

# Issues of Merit

A Publication of the Office of Policy and Evaluation, U.S. Merit Systems Protection Board

June 2000

## Director's Perspective

### The Real Challenge in Workforce Diversity

Based on the statistical facts, the federal government has reason to celebrate some very significant progress toward achieving workforce diversity, at least in terms of female and minority representation. Even after several years of significant downsizing in which over 400,000 workers left federal employment, the percentage of women and minority workers in every race/national origin category has steadily increased since 1990. And some of the largest percentage increases have occurred at the higher grade levels. For example, the percentage of women in the SES has more than doubled since 1990, from only 11.2 percent to over 23 percent today. During the same time, the percentage of federal senior executives who are minorities also has risen, from 7.6 percent to 12.9 percent. Only Hispanics remain underrepresented in the federal workforce when compared to their overall representation in the civilian labor force. Even here, however, the percentage of Hispanics in the federal workforce has increased from 5.2 percent in 1988 to 6.4 percent in 1998—and almost all of that increase has been in professional and administrative jobs. In striving for a representative workforce, while there are still goals to be met, progress clearly is being made.

These facts make it particularly disturbing that there remains a significant and persistent disagreement between minority and nonminority employees over the degree to which the federal workplace is free of blatant discrimination that impedes employees' careers. In 1993, MSPB asked a representative cross section of federal workers to indicate the extent to which they believed that in their organization, employees were subjected to "flagrant or obviously discriminatory practices that hinder their career advancement." The results revealed the huge differences of opinion that exist between minorities and

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### OPE Focus on the Facts

#### *Belief:*

Dissatisfaction with pay and benefits is the top reason American workers leave their jobs.

#### **Fact:**

Some 70 percent of the employees who leave their jobs do so because they're unhappy with their supervisors.

Source: The Gallup Organization

### Pride is Prime Motivator

Improving employee productivity is a perennial challenge faced by supervisors, but they shouldn't expect that simply offering money for better performance will necessarily get employees to do a good job.

Recently, in MSPB's Merit Principles Survey 2000, we asked a representative sample of federal employees to name the top three factors motivating them to do a good job. Personal pride or satisfaction in their work was the most frequent response, cited by three out of four employees. Of the nearly 7,000 federal workers who participated in the survey, half said that a personal desire to make a contribution motivates them. One out of four of the survey participants said that it's their sense of duty as public employees that drives them to do a good job, and the same proportion, about 25 percent, put "monetary award" among their top three motivators.

Supervisors may be disappointed at what the survey results show are the weakest motivators. Only 5 percent of employees said

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## Director's Perspective

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nonminorities. For example, 55 percent of African Americans responding to the survey thought that African Americans were subjected to this type of discrimination to either a moderate or great extent. But only 4 percent of the White respondents agreed with them. Likewise, 28 percent of Hispanic respondents thought that Hispanic employees were being subjected to flagrant or obviously discriminatory practices, a view shared by only 3 percent of the non-Hispanic White respondents. Similar differences in viewpoint were evident between Whites and Asian-Pacific Americans and between Whites and Native Americans.

Because of notable advances since 1993 in the representativeness of the Federal workforce, one might have assumed that the differences in minority and non-minority perceptions about

discriminatory treatment had lessened. To see if that was true, MSPB repeated its 1993 question as part of its Merit Principles Survey 2000, distributed earlier this year. The responses showed that the situation was virtually unchanged. For example, 54 percent of African Americans still believe that African Americans are subjected to "flagrant or obviously discriminatory practices that hinder their career advancement" in the federal workplace, and only 3 percent of White employees agree.

That such divergent points of view continue to exist is disappointing, given the positive changes that have occurred. The challenge these differences raise is not simply to determine whether one perception is more accurate than the other. The real challenge is collectively to achieve a greater agreement among minority and nonminority employees regarding how a discrimination-free, merit-based workplace should operate. Part of that task includes

reaching a consensus on what we can measure to know how close the Government is to achieving the goal of a discrimination-free environment—and then periodically measuring it. Such criteria should include measures of minority and female representation. But they should also include rates of promotion, awards, and training for minority and nonminority employees, and the annual numbers of EEO complaints filed and upheld. MSPB made recommendations in this regard in its report, *Fair and Equitable Treatment: A Progress Report on Minority Employment in the Federal Government*, which was issued in 1996. We said then, and we believe even more strongly today, that successfully addressing the real and potential problems caused by different perceptions about discrimination must start with an honest examination of all the pertinent facts.

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## Employee Motivators

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that their desire to not let their supervisor down would make them do a good job, while a mere 2 percent indicated that their desire to make their supervisor look good would motivate them.

These results suggest that when employees feel that what they do is important, and they are empowered to do it, this is more likely to inspire an increase in productivity than money alone. An award check is a motivator, but not to the degree that some supervisors might have expected. And it's important to note that maintaining an environment in which employees feel that their work makes a difference and that their organization values them is likely to take more effort and more time on the part of supervisors than simply

submitting an annual award nomination.

The results of Merit Principles Survey 2000 will be discussed in a report expected later this year.

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## Employee Views on What Counts in Promotion Decisions

According to survey data recently collected by MSPB's Office of Policy and Evaluation, federal employees believe there's a gap between what factors should be considered in deciding who gets promoted and what actually is considered in such decisions.

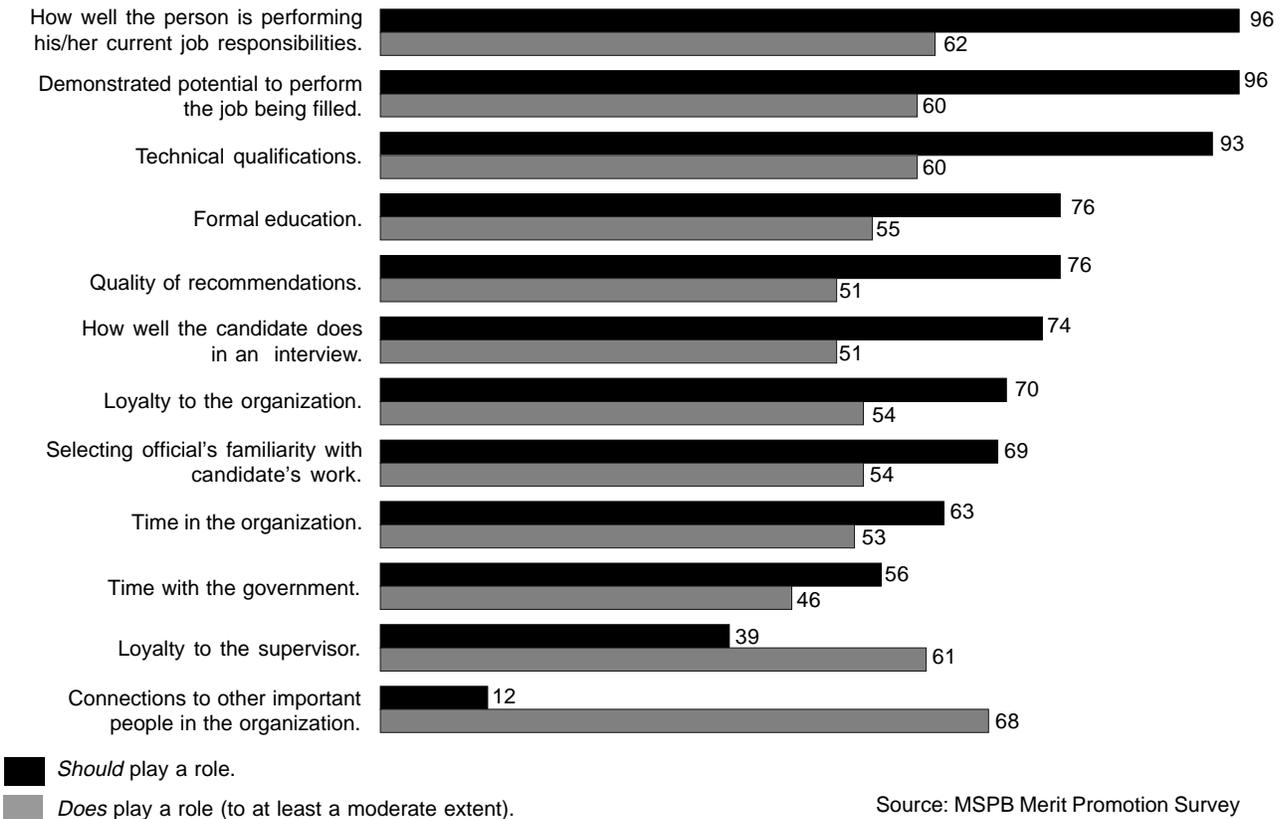
In connection with a current study of the government's merit promotion process, we asked a randomly selected sample of federal employees

about the role that various factors play in deciding who is promoted in their organizations. Employee responses to a number of items that could affect a person's chances for promotion are depicted in the chart on page 3. The chart shows the percentage of nonsupervisory respondents who said that each of the items *should* be a factor in promotions to a moderate or greater extent, as well as the percentage who said that each item *actually is* a factor in promotions in their organizations.

As the chart shows, the two items that employees most often identified as factors that should be considered in promotion decisions are a candidate's demonstrated potential to perform the job to be filled and how well the person is doing in his/her current job. Also seen as important by almost

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**Percentage of nonsupervisory employees who responded that the factor should/does play a role in whether a person is selected for a vacant position or a promotion in their organization.**



everyone are the candidate's technical qualifications. Traditional selection factors that a majority of survey respondents also viewed as important in selection include the applicant's formal education, the quality of his/her recommendations, and how well the person does in an interview. Many employees apparently believe that loyalty to and time spent in the organization also should be considered. Notably fewer employees said that loyalty to the supervisor should be a factor in promotion decisions.

While the survey results show strong consistency in employee views on what should be considered in selecting candidates, there was not as much agreement on what employees believe selecting officials actually do consider. Not only were there no items about which almost everyone agreed, there was also relatively little variation in the responses.

Interestingly, the item that employees were most likely to believe plays a role in promotions (connections to important people) is the very one they were least likely to say *should* be a factor in promotions. According to employees, promotion decisions are also affected more often by the person's loyalty to the supervisor than should be the case. It was also somewhat disappointing that there weren't more employees who said that factors such as demonstrated potential to perform the job, performance in an interview, and quality of recommendations actually play a role in promotion decisions.

It's clear from these results that many employees do not believe that promotion decisions are made for the right reasons. However, it's important to note that federal supervisors don't share their employees' views on some of these matters. For example, 82 percent of

supervisors said that demonstrated potential to perform the next higher level job *does* play a role in the organization's promotions, and only 32 percent of the supervisors said that connections to other important people in the government were a factor in selection decisions. These results and others will be discussed in more depth in MSPB's upcoming (Fall 2000) report on the merit promotion process.

### Executive Mobility— Fact or Fiction?

When the Senior Executive Service came into being as part of civil service reform in the late 1970s, executive mobility was a key component of its design. In addition, the SES's rank-in-person system was expected to make it easier to match executives' talents to the government's needs and to

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make assignments accordingly. There was an underlying belief that the system's features would encourage transfers of top leaders among agencies and that this elite, mobile executive corps would improve the management, responsiveness, and results of federal programs.

Today, looking back 20-plus years, we have to wonder whether the SES mobility component has developed in the ways it was envisioned or if it was a good idea in theory that faltered in practice. Recent survey data seem to support the latter view.

Results of a 1999 survey of the Senior Executive Service, recently released jointly by the OPM and the Senior Executive Association, include a number of findings on executive mobility. Of the executives who completed the survey, 45 percent agreed that SES mobility improves job performance. At the same time, nearly half of the survey participants (47 percent) indicated that they would not relocate to another geographic location if asked. Further, geographic mobility is likely to trigger turnover decisions by at least some executives: 20 percent of respondents reported that if they were to leave the federal government in the next year, it would most likely be because of an unwanted geographic assignment. Only about one out of five respondents (21 percent) said that they had changed geographic locations one or more times since becoming members of the SES.

Of course, mobility need not involve a geographic move; it may instead mean movement within the same geographic location, and that does occur fairly often, but typically, within the organization in which the executive is already employed. When asked whether they had changed jobs since entering the SES, a little more than half the respondents (51 percent) reported that they had changed jobs one or more times *within one component* of their agency or department, about one-third (33 percent) said

that they had moved to a *different component* of their agency or department, but fewer than one out of ten (9 percent) said that they had transferred one or more times to a *different agency* or department.

About three out of four respondents (76 percent) expressed the belief that relocation of dual career families poses obstacles to executive mobility. Such personal, family related decisions may include consideration of significant economic and professional issues and under such circumstances, the reluctance of executives to relocate is understandable. But lack of executive mobility is not purely the result of SES members' disinclination to change jobs or locations. Several other obstacles cited by the majority of executives who responded to the survey raise questions about decisionmakers' resolve regarding executive mobility. More than half the respondents indicated the following obstacles to mobility:

- Agency resistance to moving executives to functions in which they lack experience (70 percent)
- Reluctance to select executives who are unfamiliar with the organization's culture (68 percent)
- Concern about disruption of agency programs (55 percent)
- Lack of succession planning (54 percent)

These findings suggest that the lack of mobility among the government's senior executives has less to do with problems inherent in the SES system than with societal realities (such as dual-career families) and ingrained beliefs about SES job requirements (such as the view that in-house experience is essential to an executive's success). If government leaders still believe in the efficacy of executive mobility, then they need to examine whether these beliefs and the other obstacles identified in the study are valid reasons for agencies' apparent qualms about rotating more senior executives through more jobs. In addition—and especially since the societal issues are not about to

vanish—organizations that value mobility should consider identifying the aspects of mobility that they prize (e.g., it provides fresh perspectives, it fosters expansive thinking), and look for ways to achieve those advantages through other means such as encouraging greater use of sabbaticals or details.

For more information about the SES survey, visit OPM's web site, <http://www.opm.gov/ses/survey.html>.

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## Lessons on Goal-Setting in HR Organizations

We recently received a copy of the Department of the Army's *FY 99 Civilian Human Resources Annual Evaluation*. It makes interesting reading for federal human resources professionals looking for ways to effectively evaluate their operations. The Government Performance and Results Act calls for the evaluation of agency operations in terms of their contribution to agency mission, and the Army's evaluation provides an example of how this can be done in HR. It also illuminates the pitfalls of using certain measures.

While the Army was successful in measuring position description accuracy and procedural and regulatory compliance in its performance appraisal program (it exceeded the 90 percent standard it had set for the latter), other Army goals and measures were more problematic. The Army had set an objective of increasing employee perception of fairness by 5 percent, but was unable to meet that goal. Given research findings about that particular goal, the objective may have been too ambitious. For example, MSPB's triennial merit principles surveys have shown that employee perception of fairness is remarkably consistent over time and across the federal workforce, despite the many changes that have occurred in federal staffing levels

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and in human resources operations. The MSPB experience is that employee attitudes change very slowly and are only indirectly related to the quality of HR operations.

The lesson here is not that agency officials should ignore the perception of fairness or any other important factor, rather it is that HR goals should be set in relation to factors that are directly affected by the HR operation. An agency may wish to measure such employee morale issues as perceptions of fairness, and should monitor those perceptions so that deteriorating morale can be addressed quickly. However, agencies should be aware that such perceptions change very slowly and that their relationship with how well a human resources operation is working is indirect and may be largely outside the control of an agency's HR professionals.

You can read the Army's HR evaluation report online by visiting <http://www.cpol.army.mil>.

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## When Adverse Actions Are Appealed . . .

About half of the approximately 7,000 cases filed with MSPB each year involve appeals of adverse actions—removals, demotions or suspensions for more than 14 days (other actions that are disadvantageous to the employee are not typically appealable). A large portion of those cases never make it to the point where they are resolved on their merits.

In FY 1998, the Board handled 3,600 adverse action cases. About 40 percent of them were dismissed either because the appellant had not complied with the time limits for filing appeals or because the law did not allow the adverse action involved in the case to be appealed to the Board. Of the approximately 2,000 cases remaining, about 70 percent were settled by the parties involved. As a result, there were

only 660 adverse action cases in FY 1998 in which decisions were issued that discussed and resolved the dispute on the merits.

In those 660 cases, the agency action was affirmed without change 70 percent of the time. In nearly 12 percent of the cases, the administrative judge affirmed the agency action but imposed a lesser punishment on the appellant than the one selected by the agency. And in the remaining 18 percent of the cases decided on the merits (about 119 cases), the administrative judge reversed the agency's action.

In terms of the number of adverse action cases handled and the dispositions in those cases, the FY 1998 statistics were virtually identical to those of FY 1997.

General information about what happens in cases involving adverse actions (as well as information about other appeal categories such as RIFs or retirement disputes) can be found in a report submitted to Congress, *Cases Decided by the U.S. Merit Systems Protection Board*. The FY 1998 report is on the MSPB website, [www.mspb.gov](http://www.mspb.gov).

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## Worker Shortage Spurs Assessment Concerns

No Relief in Sight for Worker Shortage, warns a headline in the April 2000 *IPMA News*. But you already knew that, didn't you? Media attention in articles such as *IPMA's* and series such as the *Washington Post's* "Empty Pipeline: The Federal Employment Crisis" recently have renewed concerns about federal recruitment. Despite years of downsizing, most federal agencies have been hiring replacements and some are now actually in growth modes. The pressure of competing for employees in a shrinking labor pool calls for renewed attention to the ways government agencies attract and hire new employees.

The same apparently is true for private sector employers. A 1999

survey on workplace testing conducted by the American Management Association made some very telling observations in this regard. One was that "more than one-third [35.5%] of job applicants tested [by survey respondents] in 1998 lacked sufficient skills for the positions they sought." This was up from 22.8% in 1997. The report noted that the rise in skill deficiencies is more a reflection of the increasingly higher skills levels needed for today's jobs than a reflection of a "dumbing down" of the labor pool.

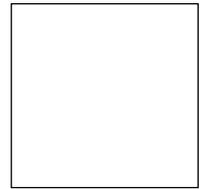
In the face of a shrinking labor pool, testing has assumed increasing importance. As the AMA report notes, "when a rapidly expanding economy creates a 'skills shortage,' as is the current case, employers may find it necessary to test a greater number of applicants to find qualified workers."

This is food for thought for federal agencies charged with being more businesslike and hiring through merit. Better candidate assessment tools—including written tests—may increase in importance as agencies compete in a shrinking labor market. Agencies have told us they want a faster hiring process, which is certainly desirable. However, a process that also accurately identifies the best candidates is absolutely critical. After all, hiring candidates who are not of adequate quality isn't an attractive alternative, even if it's done at the speed of light.

The law expects federal agencies to ensure fair and open competition for jobs in an effort to achieve a representative workforce, and to hire based on relative merit. We continue to be concerned about the assessment tools that agencies use. If the tools aren't good enough to identify the best qualified candidates, neither merit nor good business goals are being served. Acceptable hiring speed and high quality job candidate assessment can coexist, and it's time to find the right balance between the two.



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## Selected Publications from the Office of Policy and Evaluation \*

- Competing for Federal Jobs: Job Search Experiences of New Hires
- Restoring Merit to Federal Hiring: Why Two Special Hiring Programs Should Be Ended
- The Role of Delegated Examining Units: Hiring New Employees in a Decentralized Civil Service
- Federal Supervisors and Poor Performers
- Civil Service Evaluation: the Evolving Role of the U.S. Office of Personnel Management
- Federal Supervisors and Strategic Human Resources Management
- The Changing Federal Workplace: Employee Perspectives
- Adherence to the Merit Principles in the Workplace: Federal Employees' Views
- Achieving a Representative Workforce: Addressing the Barriers to Hispanic Participation
- Fair and Equitable Treatment: A Progress Report on Minority Employment in the Federal Government
- The Rule of Three in Federal Hiring: Boon or Bane?
- Sexual Harassment in the Federal Workplace: Trends, Progress, Continuing Challenges
- Leadership for Change: Human Resource Development in the Federal Government
- Temporary Federal Employment: In Search of Flexibility and Fairness
- Whistleblowing in the Federal Government: An Update
- A Question of Equity: Women and the Glass Ceiling in the Federal Government

## Selected Current Projects

- OPM 20-year retrospective
- Career transition programs
- Governmentwide Merit Principles Survey 2000
- Merit promotion
- Selection tools used in federal hiring

*For a copy of any Office of Policy and Evaluation publication, contact:*

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\* Most of these reports can be downloaded from the **STUDIES** page of the MSPB website: [www.mspb.gov](http://www.mspb.gov)

*Issues of Merit* provides findings and recommendations drawn from MSPB research on topics and issues relevant to the effective operation of the federal merit systems and the significant actions of the Office of Personnel Management.