

# ISSUES OF MERIT

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## WHAT'S INSIDE

Director's Perspective  
Page 2

MPS 2005 Wrap-up  
Page 3

Visiting Our Colleagues  
up North  
Page 4

Do Generations Collide?  
Page 5

Tools of the Trade:  
College Recruiting  
Page 6

Managing Contracting  
Officer Representatives  
Page 6

DoD's New Staffing  
Flexibilities  
Page 7

## Understanding Job Satisfaction

*Three key factors may explain why some agencies rate better than others.*

Job satisfaction is fast becoming a key indicator in how agencies measure whether or not they are an “employer of choice.” The Office of Personnel Management’s (OPM) report, *What Do Federal Employees Say?*, indicates that 68 percent of respondents to the latest Human Capital Survey were satisfied with their jobs. This was a slightly lower percentage than found for private sector employees where, on average, 71 percent were satisfied.

When the Merit Systems Protection Board (MSPB) asked a similar question on each of its last four Merit Principles Surveys, overall job satisfaction varied only slightly—from a high of 72 percent in 1992 to a low of 67 percent in 2000. What was perhaps more noteworthy was the fact that there was considerably greater job satisfaction for employees in some agencies than in others. Given that the overall year-to-year variation in job satisfaction is small, why was there greater variation among individual agencies?

To answer this question, we analyzed the results from our Merit Principles Surveys to see if we could better understand what factors contribute to overall job satisfaction. We found three key dimensions to job satisfaction among our respondents. These are, in order of importance:

1. The match between the person and the job.
2. The extent to which employees believe they are respected for what they do.
3. The extent to which employees believe they are well managed.

By far, the most influential factor in job satisfaction appears to be the degree to which employees think their job makes good use of their skills and abilities. This was closely followed by the extent to which employees think the work they perform is meaningful. If employees believe their work and the work of their agency is important and makes good use of their skills, there is a very high likelihood they will be satisfied with their job—even if they are not as positive about other aspects of the job.

The next major component of satisfaction appears to be whether employees believe they are treated with respect. Higher job satisfaction is associated with working conditions where employees believe their opinions count and where they receive recognition for the work they perform.

The third component of job satisfaction is related to how well an organization is managed. This component

*continued, page 4*

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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.

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

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## DIRECTOR'S PERSPECTIVE

# Civil Service Reform: A "New Deal" for Supervisors

*With the changes taking place under civil service reform, supervisors will need to be ready for their new roles.*

Much has been written about how civil service reforms have changed the "employment deal" for line employees: new rules, increased performance expectations, and fewer guarantees. Yet reforms will change the work lives of Federal managers much sooner and to a much greater extent. Supervisory management has always been a difficult juggling act, but it will soon become a high-wire act. As we discuss below, reform makes many managerial tasks even more consequential for both supervisors and employees.

**Selecting Employees.** Over the years, MSPB has reiterated that hiring is a high-stakes decision that directly affects morale and organizational performance. The move toward "managing for results" and pay for performance raises the stakes for Federal managers. When managers' pay is based on organizational results, poor hiring decisions that hurt the organizational "bottom line" could reduce their take-home pay.

**Communicating.** Agencies that seek to use pay for performance to align employee efforts with organizational goals must ensure that employees understand those goals, understand how their work contributes to the agency's mission, and understand why certain actions, efforts, and accomplishments are rewarded (and why others are not). However, employees should not be



expected to intuit the desired actions and accomplishments from mission statements, employee handbooks, or award checks. Managers must communicate with their employees, and they must do so clearly, consistently, and frequently.

**Evaluating Performance.** One theme of civil service reform is increasing the importance of performance. Performance measures will play a greater role in pay and retention decisions. In a merit-based system, those measures cannot be cursory or without relevance. Instead, they must be fair, credible, and transparent. Achieving this high standard will require:

- Establishing performance standards and measures that are relevant, realistic, and reflective of organizational goals and values;
- Conscientious collection of performance data so that ratings are based on actual events and accomplishments, rather than mere impressions;

*continued, page 3*

# Supervisor's New Deal

(continued from page 2)

- Deliberation and documentation to ensure that performance standards are applied rigorously and consistently.

Although technology can do much to collect and disseminate performance information, much of this work will fall to managers.

**Managing Time.** Human resources (HR) reforms are often touted as making HR less paper-intensive and time-consuming. However, the reforms in the Department of Defense (DoD) and the Department of Homeland Security (DHS) have greater ambitions: they aim to improve how people are managed. It is unlikely that the time saved by simplifying HR transactions will equal the time needed to develop sound performance measures, coach and counsel employees, evaluate performance rigorously and fairly, and allocate training and salary dollars wisely.

In short, we believe that “strategic management of human capital” will require managers to spend more, rather than less, time on HR matters. If so, then managers will need to find or make that time, and agencies will need to ensure that managers’ days are not so filled with meetings,

task forces, reports, and technical work that they have no time left to talk with employees.

Unfortunately, data from OPM’s 2004 Federal Human Capital survey suggest that many Federal managers are not ready for their high-wire acts. Approximately one third of the respondents rated their supervisor’s performance as fair, poor, or very poor. While this result is not disastrous, it still warrants concern and review.

Accordingly, we urge Federal agencies to carefully examine how they develop, select, and manage supervisors. And, if that examination reveals practices that hurt supervisory performance—such as selecting supervisors for technical expertise rather than supervisory capability, inadequate training, or overburdening supervisors with technical work—then change is in order. Strategic management of human capital—and simple fairness to employees and to supervisors—demands no less.

*Steve Nelson*

Director, Policy and Evaluation

## OUR THANKS!

*To Those Who Made the Merit Principles Survey 2005 a Success!*

MSPB extends our thanks to the Federal employees who contributed to the success of this year’s Merit Principles Survey (MPS). The MPS 2005 was launched in late June through August to a random sample of Federal employees. Our special thanks to some very important people:

- Federal employees who took time from their work to tell us about their jobs, their work, and their experiences working for the Federal government.
- Supervisors who answered extra questions regarding their agencies’ workforce issues. The additional time they spent will help us better understand their perspective on these issues.
- Agency HR leaders and their professional staff, who helped us obtain email addresses, field-test

our survey, and overcome the obstacles that occur during survey administration.

- Our particular gratitude to the Chief Human Capital Officers who made sure their support for the MPS 2005 was known inside and outside of their agencies.

Your efforts are finished, but ours continue. We are reading and summarizing what you have told us about your lives as Federal employees. The next *Issues of Merit* will contain the first in a series of articles reporting results from the MPS 2005.

For further information on the survey, visit the MPS 2005 web site at [www.mspb.gov/studies/mpshome2005.htm](http://www.mspb.gov/studies/mpshome2005.htm). Here, you can also register online to receive the MPS 2005 survey results when they become available.

# We Are Not Alone in Civil Service Reform

*A visit with the Canadian civil service demonstrates that reform transcends borders.*

In June, Chairman McPhie led a MSPB delegation to visit our Canadian public service counterparts and discuss issues facing our civil service systems. The visit was the most recent in a productive collaboration dating back to the early 1990's. Interestingly, the two systems share similar goals but often differ in implementation.

Canada's public service modernization efforts reflect similar trends seen in the U.S. For instance, there is a clear shift from focusing on process to focusing on results. Similarly, there is an emphasis on core values, such as representativeness, process transparency, citizen-orientation, and fairness. To help obtain a better fit of people to jobs, "merit" was redefined to include not only key job qualifications but also other considerations such as desirable qualifications, operational requirements, and organizational needs.

The Public Service Commission of Canada is designing an HR framework to guide modernization. It is delegating many staffing duties to the departments and therefore is also strengthening its oversight role through increased monitoring, audits, and accountability requirements. On the appeals side, there are some notable differences in the Canadian system. The Public Service Labour Relations Board hears most labor disputes, appeals of terminations or demotions, and certain human rights grievances. Parties may opt to waive certain rights or procedures and request expedited



*MSPB delegation with officials from the Canadian Public Service Commission (PSC), June 2005. From left: Paul van Rijn, OPE; Steve Nelson, Director, OPE; Maria Barrados, President, PSC; Neil McPhie, Chair, MSPB; Cheryl Geeson, PSC; Réal St-Amand, PSC.*

adjudication. Informal conflict resolution is mandated in all departments, and mediation is a default in the adjudication process. The mediation program settled 84 percent of the cases in fiscal year 2004, reflecting a "win-win" situation for both parties to the case. Canadian managers have considerable flexibility in selecting candidates for promotion. Unlike in the U.S., however, unsuccessful candidates can appeal their nonselection to an independent staffing tribunal.

These glimpses demonstrate the often parallel culture changes being implemented in our merit system and that of our Canadian neighbors. We look forward to continued cooperation as our respective civil service systems become higher-performing organizations. ❖

## Job Satisfaction

*(continued from page 1)*

does not seem to work in isolation from job fit and respect. In other words, a well-managed organization does not translate into high job satisfaction scores in the absence of a good match between employees and the job, or under conditions where employees do not feel respected for what they do.

However, poor management can undermine job satisfaction among employees who would otherwise be content with the conditions of their employment. Put another way, while good managers by themselves do not ensure that employees will be satisfied with their jobs, poor managers can easily drive away employees who are otherwise happy with the work they do.

All of this leads back to our original question—why is there noticeable variation in employee job satisfaction scores among different agencies? Our data indicate that each of the three factors discussed above play a role. Differences in agency missions, for instance, might explain differences in overall satisfaction. Agencies that have a clear and compelling mission can probably attract applicants who believe in that mission. Those individuals then have a good chance of making job decisions that allow them to follow their interests and make good use of their talents. But keep in mind, the prospects for high job satisfaction can be easily undermined by working conditions that convey either a lack of respect for the employee or poor management. ❖



# Generations Apart: Or Are We?

*Differences in generational expectations are not so distinct as some may think.*

The issue of generational differences is getting more and more attention these days from the popular press. Researchers claim that there are significant differences between younger and older employees in what motivates them, the level of commitment they invest in organizations, and the expectations they have for their employers. Many researchers have proposed that differences between these groups require that supervisors use separate management strategies for each. Given that supervisors already have quite a bit on their plates, we decided to test this theory to see how it plays out in the Federal workforce.

Using Merit Principles Survey 2000 data, we compared responses across generations to see if any significant differences were present. We simplified the analysis by grouping Yers with Xers (together, born after 1960) and Traditionalists with Boomers (born 1960 and before) because the population of each of the former groups was too small to draw significant conclusions. Here, we compare our survey findings against some of the widely held beliefs about the differences between these generations.

**Belief:** *Money motivates younger generations while civic duty motivates older generations.*

**Finding:** When asked to identify the three factors that motivate them most to do a good job, both groups cited the same top two factors: 1) the desire to make a contribution, and 2) personal pride or satisfaction in their work. Increased chances of promotion (which may, for some, translate into money) came in third for the younger group and civic duty was the third most important factor for older employees.

**Belief:** *Younger generations, as opposed to older generations, will not stay with the Federal Government for their entire career.*

**Finding:** We found it is true that younger Federal employees expect to leave Government before they are eligible to retire—almost three times as many Generation X and Y employees as Boomers and Traditionalists. However, only about one-third of the

X/Yers say this is likely, which is a smaller number than many researchers would have expected.

**Belief:** *Younger generations want different things in terms of their job and benefits.*

**Finding:** Our survey results indicate that younger and older generations have much more in common in terms of why they stay or leave the Government. The two groups identified the same top three reasons they would retire from or quit their job—a desire to make better use of their skills, increase advancement opportunities, and earn more money.

The two groups also agreed that Federal benefit programs are the most important reason for staying in their jobs. Job security and pay were the next most important to Generation X and Y. Pay and current job duties were the next most important to Traditionalists and Boomers.

On the other hand, workplace and family-friendly flexibilities appear more important to Generations X and Y than they are to Traditionalists and Boomers. In particular, Generation X and Y rated child care referral and onsite child care, telecommuting, part-time work, and elder care referrals as more important

than the other age group did.

These findings indicate that different generations of civil servants are similarly interested in serving the public and making a difference. At the same time, they also want a work environment that provides advancement opportunities, good benefits, and job security. Although there are some variations between the groups, these might be better explained by circumstance rather than fundamental differences. A younger employee with a new baby would likely value child care benefits more than an employee with school-aged children. Or an employee with 25 years left in her career is more likely to anticipate leaving an employer than an employee who already has 25 years of service.

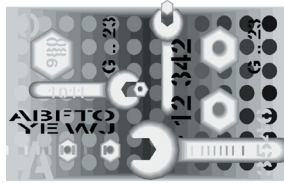
These findings lead us to caution agencies about getting caught up in the management flavor of the month. Good management practices for one generation might also mean good management practices for another. ❖

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*Different generations of civil servants are similarly interested in serving the public and making a difference. They also expect a secure environment with advancement opportunities and good benefits.*

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# TOOLS OF THE TRADE



## ***College Recruitment Starts Now***

It's fall, which means college students are heading back to school. But they have more on their minds than just classes and parties. They are also thinking about the future. They know the job market is tough and that they have to think early about how to land that dream job. Federal agencies should also realize that the competition for the "best and the brightest" is tough and that they have to get a jump on the competition early. So the college recruitment season starts now. To help agencies get in the right mind set for college recruitment, we offer the following recruitment tips.

First, plan for hiring. Talk to managers. Look at workforce data. Identify the agency's hiring needs and plan for how to meet those needs. Keep in mind that college recruiting can be a great recruitment source, but it is not the only source. A well-balanced workforce will be comprised of employees from different backgrounds, depending on the skills and experience needed.

Second, after determining the agency's campus recruitment needs, identify a set of schools with academic programs that develop the skills most needed by the agency. Keep in mind location—it is not always easy to convince students to move to the agency's location. Also keep in mind the diversity of the student body, including race, gender, disability, and veteran status.

Then, contact the schools' career placement offices to talk about how best to establish the agency's presence on campus. Generally, this will involve more than attending a few recruitment fairs. Agencies might look at getting involved on campus and doing some market research to identify how to appeal to the targeted applicant pool.

Don't forget to partner and leverage existing resources. Not all agencies can afford large-scale recruiting programs. But resourceful agencies can be just as successful. Take advantage of alumni associations, consortiums, and other collective programs such as the Partnership for Public Service's *Call to Serve*.

Finally, continue to build relationships with the targeted schools even after the agency has met its hiring goals. This will help retain campus name recognition and sustain a rich recruitment source for future hiring efforts. For more information on Federal recruitment strategies, see MSPB's report *Managing Federal Recruitment* at <http://www.mspb.gov/studies/mspbstudiespage.html>. ❖

## **Managing Contracting Officer Representatives for Results**

Contracting officer representatives (CORs) are becoming more and more important to the overall efficiency and effectiveness of Government. CORs are the people who provide day-to-day technical oversight of contracts, make judgments about the acceptability of contract deliverables, and are often the first to report contract problems. In a survey of the COR workforce, we found that CORs face many problems and challenges in carrying out their contracting work. Using the survey data, we explored the factors that influence the degree to which problems occur and how agencies can manage CORs to mitigate these problems and improve overall contract outcomes.

In general, almost half of the CORs reported experiencing problems with contracts. Interestingly, the length of the contract did not appear to affect whether or not there were problems with it. Approximately the same percentage of CORs who worked on contracts

of short duration reported having problems as did those who worked on longer-term contracts.

In addition, the pricing structure of the contract also did not affect whether or not problems occurred on the contract. CORs who worked on simpler fixed-price contracts—such as those for commercial off-the-shelf items—had just as many problems as those who worked on contracts with more complex pricing arrangements—such as those used for complex services or construction. Ultimately then, our data indicate that changing the length of a contract or simplifying the pricing structure does not lead to contracts that are necessarily easier to manage—at least as measured by the number of problems CORs reported.

However, the actual cost of the contract does appear to be related to reports of problems associated with the contract. Fifty percent or more of the CORs who worked on costly contracts reported

*continued, page 7*

# New Staffing Flexibilities for DoD

We have heard a lot about DoD's new National Security Personnel System (NSPS), but most news stories relate to pay, labor relations, and employee appeals. However, DoD has also been authorized to virtually redefine its hiring process to better meet its mission needs. The agency must still adhere to the merit system principles, such as recruiting from all segments of society, selecting based on merit after fair and open competition, and following equal employment and veterans' preference law. At the same time, DoD could be setting a precedent for future Governmentwide reform. So, here we take a look at some staffing flexibilities allowed in NSPS.

**Career-conditional appointment is no more.** New employees in DoD will be given either career or time-limited appointments in the competitive or excepted service. As the terms imply, career appointments are appointments without time limit, while time-limited are of limited duration that is specified or unspecified. Time-limited appointments may be converted to career without further competition under certain conditions.

**DoD has direct hire authority.** DoD, not OPM, determines whether there is a severe shortage of candidates or a critical hiring need and is responsible for prescribing implementing regulations.

**DoD has the authority to conduct competitive examining under its own procedures.** To meet the

intent of the merit principles, DoD will notify the public of vacancies to be filled in the competitive service and will accept applications from all sources. However, DoD may consider applicants from the local commuting area and other targeted sources first. If there are insufficient qualified applicants, DoD may concurrently consider applicants from outside the minimum area of consideration in order to provide sufficient qualified candidates to selecting officials.

**DoD will establish the duration of probationary periods.** New career employees or current Federal career employees moving into positions requiring markedly different skills will serve a probationary period whether they are in the competitive or excepted service. New probationary employees who are found to be unsuited for their positions will be separated and will have limited appeals rights. Current Federal career employees who fail to complete their in-service probationary period will be returned to comparable positions and rate of pay they held before the probationary period.

**Additional appointing authorities may be established.** DoD and OPM may establish new hiring authorities tailored to DoD's needs. These new authorities may include noncompetitive and excepted appointments that lead to permanent appointment in the competitive service. ❖

## CORs

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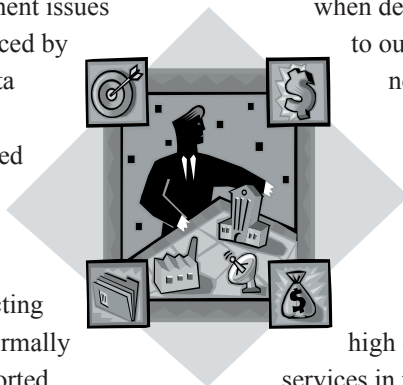
having problems, versus 40 percent or fewer of those who worked on less expensive contracts.

We also found that several management issues influenced the rate of problems experienced by CORs in their contracting work. Our data indicate that CORs who work on fewer contracts simultaneously, become involved in contracts earlier, perform certain contracting tasks more frequently, and have enough time to carry out their contracting work, reported fewer contracting problems. In addition, CORs who are formally delegated their contracting authority reported significantly fewer contract problems than those who had not been formally delegated their authority.

While having fewer problems may help CORs to be more effective, the real issue is the degree to which

having problems relates to whether or not the contract deliverables are timely, of high quality, complete when delivered, and cost effective. According to our data, CORs who reported having no problems with contracts were more likely to indicate that the contract deliverables were timely, of high quality, complete when delivered, or cost effective than those who reported having problems.

The goal in contracting is to obtain high quality and complete products and services in the time and at the cost required by the Government. The data indicate that when agencies improve their management of CORs, the likely result is to be fewer contract problems, and perhaps better contract outcomes. ❖





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

**Job Satisfaction.** *Why is it that some agencies have higher job satisfaction than others? We explore what factors contribute to overall job satisfaction. (Page 1)*

**Director's Perspective.** *With reforms taking place in the civil service, supervisors will face new responsibilities and challenges. We discuss some issues to consider as we prepare supervisors for these changes. (Page 2)*

**Canada's Public Service.** *Civil service reform is not just occurring in the United States. We visited with our northern neighbors to find out how they are dealing with reform. (Page 4)*

**Generations Apart.** *Much has been made about the generational differences in today's labor force and how to manage them. We take a look at Federal employee attitudes to see just how far apart we are. (Page 5)*



**Tools of the Trade: College Recruiting.** *To get ahead of the competition, now is the time to start the college recruiting season. We provide tips on how to make your presence known on campus. (Page 7)*



**Contracting Officer Representatives: Managing for Results.** *We need to effectively manage CORs if they are to effectively manage contracts. Take a look at how. (Page 7)*

**DoD's Staffing Flexibilities Could be Precedent Setting.** *Through the National Security Personnel System, DoD received staffing authorities that could help the agency redefine its hiring process. We explore those flexibilities. (Page 7)*