

ISSUES OF MERIT

January 2020

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

WHAT'S INSIDE

Director's Perspective
Page 3

Office Space Matters
Page 4

**Using Communication to
Address Unacceptable
Performance**
Page 5

**Is Supervisory Training
Occurring?**
Page 6

**The Federal HR Workforce:
Barriers to Change**
Page 7

Still Trying to Improve Hiring?

The U.S. Digital Service has some tips to share.

Agencies are looking for better ways to hire. The hiring process has long been criticized as taking too long, not resulting in qualified candidates, and being too complex for applicants and even hiring officials to understand. Many reform efforts have centered on how to improve the hiring process, but the criticisms continue. As a result, agencies continue to request special authorities to avoid the competitive hiring process, such as direct hire and streamlined student hiring. Recently, the Merit Systems Protection Board (MSPB) published *Building on OPM's Hiring Improvement Memo*. The document identifies four steps to help improve the hiring process. The steps, below, are based on many years of research and do not require changes in laws, rules, or regulations to implement.

Get the right people involved from the beginning. This means involving subject matter experts (SMEs) early. Human resources (HR) staffs provide the technical expertise needed for the hiring process—they know the rules, regulations, and best practices. SMEs, however, know the job—what skills are needed, how to define those skills, and where to find people with those skills. A process that involves SMEs as early as possible is going to be more effective than a process that does not.

Do a better job defining job qualifications. Too often, minimum qualifications are general, difficult to measure, and out of date. The Government needs to do a better job identifying, describing, and measuring qualifications needed to do a job. That means updating qualification requirements, position descriptions, and job analyses when needed, as well as training HR staff and hiring officials on how to better define jobs' essential skills.

Use valid assessments to identify the applicants most likely to succeed. High-quality assessments make valid distinctions among applicants and measure how well they are likely to perform job-related tasks. These assessments include work samples, job simulations, and situational judgment tests. Not all agencies have access to such assessments and must use less valid tools, such as occupational questionnaires, to determine qualifications.

Make assessments easily accessible to all Federal agencies. It takes time and expertise to develop such assessments, and not all agencies have the resources to do so. The Office of Personnel Management's (OPM) USA Hire program has developed high-quality assessments for about 120 Governmentwide occupations and makes them available through its reimbursable program. Agencies would benefit greatly if those assessments were made more accessible at little or no cost.

ISSUES OF MERIT

U.S. Merit Systems
Protection Board

ACTING CHIEF EXECUTIVE AND ADMINISTRATIVE OFFICER

Tristan Leavitt

Office of Policy and Evaluation

DIRECTOR

James Read

DEPUTY DIRECTOR

James J. Tsugawa

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

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

(continued from previous page)

Recently, the U.S. Digital Service (USDS) and OPM teamed up to pilot new hiring strategies at the National Park Service (NPS) and the Department of Health and Human Services (HHS). Their approach uses several of the steps listed above and is an example of how agencies can get creative to problem-solve the hiring process using competitive processes, rather than relying on noncompetitive hiring authorities.

At an event sponsored by the National Academy of Public Administration, USDS discussed the pilots. Employment data indicated that Federal agencies were having a hard time hiring information technology (IT) specialists (job series 2210) in GS-12 positions and above. In 2018, approximately 50 percent of the upper-level IT positions open to the public on USAJOBS were cancelled without agencies making a job offer. To tackle these problems, USDS and OPM worked with the pilot agencies to develop an applicant assessment strategy that worked within the confines of competitive hiring, but still resulted in a diverse, high-quality applicant pool.

First, the pilot organizations identified a handful of SMEs to assist in the hiring process. The SMEs then worked with HR specialists to conduct job analyses and define the skills necessary to perform the jobs. SMEs were consulted when screening applicant resumes. Also, instead of using occupational questionnaires to determine minimal qualifications, the HR specialists worked with the SMEs to develop structured interview questions that were tailored to measure position-specific competencies. Applicants had to pass those interviews to be considered “qualified” for the position. After that step, HR applied veterans’ preference (the process was blind to veterans’ status until applicants passed interview assessments), rated and ranked the applicants, and produced a list of qualified candidates for the hiring manager. Because this was delegated examining, all preference and category rating rules applied to applicants who were found qualified.

The reported results have been impressive. Because the assessments did a better job identifying who was actually qualified, only about 20 percent of HHS applicants and 11 percent of NPS applicants were rated as qualified. The time it took managers to make selections once they received the certificate of eligibles—one of the longest parts of the process—decreased to 16 days at NPS and 11 days at HHS. HHS hired 7 applicants off its certificate and NPS selected 13 applicants from the certificates. In addition, the process produced a diverse set of applicants found qualified, including candidates from the Federal, contractor, and private sectors. Furthermore, they included applicants from diverse age, gender, and racial and national origin categories.

OPM’s September 2019 Chief Human Capital Officers Council transmittal, *Improving Federal Hiring through the Use of Effective Assessment Strategies*, provided agencies guidance on how to use approaches like those highlighted above, and several agencies are moving forward with new pilots. This specific strategy may not work for every agency. It worked in this situation because the organizations were hiring for multiple positions at higher grade levels in a single series. These positions were technical enough to warrant the SMEs’ time in helping HR with the qualifications and assessments. The time and effort required—8 SMEs contributed between 50 to 60 hours each over a 3-month period—may not be feasible for filling single positions. Structured interviews also may not be the best choice to screen entry-level applicants where potential is more important than current skills. However, these pilots demonstrate that merit-based hiring can result in high-quality applicant pools when the proper time and effort is devoted to the process and the right people are involved. ❖

Pay Equity and Workforce Agility

The Administration's cyber reskilling effort demonstrates the contrast between two widely used classification systems: rank-in-position versus rank-in-person.



Among the goals set out in the *President's Management Agenda* is better “aligning the workforce” with “key mission requirements” by the “reskilling and redeployment” of employees. In furtherance of this goal, last year the Administration solicited mid-career employees without IT backgrounds to undergo training in cybersecurity. At the conclusion of the first wave of training, however, Margaret Weichert, Deputy Director for Management (DDM) at the Office of Management and Budget, expressed frustration. The problem? The employees who had volunteered to be trained discovered that they were qualified only for entry-level cyber positions, paying significantly less than they were

currently making. At the 2019 Imagine Nation ELC conference, DDM Weichert faulted a rigid pay system that promotes fairness but lacks agility.

The principle of pay equity is deeply ingrained in the Federal personnel system. The Classification Act of 1949 provides that employees should receive “equal pay for substantially equal work” (5 U.S.C. § 5101(1)(A)). Identical language appears in the Federal Salary Reform Act of 1962 (5 U.S.C. § 5301(1)), and the principle is repeated yet again in the Civil Service Reform Act of 1978 (5 U.S.C. § 2301(b)(3)). The tenet of equal pay for equal work is put into operation by classifying positions in “grades” according to their “duties, responsibilities, and qualification requirements” (5 U.S.C. § 5101(2)), and then establishing rates of pay for each grade in what is known as the General Schedule (GS), (5 U.S.C. § 5332). Such a scheme, where compensation is tightly linked to the nature of the work associated with a job, is sometimes referred to as a rank-in-position system.

A contrasting approach is a rank-in-person system, under which an employee’s compensation is determined by some combination of his or her unique skills, experience, education, performance, and seniority. Under such a system an employee’s rank, once attained, does not necessarily change just because the employee’s responsibilities change. The Senior Executive Service, the Foreign Service, and the military all contain elements of rank-in-person systems. These three corps differ from GS employees insofar as the leadership of an organization has greater discretion to redeploy individuals according to the organization’s needs; these specialized workforces are structured to be more agile than GS employees. While this means that senior executives, Foreign Service Officers, and members of the military have less control over their responsibilities, duty stations, and overall career trajectories than their GS counterparts have, in most instances they will not suffer a decrease in pay when they are redeployed to meet the needs of the organization.

The GS system does allow for temporary protection against a drop in income when an employee is reassigned to a lower-graded position during a reduction-in-force (RIF) (5 U.S.C. §§ 5362, 5363). Unlike a RIF, however, the cyber reskilling initiative does not involve elimination of positions, but instead is based on employees volunteering for training and reassignment. A rank-in-position system—or at least, the current GS system—is not designed to allow voluntary movement of a mid-career employee into a new field with no loss of compensation after completion of a basic training program, even if it results in new skills and certifications. The Administration will need to address this barrier if it hopes to achieve the full potential of these reskilling and redeployment programs. ❖

Director, Policy and Evaluation

Office Space: Does Cohabitation Lead to Collaboration?

A recent study demonstrates that changing office configurations requires study and care.

Organizations seeking an edge in performance or efficiency often look to changing office configurations and work spaces. For example, an organization intending to reduce its environmental footprint and rental costs and encourage a freer flow of ideas might move from individual offices, with walls between divisions (and employees and managers), to an open space. Does that work? Not always. A recent *Harvard Business Review* article¹ discussed how such changes might or might not work and outlines some considerations for agencies and managers.

Proximity matters. In an age of social media, texting, and video chat, one might expect communication to be near constant, regardless of proximity. However, the authors found that people who are far apart—whether in a different state or even building—are much less likely to communicate frequently, particularly when coordination and cooperation are not necessary to day-to-day work. In a study of a corporate headquarters, the authors concluded that “people on the same team were six times more likely to interact if they were on the same floor, and people on different teams were nine times more likely to interact if they were on the same floor.” For purposes of idea sharing and teamwork, therefore, proximity does matter.

Quality matters. As noted, closeness seems essential to the frequent and useful exchange of information and ideas. But neither “frequent” nor “useful” is assured. First, employees can choose not to interact—for example, using headphones or the thousand-yard stare to send a do-not-disturb message. Second, when closeness is forced, employees may increase their use of electronic communication and decrease face-to-face communication. Finally, work interactions are not all created equal. One company that sought to eliminate communication bottlenecks by co-locating different teams found that staff-to-staff interactions increased (which was intended) but that customer satisfaction decreased (which was not). It turned out that the less-frequent, more-formal communications that prevailed when the offices were separate were more effective because they enabled managers to direct inquiries to the right people.

Work is complex. Most work requires a mix of interaction and concentration. Employees who perform knowledge work may need time and space to form and refine ideas and strategies. Employees who provide direct services may need time and space to prepare for clients and members of the public—and, on occasion, to recover from performing emotional labor.² In one study of a firm that adopted an open-office floor plan, some employees reported the uncomfortable sense of being continually “observed.”³ Work and interactions that involve conflict and strong emotions are probably better conducted in private than in public. In short, work has many facets, and employees will work more productively and comfortably if the workspace accommodates all those facets.

What to do? The authors do not prescribe an optimal level of openness for office space, but they do provide some suggestions to organizations to design better workspaces. These include the following:

- Be realistic. Ultimately, employees decide when and how to interact. Workspaces can facilitate interaction and collaboration, but they cannot manufacture it.
- Think about how you want individuals and teams to interact—and collect data on how they actually interact, because the results may be surprising.
- Good workspace design is an interdisciplinary exercise, requiring collaboration between those responsible for people (human resources) and those responsible for property (real estate/facilities).
- Whenever possible, experiment and evaluate. The effects of a change in workspace can be unexpected and they may only emerge over time. Testing an office configuration can repay the upfront time and cost with interest by avoiding costly errors and identifying small changes that can make a big difference in how well the workspace works. ❖

¹Ethan Bernstein and Ben Waber, “The Truth About Open Offices,” *Harvard Business Review*, November-December 2019.

²For more information on what emotional labor is and its impact on the workforce, see MSPB, *Managing Employees to Perform Emotionally Laborious Work*, July 2019.

³Rachel L. Morrison and Roy K. Smollan, “Open Plan Office Space? If You’re Going to Do It, Do It Right: A Fourteen-Month Case Study,” *Applied Ergonomics*, 2019.

Improving Performance with Communication

How do you help an unacceptable performer improve? Communication is the key.

The law states that “inadequate performance should be corrected” and that agency performance appraisal systems should include “assisting employees in improving unacceptable performance” (5 U.S.C. §§ 2301, 4302). How can supervisors help employees who are performing at unacceptable levels to improve? MSPB’s 2016 Merit Principles Survey (MPS) provided some good direction. The MPS provided a list of 14 methods commonly used to help improve employee performance, and asked supervisors of unacceptable performers which they had tried to help such employees and how effective each method had been. Four of the five most effective methods to address unacceptable performance involved communication, as discussed below.



Provide feedback and coaching. Supervisory respondents reported that one of the most effective methods for improving performance is providing feedback and coaching, with 45 percent reporting it was effective to at least some extent. It is not surprising that feedback and coaching would be rated among the most successful approaches given how useful feedback is for enhancing the performance of most employees. As we discussed in our research brief *The Roles of Feedback, Autonomy, and Meaningfulness in Employee Performance Behaviors*, there is a strong relationship between timely and constructive feedback and higher performance appraisal levels, as well as better self-reported performance behaviors. Employees who reported receiving more timely and constructive feedback were also less likely to report that their work unit had weak or unacceptable performers.

Communicate expectations orally and in writing. Respondents indicated that another effective method to address unacceptable performance is to provide additional communication about expectations in writing (43 percent said it was effective to at least some extent). This method was followed closely by providing such communications orally (42 percent). While there are legal and administrative reasons to provide and document this guidance, communicating expectations can also be a matter of fairness as well as simply a sound investment of time. It is only fair to ensure that employees know what is expected of them. Furthermore, if an employee is skilled and merely misdirecting those skills because of a misunderstanding about what management expects, helping the employee to redirect those efforts is far better than allowing the efforts to remain misdirected. It also may not be in the interest of the Government to remove a skilled employee who could have performed well with clearer direction, only to start over again with another employee who may also labor unsuccessfully under unclear direction.

Discuss potential negative consequences. Another item respondents viewed to be effective in addressing unacceptable performance (42 percent agreeing it was effective to at least some extent) is discussing with employees the possible negative consequences if performance does not improve. Results from the 2016 MPS suggest two reasons this might be so. The first reason is that a warning may correct an employee’s mistaken assumption that the organization overlooks or accepts poor performance. The second reason is that a warning may clarify or reinforce a previous message that was lacking clarity or force. Merely communicating the presence of a problem—such as saying “I’m not happy about your performance”—does not necessarily communicate the seriousness of that problem. A warning—which goes further, saying “I’m not happy about your performance, and here is what may happen if it continues”—makes the supervisor’s displeasure and determination clear. This, in turn, might motivate the employee to improve or to voluntarily depart the organization to avoid that consequence.

Unacceptable performance is challenging to address, but in many cases it can be done. Our data show that better communication with the employee may be a good place to start. For more on how to help employees to improve their performance, including the effectiveness of other approaches, see our research brief *Remedying Unacceptable Employee Performance in the Federal Civil Service*. ❖

OPM Reports on Agency Supervisory Training Programs

Data showed supervisors were not getting needed training. Did regulatory changes help?

SUPERVISORY TRAINING



MSPB's report *A Call to Action: Improving First-Level Supervision of Federal Employees* demonstrated that few new supervisors received training to assist employees improve performance. In response to a 2007 MSPB survey, only 64 percent of supervisory respondents reported receiving any supervisory training during their first year in that role, and of these employees, about half reported receiving only 1 week of training or less. Of those employees who said they had received new supervisory training, the percentages who received training related to performance management were:

Helping all employees improve their performance	20%
Preparing performance appraisals	25%
Conducting performance discussions	17%
Managing poor performers	21%

In an effort to rectify this situation, OPM promulgated regulations in December 2009 that required agencies to establish programs to provide training to supervisors regarding the following: (1) mentoring employees, (2) improving employee performance and productivity, (3) conducting employee performance appraisals, and (4) addressing unacceptable performance. Such training is to be provided within 1 year of an employee's initial appointment to a supervisory position and at least once every 3 years thereafter. (See 5 CFR § 412.202(b).)

In its 2015 report *Improved Supervision and Better Use of Probationary Periods Are Needed to Address Substandard Employee Performance*, the Government Accountability Office (GAO) noted that employees and agency leaders share a perception that more needs to be done to address poor performance because even a small number of poor performers can affect agencies' capacity to meet their missions. GAO recommended that OPM assess the adequacy of leadership training that agencies provide to supervisors to help them obtain the skills they need to effectively conduct their performance management responsibilities.

To fulfill GAO's recommendation, OPM surveyed agencies in 2016 about the state of their supervisory training programs and released the results in the May 2018 memo *Federal Supervisory Training Program Survey Results*. OPM found that 84 percent of the 26 agencies and bureaus participating in the survey included the four mandatory topics listed above in their new supervisory training program curriculum. Only 63 percent of the surveyed organizations, however, included the mandatory training topics in their experienced supervisory training programs.

Supervisory respondents to a 2016 MSPB survey echoed OPM's finding that over one-third of supervisors are not receiving continuing supervisory development as required by regulation. The following percentage of responding supervisors agreed that they receive adequate training in the following performance management areas:

Discussing performance expectations with subordinates	65%
Discussing performance deficiencies with subordinates	62%
Options for addressing poor performance in a subordinate	58%

(continued from previous page)

Although it appears that agencies are doing a better job training supervisors since our 2007 survey, much work remains to be done to capture the over one-third of supervisors who are not receiving the now-required training.

One finding of OPM's agency survey that does not seem to mesh with workforce or employee survey data regards the use of the supervisory probationary period. OPM reported that "agencies continue to leverage probationary periods ... as supervisory training accountability mechanisms." Approximately 80 percent of OPM agency survey participants indicated that they included completion of supervisory training as part of the supervisory probationary period. The reality, as described in MSPB's 2018 research brief *Improving Federal Leadership Through Better Probationary Practices*, is that less than one percent of new supervisors typically fail their probationary period in a given year. This is a far cry from agencies using the supervisory probationary period to keep supervisors accountable. In addition, just over half of supervisory and managerial respondents to a 2016 MSPB survey believed that their performance during the probationary period was used to decide whether they should continue in a supervisory role.

A canvass of agency supervisory training programs can only provide a very high-level indication of agency requirements. OPM and agencies should periodically survey supervisors to determine, for example, how many supervisors received new or continuing training, the topics covered, how effective the supervisors thought the training was, and the ways the supervisory probationary period actually is or isn't being used. ❖

A Brief Look at the Federal HR Workforce

MSPB is taking a fresh look at the HR workforce.

In 1993, MSPB released the study *Federal Personnel Offices: Time for Change?* to evaluate the state of the Federal HR workforce. We found that it was, in fact, time for change in the way Federal HR offices do business. One aspect of the change needed was changing the role of Federal HR from focusing solely on operations and policy enforcement to that of a strategic partner who can help agencies achieve their missions in a more effective and efficient way. Since that time, several attempts have been made carry out this transformation.

To determine how HR staffs are currently functioning in the Federal Government, and if they have transitioned to a more consultative role, MSPB is evaluating the current status of the Federal HR workforce. As part of our efforts, we surveyed agency managers and found that most believe that the HR function is essential to organizational success. That's great news!

However, our survey and follow-up focus groups demonstrate that the 1990s vision of HR becoming a more consultative partner with managers has yet to be realized. We identified a few key barriers that sound familiar, including the following.

The complexity of HR laws and regulations. Eighty-six percent of managers surveyed cited the complexity of HR policies and procedures as causing difficulties when solving HR issues. HR staff may no longer have to contend with a 10,000-page Federal Personnel Manual, but they do have to contend with a proliferation of new HR laws, rules, and regulations.

The loss of HR expertise. In the 1990s, the Federal Government lost an extensive amount of HR expertise in agencies and OPM. Federal HR staffing levels dropped by 21 percent between 1993 and 1997, with some agency HR workforces being cut by as much as 40 percent.¹

Lack of training for HR staff. When we spoke with HR staff in the field, they mentioned they do not have time for training as they are too busy with their day-to-day workload. Chief Human Capital Officers also said they have a lack of resources for training.

Is HR up to the task of helping agency managers make strategic decisions about how to recruit, select, develop, and manage the workforce? It appears that having a well-equipped HR function that is a true strategic partner is a goal that has yet to be realized. Keep an eye out for our upcoming research brief for more information. ❖

¹Analysis of OPM's Enterprise HR Integration/Statistical Data Mart.



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 2020

Volume 25 Issue 1

IN THIS ISSUE * IN THIS ISSUE * IN THIS ISSUE

Improving Hiring. *The U.S. Digital Service offers some advice. (Page 1)*

Director's Column. *Reskilling and redeployment are challenging in a rank-in-position environment. (Page 3)*



Office Space. *Suggestions on designing better workspaces. (Page 4)*

Communication. *It may be the key to improving unacceptable performance. (Page 5)*

Supervisory Training. *The regulations changed. Did agency practices? (Page 6)*

SUPERVISORY TRAINING



HR Workforce. *Is it still time for change? (Page 7)*