

# ISSUES OF MERIT

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## Can Exit Surveys of Leaders Help Your Agency?

In the previous edition of *Issues of Merit* (June 2013), we described how exit surveys can be used to gather important information from employees who are leaving their organizations. Analyses of exit surveys can identify workplace trends that may help organizations improve their retention rates. Such analyses can identify *who* is leaving the organization (and whether certain groups of individuals are leaving at higher rates than other groups) and *why* they are leaving (whether for positive career-enhancing opportunities or retirement, or for negative reasons such as perceptions of favoritism or discrimination, or dissatisfaction with leadership or workplace flexibilities).

In addition to providing insights about why employees leave, exit surveys may identify reasons why *leaders* choose to leave. For example, the Office of Personnel Management (OPM) has developed a mechanism to collect data from departing members of the Senior Executive Service (SES). The SES exit survey is a web-based survey hosted by OPM and each agency has a link to distribute to departing members of the SES.

OPM notes that the exit survey will allow members of the SES to express their candid opinions about their work experiences and will allow agencies to

explore the issues that affect SES retention and succession planning efforts. In addition to asking departing SES members for demographic information and about their future plans, the exit survey asks whether certain factors could have encouraged them to stay in their jobs and whether certain factors contributed to their decision to leave. Factors that may have encouraged respondents to *stay* include:

- Work-life balance (e.g., geographic relocation, increased telework, or flexible scheduling);
- Increased authority and support (e.g., greater engagement from senior leadership, increased autonomy, or increased support in dealing with poor performers);
- Developmental opportunities (e.g., coaching, executive development training, or reassignment to a new agency job); or
- Compensation and benefits (e.g., increase in pay, performance or other award, or retention incentive).

Factors that may have contributed to respondents' decisions to *leave* include:

- Advancement and recognition (e.g., lack of opportunities for development or advancement or a lack of recognition for accomplishments);

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## DIRECTOR'S PERSPECTIVE

# Are We Ready to Recruit and Retain the Next Generation?

*We need to pay attention to why Federal employment is attractive—and not just to job applicants.*

This edition of *Issues of Merit* includes an article on succession planning. One of its main points is that Federal agencies should not simply assume past needs are future needs, or that what worked in the past will work in the future. The same principle applies to recruitment and retention.

In 2006, we surveyed a sample of new hires at the GS-11 through GS-15 levels to ask them about their job search and factors that influenced their decision to seek Federal employment. The chart on the next page shows the percentage of respondents who selected each of 16 reasons.<sup>1</sup>

Many of the most-cited reasons, such as a chance to serve the public and make full use of one's talents, should be continuing hallmarks of Federal employment. No matter what happens, Federal agencies will have missions that are important to national security, public safety and health, justice, and prosperity—and those missions will be supported by jobs that are both demanding and personally rewarding.

However, the future seems more clouded for other frequently-cited reasons, including some that have been key to sustaining morale and retention in difficult times. One such reason is job security. Current circumstances, including sequestration and furloughs, have cast doubt on Federal employees' perceptions of job security. Federal employment may remain, for many,

1. Source: U.S. Merit Systems Protection Board, *In Search of Highly Skilled Workers*, 2006. Survey of upper-level hires (GS-12 through GS-15 levels), questions 10a-10p.

comparatively secure—but many Federal employees can now attest that good performance and an important mission do not necessarily guarantee full employment.

Another such reason is benefits. In a 2008 MSPB survey of entry-level new hires, nearly 90 percent of respondents identified benefits as a strength of Federal employment, attesting to the value of Federal benefits as a recruitment tool. Yet, the clear power of benefits to *recruit* might be exceeded by the power of benefits to *retain*, as Federal employee benefits have some features that provide strong incentives to remain in Federal service. For example, the Federal Employees Retirement System (FERS) includes a defined benefit based on length of service and final average salary. The Federal Employee Health Benefits Program (FEHBP) permits employees who meet certain requirements to continue coverage into retirement.

Data from the Employee Benefits Research Institute (EBRI) shows that such features have become the exception rather than the norm. In 1979, roughly 38 percent of private-sector workers participated in an employer-sponsored retirement plan with a defined benefit component. By 2011, that figure had declined to 14 percent.<sup>2</sup> The trend is similar in retiree health benefits. EBRI notes that "Very few private-sector employers currently offer retiree health

2. Employee Benefits Research Institute, "Pension Plan Participation," Fact Facts #225, March 28, 2013, www.ebri.org.

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# Director's Perspective

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benefits, and the number offering them has been declining.”<sup>3</sup>

We cannot know what the future holds for the Federal employment deal.<sup>4</sup> Clearly, though, private-sector employers are making less use of future rewards and long-term promises in their employment deals. Federal agencies and Federal managers might want to consider how they might attract and retain talent should Federal employee benefits become more portable and less distinctive. Is the work challenging and rewarding? Are opportunities for growth and continuing education competitive? Is the organization a good place to work?

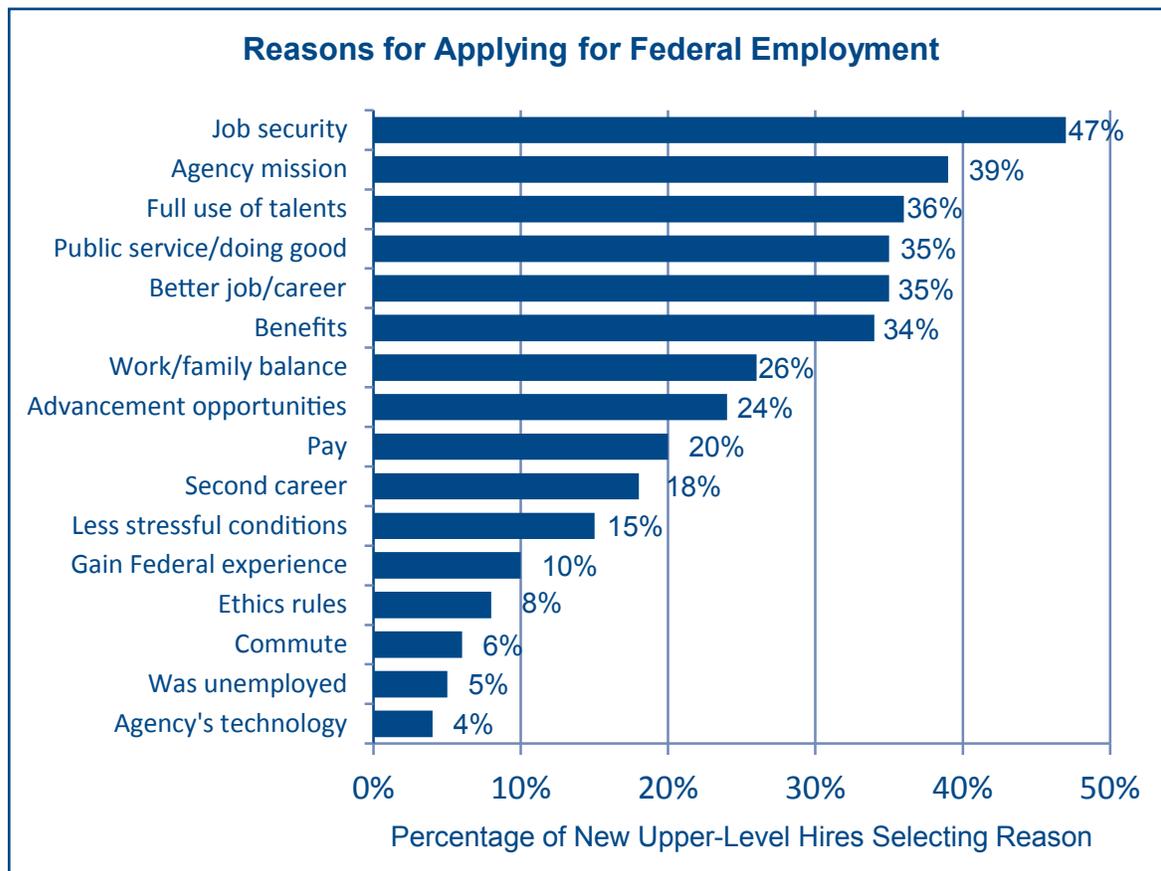
3. Paul Fronstin and Nevin Adams, “Employment-Based Retiree Health Benefits: Trends in Access and Coverage, 1997-2010,” Issue Brief No. 377, Employee Benefits Research Institute, October 2012, [www.ebri.org](http://www.ebri.org).

4. An “employment deal” encompasses everything of value that an employer provides in return for the employee’s service. An employment deal has both financial components (e.g., salary) and nonfinancial components (e.g., interesting work), and includes elements (such as dedication and job security) that are usually not covered by contractual provisions.

Similarly, Federal policymakers should give some thought to how the Federal Government will attract and keep high performers, especially if long-term career incentives are reduced. If prospects for promotion or salary advancement are poor, how many people with high-demand skills (such as cybersecurity) will seriously consider a Federal career? If opportunities for training and continuing education are limited, will Federal workers soldier on—or seek other opportunities while their skills and professional networks are still current? Over the years, our research has consistently shown that Federal employees are not motivated solely or primarily by money. (See chart below.) Nevertheless, long-term austerity in pay, awards, and training does not look like a winning strategy for recruiting and retaining the next generation. ❖

*James Tsugawa*

Deputy Director, Policy and Evaluation



# Employee-Supervisor Relationships: A Key to Capitalizing on Employees' Talents

Federal agencies are in a difficult situation. Amidst freezes in hiring and pay, and of threats to benefits, Federal agencies are expected to attract, develop, and maintain a highly capable workforce. Although Federal budgets and resources remain depleted and training has become less accessible, expectations for creativity and innovation continue. And, despite continued questioning of the value of their work, Federal employees are called upon to be engaged and to generate high-quality products and services. Leaders of Federal agencies must find ways to overcome the many obstacles that currently threaten morale and mission success, and to motivate staff to utilize the full range of their talents.

Fortunately, there are actions that Federal leaders can take to encourage workforce motivation and capitalize on employees' talents. As recently discussed by MSPB,<sup>1</sup> there are considerable opportunities for improvements to be made to job characteristics and reward systems. Briefly, ensuring that employees' interests, goals, and capabilities align with the characteristics of their jobs, and linking employees' work and accomplishments to agency mission success can be instrumental in motivating employees' effort towards their jobs. Similarly, taking stock of employees' reward<sup>2</sup> desires, tailoring recognition accordingly,<sup>3</sup> and making sure employees see connections between their work efforts, valued rewards, and performance, can help fuel their motivational fire.

Critical to these improvement strategies are good supervisors who develop quality working relationships with their subordinates. Good employee-supervisor dynamics are necessary for identifying situations where job characteristics can be altered to better support employees' interests, goals, capabilities, and ultimately

1. See U.S. Merit System Protection Board, *Federal Employee Engagement: The Motivating Potential of Job Characteristics and Rewards*, December 2012; and *Engaging Employees with Job Design and Rewards*, Issues of Merit, September 2012, pp. 1 & 6.

2. The term "rewards," includes both monetary and nonmonetary forms of recognition. There are many effective ways to reward employees for their work that don't involve money, and which may be especially attractive in light of continued budget challenges. *Id.*, pp. 20-28.

3. Appropriately tailoring rewards will likely require discussion with stakeholders including agency leadership, HR, and employee representatives. Agencies need to be fair, transparent, and emphasize similar treatment for similarly situated employees. *Id.*, pp. 25-28.

motivation. Such open dialogue and relationships can also pave the way for understanding how to best reward and recognize employees for their efforts.

While supervisors should take responsibility for building quality communication and relationships with their employees, employees should be prepared to collaborate. Employees need to be willing to engage in honest introspection—to examine how their jobs and rewards are (or are not) conducive to their motivation. Similarly, employees should be willing to work with their supervisors to strategize potential *individualized* improvements. Try as they may, supervisors are not mind readers; what may motivate one employee may stress another. One-size-fits-all motivational strategies should be avoided, as individual employees have different needs, desires, capabilities, and aspirations. The key to motivation, whether in the domain of job characteristics or rewards, is for employees and supervisors to jointly determine what works, what could use improvement, and to negotiate tailored improvement strategies.

Sound supervisory performance management practices are just as important for encouraging employee motivation. These practices include: communicating clear expectations, reviewing progress towards goals, objectively evaluating performance, holding employees accountable for results, and properly recognizing and developing performance. Quality employee-supervisor working relationships provide fertile ground for supervisory performance management practices to flourish.

Granted, supervisors may not always have as much information or solutions as they would like to confidently offer to their staff. For example, giving clear expectations on project milestones or deliverables may be challenging in environments where such criteria are constantly in flux. In these and other similarly unpredictable situations, supervisors may rightfully feel "out of their comfort zones" with respect to trying to manage employees' performance. Yet, the key is that they make the effort. When times are tough, it is even more critical for supervisors to acknowledge that they don't have all the answers, and to be open to working with their employees to strategize solutions and craft a game plan. Honesty and open communication are hallmarks of performance

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# Succession Plan, Not Replacement Plan

Since 2010, the number of new hires into Federal service has steadily decreased.<sup>1</sup> This decline may become a trend given continued Federal budget cuts, resource constraints, and hiring freezes. Yet, despite financial limitations, there are some positions that cannot be left vacant. Generally these are mission-critical positions or those that require leadership capacity. When such positions become vacant, it is essential that agencies have qualified candidates. One way to achieve this and help ensure continuity in staffing is succession planning — “the plan an organization develops to meet its critical employment needs.”<sup>2</sup>

Succession planning should begin long before vacancies arise. The essence of planning is to be proactive, not reactive. Further, succession planning should be an ongoing process as opposed to a check-the-box, one-time occurrence. Agencies must continuously refine their understanding of their staffing needs. This is because *past* staffing needs or strategies may not always correspond with *future* needs or strategies. Trying to apply a dated succession plan to a workforce would be an exercise in futility; akin to trying to take a road trip relying on an outdated map. The ideal route can change continually.

While there are many different strategies for developing a succession plan, a core first step in the process is to identify mission-critical positions, and the skills and competencies currently needed as well as needed in the future for such positions. To do this, agencies can examine:

- Agency strategic plans;
- Incumbent capabilities and training needs;
- Internal agency characteristics such as mission, culture, resources, and leadership capacity, and their implications for staffing needs; and
- External economic, political, social, or other events, circumstances, or trends that have implications for the agency’s mission accomplishment.

Next, agencies need to estimate *when* mission-critical positions will become vacant. Here, and in conjunction

1. U.S. Office of Personnel Management. FedScope accessed at: <http://www.fedscope.opm.gov/>.

2. Jarrell, K.M. & Pewitt, K.C. (2007). Succession planning in government: Case Study of a medium-sized city. *Public Personnel Administration*, September, pp. 297-309.

with the aforementioned sources of information, agencies could look at current workforce characteristics such as demographics (e.g., age, length of service) and turnover.

Collectively, such information can help agencies make informed decisions on whether their current internal workforce will have the capabilities for continued mission accomplishment or whether recruitment, hiring, or development initiatives are in order.

One such initiative could be the implementation of a Succession Plan Development Program. The purpose of such a program would be to give internal agency employees the opportunity to learn about positions in the succession plan and develop their capabilities to become competitive for applying for future positions in the succession plan. Individuals could join the program through self-nomination or supervisor nomination as long as it is understood that nomination does not guarantee future selection for any job. Fair and open competition and assessment of qualifications must still apply.

Key program components include:

**Communication and Education about Positions in the Succession Plan.** The goal here would be to generate awareness among internal agency employees of critical positions in the succession plan and their capability requirements, and to kindle employee interest. Content could include detailed descriptions of critical positions along with a realistic job preview (RJP) of the core duties, required capabilities, and performance expectations for such roles. Communication methods could include postings on agency websites, agency-wide emails, or announcements during town hall or other agency-wide events. Using multiple methods will ensure openness, fairness, and transparency and reach the widest internal audience.

**Evaluation of Fit for Positions.** Interested individuals could be encouraged to work with their supervisors, HR, or mentors to evaluate whether or not their current capabilities would be a good match for the requirements of specific positions in the succession plan. Individuals could consider their past performance appraisals, training, and experience, as well as any 360-degree feedback information or past competency assessments. Such an evaluation—when combined with the RJP information discussed above—can help individuals decide if they would be a good fit to develop themselves for future positions in the succession plan.

# Avoiding Nepotism: Insights From Case Law

The seventh prohibited personnel practice (PPP), codified at 5 U.S.C. § 2302(b)(7), prohibits any official from acting to appoint, employ, promote, or advance a relative, or to advocate such an act.<sup>1</sup> Officials are also prohibited from appointing, employing, promoting, or advancing a relative *of a different official in the agency* if that other official advocated for the action.<sup>2</sup> However, while there is a PPP that prohibits nepotism, there is also a PPP that prohibits willfully obstructing any person's right to compete for employment (5 U.S.C. § 2302(b)(4)) as well as a merit system principle that mandates fair and open competition (5 U.S.C. § 2301(b)(1)). So, where does this leave an official who wants to avoid nepotism but is not permitted to do anything to obstruct a relative from seeking a position?

Officials can avoid both nepotism and obstructing competition by making the choice to proactively recuse themselves from the hiring process. This is because nepotism does not automatically occur when a relative is hired—nepotism occurs when the official acts to influence the process in the favor of the relative, regardless of who the official hiring officer may be and whether or not the relative is actually hired.

Board case law offers a valuable example of how officials can avoid committing nepotism by ensuring they play no role in the hiring of relatives – either directly or through advocacy. In *Wallace v. Department of Commerce*, 106 M.S.P.R. 23 (2007), Wallace was a GS-15 supervisor who became aware that her sister was interested in a position that fell under Wallace's authority.

1. Section 3110 of title 5 also prohibits nepotism and prohibits paying an individual hired as a result of nepotism. The statute defines a relative as a "father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister" of the employee in question. An "official" is defined as "an officer (including the President and a Member of Congress), a member of the uniformed service, an employee and any other individual, in whom is vested the authority by law, rule, or regulation, or to whom the authority has been delegated, to appoint, employ, promote, or advance individuals, or to recommend individuals for appointment, employment, promotion, or advancement, in connection with employment in an agency."

2. 5 C.F.R. § 310.103(b) (emphasis added).

Wallace notified senior management that her sister was interested in applying for the vacancy and informed them that "she was recusing herself from any input or involvement in the hiring process for the position and further sought... guidance on how to ensure that a fair and impartial selection could occur." When the time came to make a selection, a panel chose Wallace's sister and Wallace informed those involved that Wallace's supervisor would have to be the one to approve the panel's selection as Wallace had recused herself.

The Board found that the evidence in the case showed that Wallace did not advocate for the hiring of her sister and had actively ensured that she would have no involvement in the selection process. Therefore, the Board held that "Wallace's mere presence in the chain of command" at the time of the selection did not constitute a violation of the nepotism statute. By making the choice to proactively recuse herself from the hiring process, Wallace avoided both nepotism and obstructing competition.

In contrast, in *Welch v. Department of Agriculture*, 37 M.S.P.R. 18 (1988), a manager directed a subordinate supervisor to "prepare a written justification for the temporary appointment of" the Director's son. The appellant was not the selecting official, but the Board held that this "did not insulate the appellant from the provisions of" the nepotism statute. The Board found that Welch's involvement in the process constituted nepotism and that the agency was justified in suspending the appellant for 60 days and reassigning him to a different position.

In the current economy, it may be understandable that various officials would want to help their relatives obtain employment. However, it is important to understand that, by accepting a position that has a role in the selection and hiring process for Federal positions (such as supervisor or manager), officials are agreeing to certain restrictions on their activities. For these officials, neither advocating for the hiring of relatives nor obstructing a relative's right to compete for a position are allowed. ❖

## Leader Exit Surveys...

*(continued from page 1)*

- Work environment (e.g., senior leadership, political environment, or organizational culture);
- Work-life balance (e.g., long work hours, job stress, commute); or
- Personal reasons (e.g., more attractive job offer, desire to pursue education, health reasons).

The SES exit survey also asks what performance rating the individual received last and whether they believed it was a fair reflection of his or her performance, and the importance of each of the executive core qualifications to achieving success in the now-former position. As a whole, the SES exit survey has the potential to provide insights to agencies on what is working well and what could be improved across the leadership landscape. The survey will be available for use for an indefinite period and data will be compiled at least annually or more frequently based on agency needs.

OPM's survey can be found at <https://feedback.opm.gov/Community/se.ashx?s=076F44105AC230DB>. ❖

## Relationships...

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management, and trusting working relationships in general.

These are challenging times for Federal agencies and the Federal workforce as a whole. Just as agencies have been encouraged to make the most of their budgets and resources, they should strive to make the most of their employees' motivational potential. Job characteristics and rewards provide opportunities for encouraging employee motivation. Both require the development of trusting and open relationships between employees and supervisors, and sound supervisory performance management practices. Such practices and relationships are especially important during tough times and when information may be lacking. Not easy, but essential, to ensuring that employees are motivated to maximally apply their capabilities towards mission success. ❖

## Succession Planning...

*(continued from page 5)*

**Development of Capabilities Required by Positions.** In the event that potential gaps are discovered between individuals' current capabilities and those required for positions in the succession plan, individuals could be directed towards relevant training or on-the-job experiences such as rotational assignments, stretch assignments, job-shadowing, or coaching. The goal of such training would be to help individuals build the knowledge, skills, and competencies necessary to make them competitive for positions in the succession plan.

**Evaluation of the Program.** Agencies might find it helpful to capture and analyze data on the effectiveness of the succession plan program. This could include tracking the number of succession plan program participants who ultimately get selected for targeted positions, and evaluating the effectiveness of training or on-the-job experiences for preparing participants for positions. Agencies could use this information to refine and improve the succession plan development program process.

Overall, a succession plan development program has the potential to benefit both agencies and employees. Agencies benefit by being able to plan for future staffing needs by cultivating a pool of individuals likely to have the skills necessary to apply for future positions. Employees have the opportunity to develop their capabilities to be competitive when such positions become available. Together, a succession plan and development program can help ensure a pipeline of qualified internal agency talent for mission success. ❖

### Status of Furlough Appeals

MSPB has received an unprecedented number of furlough appeals in the last several weeks. To date in FY2013, approximately 32,000 furlough appeals have been filed, more than 98% of them from civilian employees of the military services and DoD activities. (To compare, MSPB's regional and field offices usually receive 6,000 to 7,000 appeals annually.) Simply docketing all of the appeals is a massive undertaking. In 1981, with twice the staff, it took more than two years to adjudicate the 11,000-plus Air Traffic Controller strike appeals. Clearly, this will be a long-term endeavor.

Updates are published on [www.mspb.gov](http://www.mspb.gov).



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