For more information about the VEOA appointing authority, go to www.opm.gov/staffingportal/vetguide.asp#VeteransEmploymentAct1998 and MSPB's report *Federal Appointing Authorities: Cutting through the Confusion*, available at www.mspb.gov/studies.

Good Performance Management Practices: The Core of Effective Telework

As discussed in a recently released MSPB report, *Telework: Weighing the Information, Determining an Appropriate Approach*, the benefits of telework can occur while maintaining productivity and performance if managed appropriately. This will require supervisors to enact good performance management practices. Such practices are important for employee engagement and can help supervisors ensure they are using telework in a manner conducive to individual and work unit performance and are supportive of communication, teamwork, and effective work relationships.

While the specific performance management practices necessary for each work unit vary, there are a few core elements. First, supervisors must be able to clearly communicate performance expectations and ensure employee understanding. This will establish a contract for what employees need to accomplish, regardless of work location.

Second, supervisors need to review employees' progress towards goals and give timely feedback, irrespective of their location. This can help supervisors identify performance issues and stay apprised of work flow.

Also, supervisors need to hold employees accountable for agreed-upon results; fairly and appropriately recognize and reward good performance; and address any performance issues. These practices will be important for transparency and perceptions of fairness, and will help supervisors ensure that they are focusing on employees' performance and not on office presence.

These performance management practices are essential for any supervisor, but they are particularly important for those who supervise in a telework environment, for several reasons. These skills can guide supervisors in making wise decisions about initial and continued eligibility for telework. Information gained during performance reviews will help supervisors identify whether an employee possesses the necessary knowledge and skills, motivation, and self-discipline to perform well in a telework environment, particularly in terms of communicating effectively, engaging in teamwork, maintaining relationships, and being responsive. These skills can also help supervisors evaluate how employees are performing under telework arrangements.

Good performance management practices can also

help supervisors ensure they are managing and treating employees fairly and that their decisions are based on merit and not work location, as required by the Telework Enhancement Act of 2010. Furthermore, demonstrating that decisions are based on merit supports the development of employee-supervisor relationships built on mutual trust—also essential to an effective telework program.

Despite the criticality of performance management practices for effective workforce management, previous MSPB research indicates that there is room for improvement in Federal supervisors' preparedness for their roles in managing employees. The weaknesses stem from gaps in how supervisors have been selected, developed, and evaluated. While these problems exist independently of telework, they may be exacerbated in a telework environment. Agencies need to work with their supervisors to determine any skill inadequacies for managing teleworkers and nonteleworkers and implement developmental measures as appropriate. This may require both short- and long-term strategies.

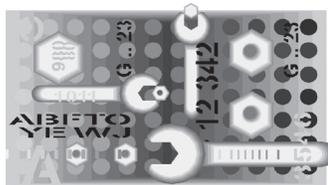
In the short-term, agencies may consider:

- Providing supervisors more extensive and tailored performance management training;
- Encouraging mentoring from other supervisors who manage teleworkers; and
- Introducing telework at a reduced pace while developing supervisors' skills.

In the long-term—and in the interest of not denying themselves, their employees, and ultimately those whom the Government serves the benefits of telework—agencies need to adopt more advanced strategies to develop a performance culture. These strategies may include changes in how supervisors are selected, developed, and evaluated to ensure that they have needed competencies to successfully manage teleworkers and nonteleworkers.

For more information on MSPB's findings related to telework, performance management, and supervisory preparedness, see the following reports: *Telework: Weighing the Information, Determining an Appropriate Approach*, October 2011; *A Call to Action: Improving First-Level Supervision of Federal Employees*, May 2010; and *Managing for Engagement—Communication, Connection, and Courage*, July 2009. ❖

TOOLS OF THE TRADE



From Input to Impact: Using Survey Results

Each year agencies are required to administer an employee survey and to post the results on their websites. But what happens beyond that? Employee opinions are divided on the answer to this question. Approximately 45 percent of Federal employees agreed with the statement “I believe the results of this survey will be used to make my agency a better place to work.”¹ Yet, the majority responded with less confidence that their feedback would produce any improvements in their organizations.

Agencies need to understand the power of the feedback that employees provide and harness it to make real improvements that can drive greater employee engagement and performance. During this time of year, we often think of ways to improve our lives with New Year’s resolutions. Perhaps agency leaders should resolve to reassess the insights provided by survey results and act now. Otherwise, we’ll soon be in the midst of the next round of the Employee Viewpoint Surveys, when discouraged employees may be even more likely to report that no progress has been made.

Here’s a brief checklist of actions that agency leaders

¹U.S. Office of Personnel Management, 2011 Federal Employee Viewpoint Survey, *Empowering Employees, Inspiring Change, Government Management Report*.

MSPB Studies Flash www.mspb.gov/studies/latestnews.htm

The article “Good Performance Management Practices” on page 4 talks about the importance of good performance management practices in managing the workforce. Good performance management starts with good performance standards. To learn more about developing good performance standards, check out our most recent post on the MSPB Studies Flash, “Considerations When Developing Performance Standards.”

The MSPB Studies Flash page features research findings and new information about the Federal workforce.

can take. By using these keys to success, agencies can make the most of their survey results.

- ☑ *Accept employee feedback as a gift.* Employees invest time and effort in providing feedback, so agency leaders should acknowledge these contributions and utilize the input to improve the agency.
- ☑ *Act quickly.* Agency leaders should promptly share the survey results with employees and their plans for analyzing and acting upon this feedback.
- ☑ *Select target areas.* Create a team to examine trends in the survey data, highs and lows, and any differences by subgroups (e.g., agency subcomponents or demographic groups) to prioritize areas to be addressed.
- ☑ *Communicate widely and often.* The value of surveys is to drive positive organizational change by facilitating two-way communication between leaders and employees. Communicating how the data will be used demonstrates that management values employees’ feedback.
- ☑ *Make it a team effort.* Involve employees to explore the issues identified by survey results and to develop solutions. Engaging employees in developing solutions will help gain buy-in to the efforts and potentially improve employee motivation and engagement by giving them an opportunity to influence decisions.
- ☑ *Develop and implement action plans.* Decide how to implement improvements and measure success.
- ☑ *Support improvement efforts.* Agency leaders need to communicate commitment to the improvement efforts and invest adequate resources to support the change process.
- ☑ *Hold people accountable.* Plans without action have little value. Establish meaningful rewards and consequences to ensure the objectives are met.
- ☑ *Evaluate and adjust.* By monitoring progress, agency leaders can assess achievements and where adjustments to the plans may be warranted.
- ☑ *Make improvements visible.* By highlighting success and management responsiveness, agencies can share accomplishments and lessons learned.

For more detailed advice, as well as a tool kit with sample communication plans and action plans, consult our “Survey Results Action Guide” which is posted on our website at www.mspb.gov/studies. While there are differences of opinion over the value of conducting annual surveys, agencies are required to do so. Therefore, they should use the information to make positive change. ❖

Retaining High-Performing Federal Employees

Agencies should be taking steps to shore-up their ability to retain high performers.

There is never a good time for Federal agencies to lose their high-performing employees. But agencies may find the loss especially painful during times of budget cuts and hiring freezes, particularly when the departing employee possesses hard-to-replace mission critical skills. Even if the agency is permitted to fill a vacancy, it will take time to recruit and select a new employee. Once the new employee is on board, it will take additional time for the person to adjust to the agency's culture and structure and to be able to fully function on the job. Consequently, retaining motivated employees who have the necessary skill sets may be more important than ever, and agencies should be identifying strategies now to prevent turnover in the future. Here are a few steps that can help.

Uncover retention issues. First, agencies should identify those employees who are most likely to leave (e.g., are people in certain occupations, work units, or with different lengths of Federal service more likely to leave?) and their reasons for leaving. Exit interviews or surveys provide one mechanism to capture this information. Of course, exit interviews occur after the employee has made the decision to leave. While the information may be helpful for developing strategies to keep other employees, the opportunity to keep those who have given notice is generally gone. A more proactive approach might be to conduct "stay" interviews.¹ These management-conducted structured interviews can uncover retention issues organizations didn't know they had and provide an opportunity to correct problems before employees make the decision to leave.

Share the results of the exit/stay interviews. If employees spend the time providing information, they want to know what is done in response to their feedback. Therefore, agencies should provide employees with the results from the interviews or surveys and inform them about the actions the agency will take to address the issues they raised. An agency's willingness to acknowledge and act upon employee concerns may help build trust with employees that could influence them to stay.

Implement retention strategies based on what is important to employees. There are a number of retention strategies agencies can use, but not all will have the same effects. The most obvious are those that provide monetary incentives. However, the ability to give retention bonuses, student loan repayments, performance bonuses, and awards may be difficult in an economic downturn.

In addition, these may not be the most effective strategies to retain employees. The results of MSPB's 2010 Merit Principles Survey indicate that at least 80 percent of respondents identified having interesting work, being included in important decisions, opportunities for advancement, and opportunities for training and development as important factors in their decision to seek or continue employment in their organization. Monetary awards fell below all of these.

To the extent possible, agencies should concentrate their retention efforts on those strategies that are most important to employees, including:

- Allowing employees to have input into the assignments they receive and increase the latitude they are given to determine how to accomplish their work goals.
- Providing employees with training and developmental assignments that align with their career goals. These could include no- to low-cost strategies such as mentoring and coaching.
- Considering flexible work arrangements, including alternative work schedules and telework. MSPB's recent telework study indicates that of those survey respondents who planned to remain in their current agency for the next 2 years, 72 percent indicated that the opportunity to telework was important in their decision. Also, 60 percent of supervisors indicated telework had a positive impact on their organization's ability to retain high-performing employees.²
- Using realistic job previews when recruiting. Research has shown that applicants who receive realistic information (favorable and unfavorable) about a job are more likely to stay longer than those who do not.³

There are many strategies that can be used to retain high-performing employees. The most appropriate strategies must be determined by the agency's mission, resources, culture, and necessary job skills. However, the payoff for retaining high-performing employees will likely be far greater than the effort expended. ❖

¹Finnegan, Richard P. *Rethinking Retention In Good Times and Bad: Breakthrough Ideas for Keeping Your Best Workers*, 2010.

²U.S. Merit Systems Protection Board, *Telework: Weighing the Information, Determining an Appropriate Approach*, October 2011.

³Premack, S.L. and Wanous, J.P. A Meta-Analysis of Realistic Job Preview Experiments. *Journal of Applied Psychology*, 1985, 70, 706-719.

Retirement Ready? Check your OPF!

It should be no surprise that Federal agencies are considering offering VERA (Voluntary Early Retirement Authority) or VSIP (Voluntary Separation Incentive Payment) options to employees in order to shape their workforce while cutting budgets. Combine this with an increasing number of retirement-eligible employees and talk about changing Federal retirement calculations and there is a potential for the long-ago predicted “retirement tsunami” to finally hit agencies. Most employees know generally when they can retire and many are counting down the days. However, before you submit your retirement paperwork, we suggest you check your OPF (Official Personnel File) to make sure you are truly eligible for the benefits you are expecting. In particular, we suggest you pay particular attention to the following:

Date of Birth. You may never have actually checked to make sure your date of birth is correct on your personnel actions (SF-50’s). Retirement is calculated using a minimum retirement age. For example, FERS employees born in 1964 can retire at age 56. However, FERS employees born in 1965 cannot retire until age 56 and 2 months. So date of birth is important.

Service Computation Date (SCD). This date is used for numerous computations, from the amount of leave you earn to when you are eligible to retire. But due to breaks in service and other factors, it may not be the same date as the date you started work. We recommend you verify this date and all beginning and ending dates of the service that will be used to calculate your retirement eligibility date.

Promotions/Step Increases/Pay Increases. This may seem like a no-brainer, but the effective dates of each of these are very important when calculating your high-3 average salary, which in part determines your annuity.

Beneficiary Forms. Ensure your life insurance and other beneficiary records designate the people you intend to receive benefits in the event of your death. Often problems are identified only after retirement, when the employee is no longer able to correct them.

Health Insurance. If you plan to retain your Federal health insurance in retirement, make sure your OPF shows your complete Federal Employee Health Insurance coverage for the 5 years immediately prior to retirement.

Post-1956 Military Service Deposits. If you have made deposits for your military service after 1956, please ensure there is documentation to show your deposits. If you would like to make post-1956 deposits, they must be made before you retire, so contact your local HR office.

Due to OPM’s retirement processing times and the time needed to update or correct information in your OPF, check your OPF well in advance. Even if you are not near retirement eligibility, it makes sense to check your OPF at regular intervals and even keep your own personal copy of your OPF. Taking these steps will help ensure that when you are ready to retire, you can enjoy yourself and not have to spend your time trying to correct mistakes. We also encourage HR professionals to share these tips with the employees they serve. For more information, please see your HR office or go to www.opm.gov. ❖

Whistleblowing

(continued from page 1)

is to ensure that resources are spent wisely and that fraud and waste are avoided. According to a questionnaire we sent to the Offices of the Inspectors General, employees are the most valuable tool agencies have to accomplish this. We therefore urge agencies to create cultures in which employees will believe that supervisors and managers want to be told about wrongdoing, will do something about it, and will support their whistleblowers with praise rather than punish them with threats or actual retaliation.

The survey data also indicate that while agencies are doing more to train employees about whistleblower protection rights, there is more to be done. In our 1992 survey, 67 percent of respondents said they knew “little” or “nothing” about their rights in the event that their

agency retaliated against them for whistleblowing. In contrast, 55 percent of respondents in 2010 agreed that their agency had educated them about their rights if they disclosed wrongdoing. While this is progress, employees’ level of understanding is still unacceptable. In addition to a fairly low level of agreement, a significant minority of respondents (24 percent) actually disagreed that their agency has educated them about their rights. Given that training is mandated by law under the No FEAR Act, we urge agencies to improve the quality of employee training about how to make a disclosure, an employee’s right to not experience retaliation or threats of retaliation, and how employees can exercise that right.

For more on barriers to Federal whistleblowing, download our report at www.mspb.gov/studies. ❖



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 2012

Volume 17 Issue 1

IN THIS ISSUE * IN THIS ISSUE * IN THIS ISSUE

Whistleblowing Progress. *Is whistleblower retaliation still a concern? (Page 1)*



Director's Perspective. *To deal with recent and future fiscal challenges, agencies should review what their workforce needs will look like over the next few years and how they can meet those needs. (Page 2)*

Veterans Employment Opportunity Act. *Look at the recent trends in VEOA hiring. (Page 3)*

Managing Performance in a Telework Environment. *Effective performance management is essential to realizing the full benefits of telework. Explore how to prevent some of the typical performance management problems. (Page 4)*

Using Employee Survey Results. *Conducting an employee survey is the easy part. Find out how to use those results to drive organizational change. (Page 5)*

Retaining High Performers. *What are some strategies your agency can use to retain top performers and increase its return on investment in those employees? (Page 6)*

Checking Your Official Personnel Folder. *Thinking of retiring soon? Here are some tips on how to take some of the worry out of that process. (Page 7)*

