

Civil Service Journal



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In this Issue:

1961 TOP TEAM MUST "HIT THE GROUND RUNNING"

TRENDS IN EMPLOYEE COURT CASES

PUSH-BUTTON PERSONNEL MANAGEMENT?

NEW APPROACH TO EXECUTIVE DEVELOPMENT

PERSONNEL PACESETTER—1960

DEPARTMENTS: LEGAL DECISIONS, A LOOK AT LEGISLATION, EMPLOYMENT
FOCUS, SHELF-HELP, TRAINING DIGEST, INSPECTION REVIEW, THE AWARDS
STORY, RECRUITERS ROUNDUP, AND QUOTABLE

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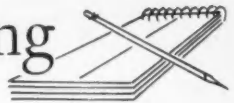
CONTENTS

<i>Features</i>	<i>Page</i>
1961 Top Team Must "Hit the Ground Running"	2
<i>by Roger W. Jones</i>	
Personnel Pacesetter—1960	7
Trends in Employee Court Cases	10
<i>by Lawrence V. Meloy</i>	
New Approach to Executive Development	12
<i>by J. Kenneth Mulligan and Ross Pollock</i>	
Push-Button Personnel Management?	14
 <i>Departments</i>	
Legal Decisions	6
Quotable:	19
A Look at Legislation	20
Training Digest	23
The Awards Story	24
Recruiters Roundup	25
Employment Focus	26
Inspection Review	27
Shelf-Help	28

U.S. Civil Service Commission

ROGER W. JONES *Chairman*
BARBARA BATES GUNDERSON
Commissioner
FREDERICK J. LAWTON
Commissioner
WARREN B. IRONS
Executive Director

Worth Noting



HEALTH BENEFITS: Early spot checks at press time indicated that the overwhelming majority of employees electing to participate in the new Federal Employees Health Benefits program were selecting the "high" options of the various plans available to them. . . . The Civil Service Commission will delay issuance of instructional material on the new program in the Federal Personnel Manual until the interim instructions agencies have been given are tested operationally and checked for "bugs."

ISSUANCE SYSTEMS: Civil Service Commission will begin issuing a new series of Federal Personnel Manual Letters and Bulletins—largely replacing Departmental Circulars—on August 1, putting into effect part of the program for an improved issuance system outlined in D.C. No. 1029. FPM Letters will take the place of D.C.'s containing continuing instructions, while FPM Bulletins will be used to transmit ephemeral information. . . . A Directives Management Council, through which personnel concerned with directives in the Federal Government may exchange ideas and information on their experience in administration of manuals and other instruction systems, has been organized within the Interagency Records Administration Conference. C. E. Wylie of the Department of Agriculture has been elected chairman of the Council.

ANNIVERSARIES: Veterans Administration celebrates its 30th anniversary on July 21 with a number of dinners and luncheons at VA establishments throughout the country. "Employee Recognition" will be the theme of the events as employees who have made special contributions to VA missions and programs are honored. CSC Commissioner Barbara Bates Gunderson will be toastmaster at the dinner in Washington, D.C. . . . 1960 marks the 40th anniversary of the Civil Service Retirement Act which today covers about 2,100,000 Federal employees. Approximately 475,000 retirees and survivor annuitants now receive benefits totaling more than \$700 million annually. . . . The President, at the request of the Congress, has proclaimed September 13, 1960, as "General of the Armies John J. Pershing Centennial Day" and has called on the Secretary of Defense to be responsible for coordination between civic and patriotic organizations and Federal agencies in ceremonies commemorating the birth of General Pershing.

DEADLINES: August 15 is the deadline for agencies to submit the second reports on the status of their executive selection and development programs to the Civil Service Commission under the Presidential directive of February 5, 1960. . . . The same date is the deadline for agency nominations of employees to participate in the first interagency middle-management orientation and intern programs in automatic data processing, scheduled in September.

(Continued—See Inside Back Cover.)

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The *Civil Service Journal*

The *Civil Service Journal* is to be published quarterly, beginning with this issue. Its objective is better communication with our working publics.

While primary distribution will be to the Government's key management and personnel people, we hope by variety of content and informal presentation to make each issue useful also to many other groups.

We will welcome reader comment as a guide to content of future issues.

Roger W. Jones

ROGER W. JONES
Chairman

Barbara Bates Gunderson

BARBARA BATES GUNDERSON
Commissioner

Frederick J. Lawton

FREDERICK J. LAWTON
Commissioner

Career Service Can Set Scene

1961 TOP TEAM MUST "HIT THE GROUND RUNNING"

by ROGER W. JONES, *Chairman*, U.S. Civil Service Commission



Next January 20th, a new President of the United States will take office. Regardless of whether he is a Republican or a Democrat, new men and women in the Cabinet offices and the other key executive positions of the Government departments and agencies will assume responsibility for administering the Federal programs which have been authorized by thousands of separate laws. These will be new players stepping into roles they have not played before—roles of tremendous and almost frightening importance to the welfare of 180 million Americans. The question the career civil service must answer without delay is this: In this vital and on-going drama of Government, do we shift the scenes between acts like true professionals, or like rank amateurs, after the curtain is up and the new actors are on stage?

An important factor in a smooth transition from one national administration to another is advance preparation by the career staff. This fact has been clearly demonstrated by the experience of past changes in administration. Regrettably, until 1952, there had been very little central transition planning, although some steps in the direction of such planning were undertaken in 1948.

Federal career officials, and personnel officers in particular, must recognize and accept a dual responsibility: first, to prepare the agencies and the personnel of the agencies to respond to the programs and policies of the new administration, and second, to prepare to assist the new political officials to come to full effectiveness in their new roles as quickly as possible. The time to start both kinds of preparation is now.

During a transition in administration, career civil servants represent the on-going force of the Government. Nothing comes to a full halt, and neither program nor staff operations can be shut down, even if such action seems desirable. This state of affairs has come

about gradually as a result of changes in the structure of our society. Through most of the 19th century we were largely an agricultural nation, with a Federal Government whose primary functions were maintaining law and order on the frontier and conducting foreign relations in a world where our geography furnished great protection. Little of moment was apt to happen between election day and inauguration day 4 months later. Today we are a highly industrialized society. Economic, technological, and political developments have caused significant changes in the role of government, and heightened a thousand-fold the interdependence of men and their government. Now events often outrun plans made yesterday, and much can and does happen between the first week in November and the third week in January.

Despite our knowledge of these realities, our society and the public service have changed so gradually that perhaps not all career officials fully appreciate how quickly and how often they must exercise power. Therefore, they often are not fully aware of the obligations such power entails. The power of the public service comes largely from two sources. The first stems from widespread commitments to continuing Federal action in the day-to-day lives of the American people. The career civil service is the source of the technical competence needed to carry on these day-to-day functions of the Government. A world remade by technology demands technically competent public servants, and in America the demand has been met.

The Federal Government is so enmeshed in defense, international relations, and services to its citizens that the virtual suspension of operations which occurred in changes of administration in the mid-19th century would be intolerable today. Social security and veterans' pension checks must continue to go out, taxes must be collected, meat must be inspected, defense contracts must



be let, research in medical problems must go on, mortgages must be insured, and mail must be delivered, even though a new President, new heads of agencies, and a new Congress have just been sworn in.

The second source of the power of the public service is the administrative and program know-how of the experienced career administrator. He has been dealing throughout his career in the public service with those aspects of Government which make it different from nonpublic employment. Every day he accommodates his behavior to certain basic principles—equal treatment for all citizens, the right of the public to know, our tripartite scheme of government with its checks and balances, action based on law and regulations, a free press, integration of the points of view of diverse groups, recognition of the merit system, and others.

These concepts in their aggregate impact condition Government operations to a degree that can be as jolting to the political newcomer as it is taken for granted by the long-term career official. They are not self-enforcing, and the procedures and traditions called "red tape" to a large extent were set up, at least initially, to make these ideals real. This is not said to sanctify present procedures or to imply that political officials should not question precedent. Indeed, I think one of the healthiest and most valuable attitudes a political executive can bring to his job is skepticism about precedents and the courage to make changes. All I am saying is that there are some special ground rules in public administration that are soundly based on our fundamental values.

The political executive needs to understand these values, and the relationship to them of the laws, rules, procedures, or traditions he proposes to change, before he acts. He needs to know the views and attitudes of the members of the committees in Congress that are particularly concerned with his agency, and he needs to know that his relationship to them will be different

from his relationship to a corporation board of directors. He needs to know that the public will not tolerate some activities that may be completely proper in nonpublic enterprise. The career executive can be of tremendous assistance to the political executive by giving him the feel for these values.

Before the new political executive has time to get acquainted with the operations of his agency or the climate in which it operates, members of the interested committees of Congress will want to meet him and know his views on a multitude of subjects, and will ask him for reports on bills affecting the operations of his agency. An appropriations committee will hold hearings on a budget prepared before he took office. The press will want interviews. It will be largely up to the career staff to see to it that new political executives get the preparation they need to meet their first encounters successfully. It will be bad enough to have these needs fulfilled under pressure of time and unfamiliarity. To have them also subject to the strains of ignorance which can be avoided, and suspicion which is unwarranted, can result in tragic failure in a thousand small ways. Smooth transition will prevent such tragedy, and the secret of smooth transition is the use of commonsense and good will.

OURS IS A RESPONSIBILITY . . .

Career officials must be concerned during the coming months with doing everything they can to make the transition smooth and fast. The tempo, complexity, and perils of our time make it imperative that the Government change hands with practically no lost motion. More specifically, the fact that we serve a representative form of government requires us to respond effectively and willingly to the policies of the new administration. Just as we must take for granted integrity of person and purpose in the new administration, so must all of us in the career service use our technical competence and administrative know-how to demonstrate that the incoming political executives and the general public can take for granted the ability and the essentially nonpartisan character of career people in the civil service. Ours is a responsibility to use our power in such a way as to counteract the fears of some that political leaders may become the "captives of the entrenched bureaucracy." Actually, the majority of important Government functions are fully institutional, and familiarity with what exists is not an impediment to change but rather a prelude, and, if anything, a stimulant to it.

During the transition of 1952-53, I participated actively in the first concerted efforts to bridge the gap between administrations of different parties. The party of the outgoing administration had been in power for 20 years—a period that saw profound social change and unprecedented growth in the size and responsibilities of Government. The career service had been extended upward, so far in some agencies that the need to keep policy-

making jobs outside its sphere had been lost sight of. There were fears of major changes in the top career staff. It is to the great credit of President Eisenhower and numbers of his close advisers, and to the competence and responsiveness of the career staff, that sound precedents were established and a relatively untroubled transition took place. Even so, there was a period of a few months during which many new political officials regarded their inherited career staffs with a wariness that bordered on distrust. In some agencies distrust was met and countered with equal distrust. There were "incidents" deserved and undeserved, and withal "insecurity" was assumed for some months to be virtually an occupational disease in the career civil service.

With circumstances generally much more favorable and with added attention to planning and preparation in the coming months, we can help to bring about during the next change in administration a smoother transition which will be of service to our country. Properly planned, it will be of great value to the new political executives and will add to the stature and prestige of the career civil service.

POLICIES AND PARTY PLATFORMS

The career service must not allow itself to arrive at the transition without making a real effort to gain an understanding of the commitments and thought processes of the new executive leadership. The party platform takes on a new dimension after the election: the interpretation, and the emphasis given certain parts, by the President-elect must receive full consideration in charting the probable future course of the new administration. It would be highly desirable if the study of party platforms and the views of candidates and other leaders of both parties could be carried on by a small staff in each agency, with the results made available to all agency officials. (A very useful device, in 1952 and again in 1956, was the preparation by some Government offices of compendia in which such information was collected and indexed by subject matter and program area.) Then as soon as the new head of his agency is designated, the career executive should acquaint himself with that individual's background and views, particularly as they relate to his agency's programs, in order to be best prepared to assist in carrying out new policies.

Such a study of party platforms, policies, and views of new agency heads is not improper in any respect; it is a responsibility that a career executive has in our form of government. As a civil servant, he must never forget that however well-qualified an expert he may be in his job, and however well-motivated, he is not elected to it by any vote. Neither is he the direct delegate of the President in most instances. His chain of command leads clearly to the President, but the higher links in the chain are there. Career executives who believe that

representative democracy is the right form of government for this country cannot, in good conscience, do anything other than help political executives carry out party policy as enunciated by the President and his principal officers.

(Incidentally, the chief outgoing *political* executive in each agency can also perform a valuable service by passing on to his successor the most valuable knowledge he has gained through hard experience. A statement by an experienced political executive on "Things I Wish Someone Had Told Me" might be very helpful to his successor.)

After the new administration takes office and its policies become clear, each career executive should examine his emotional and intellectual commitments to the programs in which he is involved. If he finds that he cannot in all honesty give his support to the new administration and cannot help carry out faithfully its policies respecting his programs, he should have the courage to seek other employment—perhaps in another Government program which can use his stature and status and in which old commitments on policy and program will not work against his success. We hope that the Civil Service Commission can give more constructive assistance on such transfers than has been possible in the past. This is not to suggest that career executives should be spineless creatures who do not have strong commitments or allegiances. It means that they must be able to place their commitments to representative government ahead of program loyalties.

FOUR ASPECTS OF AGENCY ORIENTATION

It seems to me that there are four factors that will be of great importance to the new political executive. Career officials, before the new administration comes in, should be planning how they will go about acquainting the new political executive with his resources and limitations in these areas:

1. Personnel
2. Budget
3. Laws, rules, and precedents
4. Legislative, organizational, and public relationships.

Personnel

The men and women of the career service, from administrative assistant secretaries and bureau chiefs to the newest stenographer, are the most important resources the new political executive will have. The personnel officer will have the primary responsibility for informing him concerning the career service. He must explain the organization to the new executive, and he must help the staff to become acquainted with the new political executive and his plans and views. One method that might be helpful in carrying out this responsibility is to provide an inventory of personnel showing their location, numbers, special abilities, and occupations. Factual

statements on the background of career management of officials should be furnished.

The personnel officer should assist the new executive in forming his management group, explaining to him what he can accomplish through the use of schedules A, B, and C, and consultant, temporary, and other excepted appointments. This is not to say that the personnel officer should be concerned in political clearances; he should not be, but he should help the political executive recruit capable people if he needs help.

He should also begin immediately the "education" of the political executive with respect to the merit system itself. He should explain briefly but clearly the principles, the restrictions, and above all the *virtues*, of the competitive civil service. He should not apologize for the merit system, but should explain how it protects the political officer as well as the career employee.

Budget

The new political executive will have to operate for over 5 months with appropriations enacted in the previous administration on the basis of previous programs and commitments. In addition, he will either have to defend a budget for the next fiscal year which was prepared before he took office, or he will have to propose an alternative budget very quickly. Participating actively in the budget process is one of the quickest ways a new political executive can learn about his agency. Career officials should encourage him to take a deep interest in the budget, and should keep in mind in presenting their budgets that this can be one of the most meaningful experiences for the new executive.

Laws, Rules, and Precedents

In the Federal Government, laws, rules, regulations, precedents, traditions, and key court decisions underlie and largely control (along with money) the major outlines of Federal programs. While familiarity makes an orderly framework out of this for the career executive, it will be largely an unknown and forbidding jungle to the new administrator. Early understanding of the outlines can be of enormous help in smoothing the path of new administration.

Operating within this framework is so customary for career officials that we often are not aware of why we do not do certain things, or why we do other things in a particular fashion. One of the reasons for misunderstanding between career officials and their political superiors is sometimes the career man's lack of ability to express clearly and understandably the concepts, attitudes, and values underlying our operations. Would it not be worthwhile, in preparation for a change, to try to articulate the basic principles and goals of our programs? If there is ambiguity, as there is in most programs, can we state clearly the conflicting values leading to the ambiguity? Can we state in understandable terms

the factors that have shaped our programs, such as court decisions, attorney general's opinions, congressional views, group views, and the impact of other agencies?

I want to re-emphasize that this is not to imply that the political executive is to be discouraged from seeking or initiating changes in laws, rules, and precedents; but career officials must give him a familiarity with what exists, and the reasons for it, before the political executive decides what changes he would like to make. Otherwise he may make serious mistakes in charting his early course. The career staff have a deep and continuing obligation to preserve as much freedom of choice among alternatives for their superiors as their expertise can develop. In Government, we all have an obligation to see to it that the boss does not fail because of any shortcoming on our part.

Legislative, Organizational, and Public Relationships

The personnel officer, and all other career officials, must develop and maintain a sensitivity to changes in emphasis in the programs of the new administration. Because the career official knows the history and background of the agency, has the files, and "knows where the bodies are buried," he is in the best position to help the new political executives avoid the pitfalls in the unfamiliar (to them) terrain, such as legislative issues that are certain to arise, the historical attitudes of the Congress, and its committees, and the senior members of those committees. New political officers often are badly trapped by their assumption that party lines are always sharply drawn in committees. They often do not know what the program commitments of the committees are. Career staff officials do know. The political officer must also know, or be taught, the attitudes and activities of various groups which are interested in his agency—the national and sectional interests and special-interest groups—and how these are reflected in the Congress.

The new executive will need to know early of the functions of the staff agencies such as the General Accounting Office, the Bureau of the Budget, the Department of Justice, the Civil Service Commission, and the General Services Administration. Folklore to the contrary notwithstanding, theirs is a positive and constructive role, not the reverse. Officials of these agencies should be called upon for help in explaining their roles to the new officials. The Civil Service Commission, anticipating this need, has already prepared some general material designed to introduce new administrators to the Federal personnel system.

The new political executive must understand the expectations of the public as to conduct. Practices which are completely acceptable in nonpublic employment may be unacceptable in public officials. Many a promising and capable political executive has learned this too late.

(Continued—See TOP TEAM, page 22.)

LEGAL DECISIONS

COURT DECISIONS

Hart v. United States, Ct. of Claims, January 20, 1960. Placing a competitive-service employee on involuntary annual leave prior to serving the employee with a letter of charges looking toward her removal is a suspension within the meaning of the Lloyd-LaFollette Act.

Preble v. Johnson, Ct. of Appeals, 10th Circuit, January 15, 1960. Statements made to a civil service investigator by plaintiff's fellow officers and employees (defendants) do not make the defendants liable in a suit for defamation. Each defendant has a "clear duty" to make his report or statement.

Alexander v. United States, Ct. of Claims, April 6, 1960. This case is illustrative of a situation in which reduction-in-force procedures were properly used rather than the procedures of section 14 of the Veterans' Preference Act. The Brooklyn Navy Yard used the reduction-in-force procedures to abolish 90 Toolroom Mechanic positions. The incumbents were given Toolroom Attendant positions. The Court held that the fact that plaintiffs were offered other jobs, rather than separated from the service, did not change the character of their proposed separation in the reduction of the number of Toolroom Mechanics.

Rich v. Mitchell, Ct. of Appeals, D.C., November 27, 1959. The Director of Personnel of a Federal agency did not act illegally or improperly in telling an employee he could choose between facing charges and resigning, nor was there anything improper in refusing to allow the employee to withdraw his resignation after it was submitted.

Zabner v. Benson, District Court, D.C., October 26, 1959. Plaintiff was separated in an alleged reduction in force. The reason given reads in part as follows:

"In the Farmers Home Administration the emphasis is entirely on aid to borrowers, and the safety of the money loaned is secondary. While you are fully familiar with the basic principles governing loans as investments, you lack specialized knowledge of the use of loans as one method which must be coordinated with other methods for the rehabilitation of borrowers."

The court held that this constituted an unlawful standard and ordered the plaintiff's reinstatement.

Dew v. Quesada, District Court, D.C., September 29, 1959. Plaintiff was given 5 days in which to answer a notice of proposed adverse action. He submitted his answer but requested additional time in which to file supporting affidavits, particularly a psychiatric evaluation. The agency refused. The court held that, under the circumstances, this was a violation of a veteran's right under section 14 of the Veterans' Preference Act to have a reasonable time for answering.

Vitarelli v. The United States, Ct. of Claims, June 8, 1960. The Court, considering territorial post differential as a recruitment incentive, held that back pay for a period of unlawful removal includes the differential even though the employee was not in the differential area during the period.

Chisholm v. The United States, Ct. of Claims, February 3, 1960. Rehearing denied on June 8, 1960, when the Court of Claims issued an order denying the Government's motion for a new trial. The Court held in *Chisholm* that a veteran who has been discharged on the basis of an unsatisfactory efficiency rating has the right to appeal to the Commission and have a review of his discharge on the merits under section 14 of the Veterans' preference Act. [The Commission's practice of refusing to consider the correctness of a performance rating which was appealed to a statutory board of review under the Performance Rating Act of 1950, was based on an opinion of the Attorney General, 40 Op. Atty. Gen. 476, September 5, 1946.]

DECISIONS OF THE COMPTROLLER GENERAL

B-141501 of March 14, 1960. The Civil Service Commission's authority to direct the retroactive restoration of a veteran who successfully appeals a demotion under section 14 of the Veterans' Preference Act and of a veteran or nonveteran who successfully appeals a demotion in a reduction in force has heretofore been recognized by the courts and by the Comptroller General. Now, in the decision cited above, the Comptroller General says that agencies may likewise retroactively restore in like situations when the appeal is handled through the agency grievance procedures, if the Commission so provides by a regulation of general applicability. The retroactive restoration would be a basis for back pay. A regulation that would implement this decision is under consideration in the Commission.

Personnel Pacesetter—1960

NATION'S LARGEST HEALTH BENEFITS PROGRAM—
NOW A REALITY IN THE FEDERAL CIVIL SERVICE

Hands-down pacesetter for Federal personnel programs this year—and one of the biggest administrative chores passed out to any agency by Congress—is health insurance.

On July 1, only 9 months after passage of the Federal Employees Health Benefits Act, a full-fledged program of health insurance for the Government's farflung work force went into effect—and enrolled employees and their families are participants in a unique employer-sponsored health insurance program. Behind this simple fact lies a real record of administrative purpose and achievement.

WHAT'S SO DIFFERENT ABOUT IT?

This Federal program is undeniably different: different from the health insurance programs of private industry because of its size, complexity, and the range of choice it offers employees; different from other personnel programs of the Federal Government because of the discretion it leaves to the Civil Service Commission, the time pressures it has generated, and the intense interest and concern of a variety of groups outside Government.

Up to now a plan for employees of General Motors has been the biggest; it covers about 521,000 employees and their families. Among the other large plans are those of the nonoperating railroad employees (500,000), General Electric (250,000), and the steelworkers (223,000). In contrast, the Federal program is available to more than 2 million employees. As this is written, 90 percent of them are expected to join, and estimates of total coverage, including families of employees who enroll, range upward of 4 million.

Never before has any employer worked with so many different plans. Congress wanted Federal employees to have a choice, and they got it in full measure.

Thirty-eight different plans, most of them with two different options or levels of benefits, are offered under the Federal program. (Other employers generally choose a plan and say, in effect, to their employees, "this is it.") Of course, not *all* of these plans are available to any one Federal employee. Every employee can

choose among the two Government-wide plans, plus any other plans available to him because of membership in an employee organization or because of residence in a certain locality.

A Commission official, checking out the possibilities, found that the widest choice will probably be available to a postal clerk who lives in Seattle and is a member of the various postal employee organizations. He will be able to select from among as many as 11 different plans, most of them with two options.

Adding to complexity is the world-wide distribution of Federal employees and their employing offices, the employer contribution which varies in relation to family status, and payment of premiums through payroll deductions collected by nearly 2,000 payroll offices. The program presents mammoth problems in enrollment of employees, accounting for funds, and handling of claims and furnishing of service.



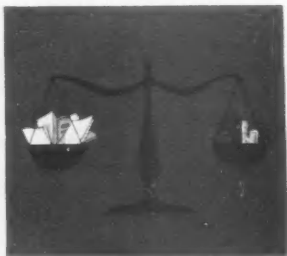
NO DETAILED GROUND RULES

Benefits provided Federal employees by legislation are usually spelled out, precisely and in detail, by the legislation itself. Under FEHBA, however, exact benefits available to employees have been determined by lengthy negotiation between the Commission and the carriers, within ranges and ratios set by the law. Specific benefits were therefore not generally known until almost 8 months after passage of the act, when brochures describing the negotiated plans were distributed to all employees. Also left to the Commission, within limits set

by the act, were such determinations as the selection of the insurance company to administer the Government-wide indemnity plan, conditions of eligibility for other carriers, and enrollment, accounting, and reporting procedures. Some of these determinations are, in themselves, stories worth telling.

Take rates, for example. Carriers for the two Government-wide plans had never before offered the exact benefit package now available under the Federal program, though they had offered various other combinations of many of these benefits. Neither had they ever offered such a large-scale world-wide program.

So many factors were involved in establishing the rates: experience with other benefit plans; data on the number of Federal employees, their salary ranges, and their location in relation to areas of high, low, or average cost of medical care; the best available statistics on medical costs, utilization of medical services, and rates at which both costs and utilization are expected to increase; and informed guesses as to how employees might choose—by plan, by option, by location, and by salary. All these had to be analyzed, related, actuarially weighted, and finally translated into prices: so much for individual membership, so much for family membership, in each option of each plan.



Despite a few scattered criticisms of the rates for the two Government-wide plans, the Commission's considered judgment is that the closely figured rates—pegged at their present level at least until October of 1961—accurately and equitably reflect the value of the protection offered by the plans. A special study by a nationally known independent actuary backs up the Commission's judgment—as do the protests of various groups of employees whose only complaint is that they are ineligible to join. In any event, the Commission has insisted on a clause in each contract which drastically limits the potential profit and requires that any excess of income over expenditures go into a special reserve for use only of the plan.

DEADLINES AND MORE DEADLINES

Time pressures created by the program were terrific. The act was signed September 28, 1959, the product of 5 years of effort, many months of debate, innumerable compromises and last-minute revisions. The Commis-

sion at that time had no organization staffed and equipped to do the job, and only two or three staff members with any working knowledge of health insurance. And the program, under the terms of the act, had to go into effect early in July.

This legislative deadline necessitated what one Commission official calls "inverse scheduling." If the program were to become effective July 1, *after* employees had received and considered information on which they could make the "informed choice" called for in the act, literature describing the plans would have to be given to all employees by June 1. Printing and distribution lead-time would move backward by several weeks the date on which informational literature would have to be submitted for printers' proof. Submission of proof, in turn, depended on specifics of contracts yet to be negotiated, with carriers yet to be selected or approved, under regulations not yet drafted, by an organization not yet staffed. The Commission's back was already to the wall the day the act was signed.

A small carefully selected task force went to work drafting and publishing preliminary regulations, selecting a principal carrier for the indemnity plan, informing employee organizations and comprehensive plans of the provisions of the act, and passing upon the eligibility of these organizations to participate. The task force also worked during this period training CSC regional representatives and overseas representatives, designing accounting and statistical systems, procedures, and forms, considering comments on draft regulations and promulgating final regulations, negotiating contracts, and writing and publishing the brochures describing the plans.

Unlike most personnel legislation, this program affected—importantly—a large number and variety of outside organizations. Throughout this tooling-up period, therefore, a tremendous amount of consultation and exchange of information took place—with potential carriers, health insurance experts, employee organizations, purveyors of medical services, and various advisory committees. The Commission, for example, received and considered over 50 sets of comments on the tentative regulations published in the *FEDERAL REGISTER*—this in addition to the innumerable suggestions received in the earlier stages of their development. The Commission also made determinations rejecting applications from nearly 100 potential carriers that did not qualify for participation within the terms of the law. Because of widespread interest in the program and the Commission's duty to keep all interested parties informed, news releases, progress reports, and informational material about the plans were prepared and sent to a mailing list of over 1,000 interested individuals and organizations.

WRITING THE BROCHURES

Brochures describing the plans were being written as contracts were being negotiated. Each brochure was



to describe as simply and clearly as possible what each plan offered and what it did not offer. The job was made more difficult by the equally important requirement that each brochure set forth the benefits of the plan described precisely enough to show the employee's rights under the contract. Sales pitches were forbidden—and so was the "fine print" and "silent treatment" of undesirable features typical of many plan descriptions. As the plans were laid out in standard outline and format, under these strict (and, for many carriers, unusual) standards, carrier after carrier went back to reconsider its proposed benefits. Every contract, without exception, was revised in this process. Some contracts were actually changed after the brochures had gone to press, usually in the direction of liberalizing benefits, always in the direction of greater clarity.

A total of almost 15 million brochures covering all plans were printed. This tremendous job was done by the Government Printing Office in less than 3 weeks, under nearly impossible conditions. The only presses adequate for the job were the ones used every day to print the CONGRESSIONAL RECORD and FEDERAL REGISTER—so the brochures were run on "off time." In addition, almost 4½ million enrollment forms, 3½ million informational fliers, over 2 million accounting forms, 1 million change-in-status forms, and lesser quantities of miscellaneous printed material were turned out.

SIGNIFICANCE OF THE PROGRAM

Health benefits are another step in modernizing Federal personnel administration to bring its practices into line with the best practices of progressive private industry. To summarize—

- Each Federal employee has an unparalleled opportunity to choose the kind and level of health protection that best suits his situation.
- In an effort to meet the competition, most carriers markedly improved the plans they initially proposed to offer employees, now provide better benefits than before.
- Some carriers tailored plans very specifically to the known income limitations of their clientele and to the

kind of protection they believe to be wanted. One employee organization plan, for example, costs the employee about 40 cents a week for individual enrollment. This development will undoubtedly make available a degree of health protection to employees who previously had none.

- Application of the Commission's standards to carriers of the plans participating in the program assures reasonable financial stability and rates which reasonably reflect the value of the protection provided.
- Employees now know, more clearly than most of them have ever known before, exactly what their insurance protection provides.
- Several features of the Federal program are unique and will mean a great deal to employees and their families. Some of these features are: no waiting periods; no limitations on preexisting conditions; same coverage for dependents as for employees; right to continued unrestricted coverage upon retirement; guaranteed right to convert upon separation; coverage noncancellable except by employee; continued protection during periods of leave without pay.

SETTING THE PACE

The Civil Service Commission's mission is that of administrator of the Federal Employees Health Benefits Act rather than that of innovator in the health insurance field; however, there is already evidence that some of the unusual features common to all approved plans and some of the techniques employed in setting up the program will be adopted by other employers, public and private.



We Americans annually purchase more insurance against possible hazards than any other people in the world—yet we are still somewhat amused at a neighbor who starts building a home shelter against radioactive fallout.

TRENDS IN EMPLOYEE COURT CASES

Is "See You In Court" Here To Stay?

by LAWRENCE V. MELOY

General Counsel

U.S. Civil Service Commission



A question frequently asked is why the courts today are handling a steadily increasing number of Federal employee cases. One is forced to the conclusion that the increasing number of Federal statutes and regulations has produced employee rights, and an awareness of them, that has led to the increased litigation. Let's examine the record.

Prior to 1944, the number of court cases involving Federal personnel was negligible. In that year the Veterans' Preference Act was enacted. One section of that act (section 14), concerning adverse actions, provided veterans with procedural safeguards, i.e., 30 days' advance notice, reasons in writing, right to answer, written decision, and an appeal to the Civil Service Commission. An amendment to this section in 1947 gave the Civil Service Commission authority to enforce these procedural requirements by mandatory restoration of appellants if the procedures had not been followed. This amendment, in effect, gave the courts for the first time a binding administrative decision to review. The upward trend of litigation had begun.

"DON'T SLICE THE HAM TOO THIN"

In 1948 a court said, "The Veterans' Preference Act is to be construed whenever possible in favor of the veteran." This was an accurate forecast of the attitude the courts were to take in deciding cases involving procedural violations of the Act. In 1950 the Court of Claims cautioned agencies against "slicing the ham too thin." The court said of an agency action giving a veteran 29 instead of 30 days' advance notice required by section 14:

"We must decide whether the reduction in plaintiff's rank and compensation conforms to procedural requirements of section 14. We hold that it did not. We hold that plaintiff did not receive at least thirty days' advance written notice as required by the Act. He received notice on August 17, 1944, informing him that 'effective 16th September 1944, the grade and salary of your position will be reduced.' In computing the thirty-day period, the day on which the notice was given is regarded as an entirety, or a point of time, and is excluded. . . . Furthermore, thirty full days of notice are required and the period of notice, therefore, had to extend to the last minute of the thirtieth day. . . . There is nothing ambiguous about the Veterans' Preference Act. Rightly or wrongly it was enacted by Congress in recognition of the great sacrifices of those who had an active part in our national defense at times when everything we cherish was at stake. The Congress is the policy making branch of our Government. It said plaintiff should have at least thirty days' notice. The War Department gave him twenty-nine. Why? We have no doubt the official thought he was allowing exactly thirty days. But in his efforts to give not an ounce more than was necessary, he sliced the ham too thin."

And the agencies were "slicing the ham too thin." Subsequent decisions involving the procedural requirements of the act were to strike down otherwise proper removals in situations where the veteran was forced to take annual leave during a notice period rather than remain in a full duty and pay status, where the reasons were not stated specifically and in detail, and where the veteran was denied the right to answer "personally." The fact that veterans employed by the Federal Government were entitled to these important procedural rights and, most important, that the courts would enforce them, was not a matter that went unnoticed. These cases were well publicized. This focus of attention tended to create more legislation and more litigation.

A NEW INCENTIVE

An important legislative enactment came about in 1948 when the Congress amended the Lloyd-LaFollette Act, which deals with the removal and suspension of Federal employees in general, rather than the specially preferred group of veterans. The 1948 amendment restated and clarified the procedures applicable to employees generally and, in addition, laid a foundation for awarding back pay to employees who were removed improperly. Prior to the 1948 amendment, many employees did not fight an unwarranted or unjustified removal or suspension because of the absence of a backpay incentive. Obviously, when that incentive was added, the tendency to litigate was increased.

Legislation has not been the only stimulant to increased litigation. Federal departments and agencies, using the law as the basic authority, have issued numerous instructions in all areas of personnel administration. Not infrequently, these self-imposed agency requirements exceeded those contained in the basic law and civil service regulations so that affected employees were in possession of additional procedural points with which to join issue. Naturally, when employees became aware of these agency instructions and of the agency's failure to follow them, the result was, again, increased litigation.

REQUIREMENTS—NOT ALWAYS FOLLOWED

It is often said that litigation begets litigation. While this is no doubt true, it is even more true when the decision upsets established procedures applicable to such a large work force. Stated another way, *successful* litigation begets a great deal more litigation. This may well be one of the keys to the marked increase in personnel suits. Whether the suit relates to a veteran or a non-veteran, whether it involves a matter of pay or one of reduction in force, the employee is quite frequently successful. In this regard, it would appear that the employing agencies themselves must shoulder much of the responsibility for the loss of lawsuits because of their failure to follow procedural requirements.

Personnel actions involving Federal employees are invariably based upon specific, positive authorities in law or regulation. However, too often personnel actions are taken without full study of the law. As already illustrated, the courts do not ignore a statutory procedural safeguard. Twenty-nine days' notice, enforced leave during the notice period, lack of specificity in the decision letter are but a few of the points on which the courts have overturned an otherwise proper removal.

Of course, there are instances in which no one, including legal counsel, can foresee judicial trends. Consider, for example, the now famous case of *Cole v. Young* decided by the Supreme Court in 1956. It was held that a 1950 law and a 1953 Executive order concerning separations of Federal employees for security reasons were

legally applicable only to employees in positions designated as sensitive. Thus, the many employees who had been discharged from "nonsensitive" positions for national security reasons were to file suit for reinstatement or for backpay in the courts, and another avenue had been opened for employee litigation.

DRAMATIC INCREASE

The increase in the number of employee litigation cases was noted within a very few years after enactment of the Veterans' Preference Act. The increase has been constant through the years and more recently can only be described as dramatic. For example, in 1957 the courts decided approximately 54 Federal employee cases. This figure jumped to 74 in 1958. In 1959 the Commission was served with papers in 100 litigation suits. An equal number of court cases are anticipated in 1960.

The increase in litigation of this kind is by no means unique to the Federal service, but is, indeed, a normal part of the general overall increase in litigation to protect individual rights. Statistics of the National Labor Relations Board indicate that cases involving employees in private industry have shown a similar increase. In 1945, the Board was involved in 72 cases, of which 66 were handled in the Court of Appeals and 6 went to the Supreme Court of the United States. By contrast, in 1959, the Board was involved in 226 cases, of which 83 went to the Court of Appeals and 4 to the Supreme Court. This significant increase gives a strong indication of how the employee, the employer, and the union organization in private business are turning more frequently to the courts for decisions on matters relating to employee rights.

A LARGER ROLE

The trends that we have discussed are by no means limited to employee rights. As indicated, the increase of this particular type of litigation is simply part of the general, overall increase in litigation to protect individual rights. Consider, for example, the numerous court decisions in recent years involving civil rights and civil liberties. In the areas of education, suffrage, and religion alone, litigation has more than doubled. Each decision delineating a new individual right has had the effect of creating more litigation. There is every reason to believe that the number of suits involving individual rights will continue to increase in the future.

The story of current judicial trends is, of course, necessarily an unfinished story. The Salary Retention Act, the Health Insurance Act, and the Training Act are but a few of the recent legislative enactments that may

(Continued—See COURT CASES, page 22.)

Gearing the Pace to the Need:

A New Approach to Executive Development

by J. KENNETH MULLIGAN and ROSS POLLOCK

One inescapable fact of life about executive development is that it necessarily makes its greatest demands on the men and women who are already the busiest and most successful in the Federal service.

In other words, the more successful an executive is, the greater is his potential gain from further training—and the less available he is to take the training. This single fact may account for the slow progress made by executive development programs, in Government and elsewhere, over the years.

The pace in the Federal service is now quickening because Presidential concern and support have been forthrightly and directly expressed.

Let's look at the profile of a career executive, drawing elements from the picture that has emerged from various studies, including recent agency reports to the Commission's Office of Career Development.

A career executive is a man or woman who makes over \$12,000 (GS-15 and above) working in a nonpolitical job in a Federal agency. He works closely with political executives in carrying out agency program objectives. He does most of his business with people outside Government and officials from other agencies—less with employees in his own agency. He is closely connected with preparing and defending agency budgets. Senators and Representatives call him for information.

A majority of these executives grew up in some professional or technical field. They now head bureaus or major organizational subdivisions with important missions and a large number of employees. Despite their education for a particular specialty, they may never have had courses in political science, government, or public administration. They may have taken some night courses since entering the Federal service, but now find little time for additional training because they work long hours.

This is a description of the people the President was referring to when he called for a program to develop Federal career executives of "outstanding leadership ability, creative imagination, and sound judgment." The President has designated the executives and has set the goals—agency officials must take action to tailor their executive



selection and development programs to meet the special needs of their organizations. Some are asking "Why are we doing this?" Others, "What is involved?"

THE GOVERNMENT'S NEED

From their central posts, the President and his staff see a continuing need for top-level career executives who comprehend broad governmental policies, who can relate specialized needs of segments of the public to the needs of the general public, and who can effectively translate the policies of the President and his political officers into operating programs. The President has quite understandably stressed broadening the capabilities of our present career executives as one goal for the new Government-wide program.

The President is concerned also with the important contribution of top career executives to the continuity of Government. Pointing to the threat of a loss of two-thirds of top career managers during the next 10 years, he is challenging complacent assumptions that our present personnel management policies and practices will produce an adequate number of competent replacements.

THE NEW PROGRAM

The Government-wide executive selection and development program has two main parts:

All departments and agencies are asked to identify their executive jobs and forecast expected losses from retirement and other causes.

Mr. Mulligan is Director of the Commission's Office of Career Development. Mr. Pollock is Assistant Director, Career Systems, of the same office.

All departments and agencies are asked to adopt programs which identify ready or potential replacements and develop employees with potential for advanced posts.

Of course, many Federal agencies already have specially-tailored executive selection and development programs. The new, added element is the full support of the President. For the first time, the Chief Executive has specifically directed agency heads to attend to the personnel needs of the top career service. He has called for periodic reports on the progress being made toward the goals he has established.

The President also asked the Civil Service Commission to review the Government's personnel system as it affects executive personnel management. He directed the Commission to "review existing Civil Service programs concerned with recruitment and examining, position classification, career and employee development and take whatever steps may be necessary to strengthen them and to achieve maximum coordination."

AGENCY PROGRESS

The first report of agencies on the Government-wide executive selection and development program in April showed:

Agency officials enthusiastically welcome Presidential support.

They have taken stock of their personnel programs and are giving new emphasis to personnel management for career executives.

They are seeking advice and assistance on executive selection and development from many sources.

Six out of ten agencies have not yet developed a mechanism for forecasting their losses from top career posts. Most of the systems installed rely on objective data such as age, length of service, and retirement eligibility. None of those reported took into account losses and gains which occur in organizational changes. Few attempted to forecast transfers to outside employment or departures prior to mandatory retirement age.

Some of the agencies report:

"We will lose 40 percent in 6 years . . ."

". . . 83 percent within the next 10 years."

"54 percent by 1969 . . ."

Personnel losses vary greatly from one agency to another because of the differences in the length of time the agency has been in existence, humps in the age distribution caused by fluctuations in employment levels over the years, employment opportunities in private industry as affected by the national level of employment, and the rate of expansion or contraction of the agency itself. Contrast, for example, the findings in one agency which re-

ports that 42 out of its 110 top-grade employees are now eligible for retirement and another agency which anticipates no losses from retirement within the next 5 years.

These variations in the expected rate of loss from top jobs underscore the importance of making the executive selection and development programs fit the specific needs of the agency. Loss inventories are valuable tools which undergird agency replacement plans.

AGENCY REPLACEMENT PLANS

While the concept of the replacement plan is simple, preparing a plan and carrying it out are far from simple. Business firms and Government agencies with considerable background in the preparation of such plans report that several specific steps need to be taken:

1. The duties and responsibilities of the executive positions must be identified.
2. The qualifications required for performing the duties of each position must be established.
3. The organization must be examined to identify promising talent for potential replacements.
4. The strengths and shortcomings of potential replacements must be appraised.
5. A plan must be made and put into effect for each potential replacement to develop him so that he will measure up to the demands of the position that he will eventually fill.

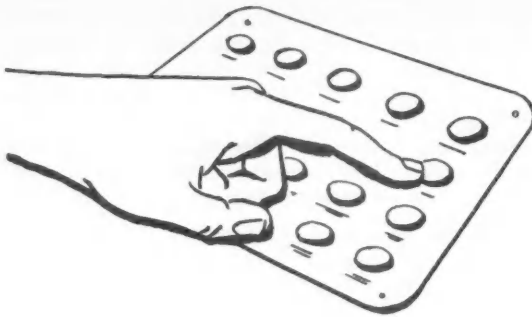
In larger businesses and organizations the personnel office would normally be responsible for identifying the training needs of individuals. Business firms and Government agencies which have followed this approach report that it is absolutely vital to make the most use of on-the-job training opportunities. This means that the supervisors of potential executives must spend time in counseling them, must plan assignments so as to develop their potential, and must encourage their most promising subordinates to move on to other job assignments. Other on-the-job development methods include under-study assignments, coaching, job rotation, and committee assignments.

Few agencies have comprehensive plans of the type described above. Many train executives, but officials in most agencies visited by Commission staff feel that they need a systematic method for ascertaining training needs and for planning to meet them.

While nearly one-half of the agencies reporting indicated that they have specific policies and plans for replacing losses at executive levels, their reports made clear that these plans were often fragmentary and did not cover all executive-level positions.

Mr. Eugene Lyons, special assistant to the President for personnel management, in a recent speech cautioned

(Continued—See NEW APPROACH, page 21.)



“. . . much talk, a little doing, and a lot of promising planning.” That succinctly sums up the present state of progress in the use of automatic data processing systems in Federal personnel management.

Since there is much talk and a lot of interest in the possibilities for applying automatic data processing techniques in personnel management, the *Civil Service Journal* reviewed recent studies and literature and talked with Federal personnel and ADP specialists in an effort to provide answers to questions that are being asked with increasing frequency.

Where do we stand today in putting ADP to work in Federal personnel administration? What is the outlook for applications of automation in Federal personnel management? Can we expect automatic data processing to bring real returns in greater efficiency and economy in personnel operations? Our survey supports these general conclusions—

- The outlook for ADP applications in Federal personnel administration is very promising, and we may expect significant benefits in greater efficiency and economy in operations.
- But the big payoff is yet a few years in the future, and the possibilities for profitable applications may be somewhat more limited than the most optimistic forecasts have led us to expect.

Although the field of business management generally has been one of the most fruitful areas for ADP applications in industry and Government—especially in fiscal and supply management—profitable applications in personnel administration have been relatively few so far. Many early experiments of business in the personnel management area were disappointing, and Federal agencies for the most part have heeded the saying, “Be not the first by whom the new are tried, nor yet the last to lay the old aside.” They have advisedly followed the rule: “Go slow. Be cautious. But think positively and imaginatively.” This, as a recent Bureau of the Budget report described it, is the “era of reflection.”

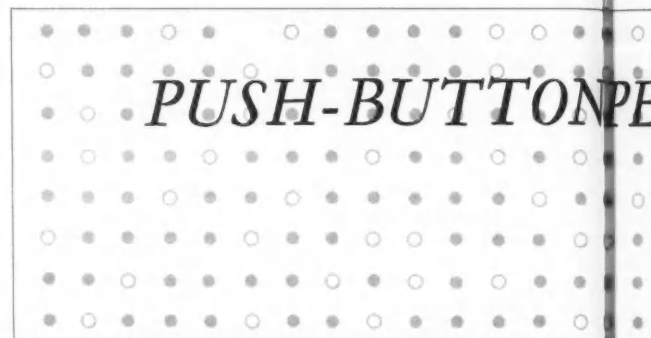
The experience of many businesses which were too quick to plunge into the ADP swim demonstrates that

caution coupled with imaginative exploration are wise watchwords.

BUSINESS WEEK URGES CAUTION

In a “Report on Computers” in 1958, *Business Week* stated: “Early applications were often simply translations of existing routines—and often failed to pay their way. . . . Industry is still in the experimental stage—and as in any experimental era, the fumbles and failures outnumber the successes. Industry is learning, the hard way, that simply purchasing an electronic marvel does not automatically solve a company’s problems.” Some Federal agencies have learned this, too.

Although the urge to be progressive is commendable, a cautious and calculated approach to ADP is in order



because failures born of impatience can be costly. The investment in manpower and machines is appreciable even before the first data can be fed into a computer. Between the first flash of inspiration leading to the installation of an ADP system and the day the system cranks out the first usable data there must be agonizing feasibility studies, systems surveys, procurement of the equipment, programing, and the painful time-consuming process of debugging.

Too often organizations have been too quick to decide “here is a function we can automate, and this is the equipment that can do the job.” They’ve often been right—but by the time the system is “debugged” and operating, much money has been spent, the expectation of savings has not been fulfilled, and it may be found that the old system was really adequate for the job in the first place. This has been one of the most common mistakes made in the introduction of automation—looking at too narrow an area and thinking solely in terms of “conversion” of an operation from one method to another.

A more logical starting point is a study of the organization’s system—determining exactly what existing policies and procedures require; who is supposed to do what, how, when, where, and why; and whether the policies and procedures are, in fact, followed. As John Diebold

expresses it, you should first "learn the nature of the beast you are dealing with."¹

"The installation of automation equipment cannot properly be made without a thorough understanding of the functions and needs of the business itself," Diebold declares. "The application of automation to the office involves more than just adding a new computer to the tab room, although some firms install major machines on just this basis. There is an enormous opportunity to benefit by analyzing the entire organization as an integrated system. This analysis must precede evaluation of equipment; you begin with the system, not the machinery. Such a study often results in great improvements and substantial savings, even when automation machinery is not installed."

The early tendency of organizations to seek easy solutions and obvious applications by converting from manual

not take into account that the data had to be put in and taken out, that there was a limit to what the machine could take and digest. Running time at the start was 36 hours, rather than 2, and even after time-consuming debugging, the process still took 16 hours a week—but with a lot of additional material tied in. Instead of a simple conversion of payroll, GE developed an integrated system that not only produces weekly paychecks, but also supplies complete accounting on labor and labor cost of each item, records for social security reporting, and other data.

The GE story underscores the point that mere conversion of an operation not only is usually uneconomical but often fails to utilize the real potential of ADP equipment. It also demonstrates that the volume of paperwork usually must be big enough and complicated enough to make automation pay its way, a fact that may make sophisticated systems impractical for the majority

PERSONNEL MANAGEMENT?

Report on Progress and Potential of Automation in Personnel Operations

or machine operation to automation made payroll processing a trap that many organizations fell into. "More than half the time, payroll has been the first administrative application thrown on a computer—already the most disciplined of corporate paperwork, its translation to a machine is relatively easy, and the idea of greater speed is intriguing," *Business Week* reported. "Yet experienced users, and manufacturers (of equipment) now say that transferring any already mechanized operation, such as payroll, to electronic processing as a self-contained operation is uneconomic."

PAYROLL CAN BE INTEGRATED

However, the integration of payroll with personnel and other data-processing operations has proven worthwhile and feasible. The experience of General Electric, known as the most computerized company in the world, is pertinent. GE first decided to convert payroll alone, believing that savings would be possible because of increased speed. But its estimate—based on theoretical machine speed—that the job could be done in 2 hours did

¹"False Starts in Office Automation—and How to Avoid Them" in *The Management Review*, July 1957.

of Federal agencies—since most have relatively few employees.

But there is a bright side to the picture, with hopeful signs that small agencies as well as large ones can expect to benefit from the application of automation to their personnel operations—

- Some relatively unsophisticated and inexpensive systems have already been developed which would be within the means of smaller agencies. Automation does not necessarily mean a million-dollar computer; it can be as inexpensive as a flexowriter—an electric typewriter with a punched-tape attachment to capture data for automatic processing.
- Experts fully expect that there will be early breakthroughs in the development of equipment and its utilization to put automation within the reach of the many as well as the few.
- Standardization of procedures and "packaging" of systems may make certain applications possible on a Government-wide basis.
- Likewise, the integration of data processing in such areas as payroll, cost accounting, financial accounting, inventory management, personnel operations, etc., may



CIVIL SERVICE COMMISSION is making a series of comprehensive systems analyses of its present operations to determine what improvements can be made. Here, Charles J. Sparks (left), Chief of the Office of Management, discusses the use of a computer with Charles F. Overend, Operations Manager of the Bureau of Retirement and Insurance.

open prospects for extending the use of ADP in Government's business management operations.

- Sharing of equipment on an intra-agency or inter-agency basis and the possibility of using data processing centers open other possibilities.

Although there are as yet relatively few fully tested and proven ADP applications in Federal personnel management, there are enough pioneering projects—in operation or advanced planning stages—to justify expectations for profitable applications in such areas as personnel accounting, manpower planning, career development, promotion, and reductions in force. Several of the most advanced programs were spotlighted at a recent seminar of the National Capital Chapter of the Public Personnel Association, which featured a panel discussion on "ADP Applications to Personnel Management."

OGDEN AIR MATERIEL AREA PROJECT

One of the most ambitious of the projects discussed was the program of the Ogden Air Materiel Area of the Air Materiel Command, designed to develop an integrated civilian personnel and labor accounting system for eventual use throughout the Command.

As has been the experience of many organizations, Ogden's opportunity to put ADP to work in personnel management came after the base had acquired a computer for other purposes. Since the equipment was not to be in use at all times, consideration was given to possibilities for applications in personnel operations.

When preliminary study began, the initial concept was that personnel records offered the most fertile field for applications, but the study suggested much broader potential for improved personnel management through

ADP. The result was the development of a long-range program aimed at eventual development of an integrated personnel and labor accounting system.

First step was the mechanization of the payroll, using the IBM 650, which became fully operational at Ogden in February 1958, and which is being put into operation at other Air Materiel Area depots. Before other scheduled phases of the overall program could be made operational, the introduction of the merit promotion program and the attendant need for an adequate skills roster made it necessary to shift the emphasis and break down the project into four phases, considering the payroll project as Phase 1.

Phase 2 called for the development and test of a system for preparing promotion rosters, retention registers, and related byproducts. Phase 3 foresaw the expansion of the project to develop and test a system for processing personnel actions, periodic pay increases, unit manpower staffing reports, statistical reporting, training records, notifications of pending personnel actions, manpower assets for depot operating programs, and special management control reports. In addition, it would produce input data for the computer now processing the payroll. Phase 4 provides for expansion of the system to integrate preparation of payroll, related products, and labor accounting data for expense and budget reporting.

Phase 2 is expected to be fully operational by the time this article is published, following the scheduled completion of service testing on July 1; it has already been used for some time to process promotions at Ogden. The system makes possible the storing and timely updating of each employee's experience, education, training, test scores, etc. It machine-evaluates training, experience and education, and test scores and ranks individuals on the basis of skills and experience required for the specific position to be filled. It produces personnel profiles of the best qualified eligibles to provide information on which the appointing officer can make his decision as to who should be assigned to the job. In short, the system automatically considers all employees on the base for all vacancy requisitions on hand at a given time, and produces a promotion certificate for each job to be filled.

The data captured and kept current for the development and operation of Phase 2 will be the source upon which the remaining phases will depend. When the total program is operative, it is expected to produce on a timely basis valuable information on which management can base major decisions.

GEOLOGICAL SURVEY USES ADP EQUIPMENT "FREE TIME"

A pioneering effort by a smaller agency was the development of an integrated personnel records system by the Geological Survey. Taking advantage of "free time" of ADP equipment acquired primarily for scientific anal-

yses and computations, the agency has successfully operated an integrated personnel records system that produces rosters for promotion and career development purposes, retention registers, payroll data, reports for the Civil Service Commission and the Congress, and controls on limited temporary appointments and periodic pay increases. Planned future applications include development of a skills locator system and capture of data in lieu of the service record card.

In the Geological Survey, the flexowriter—a relatively inexpensive and uncomplicated device which may be described as a typewriter with a built-in device for coding and recording information on punched tape—is the mainstay of the operation. As information is typed on Standard Forms 50 (Notice of Personnel Action) and 52 (Request for Personnel Action), as modified by exceptions authorized by CSC, the flexowriter records by-product information on the punched tape which provides input data for the computer.

Veterans Administration, which has made significant ADP applications to its benefits payment and insurance programs, is also among the agencies which have had some success in applying ADP to personnel management. VA recently converted its payroll operations for employees at headquarters from conventional equipment to ADP equipment as a prelude to a plan to integrate individual payroll records with certain personnel information on employees. The agency has devised means of coding items on the Form 50 so that a single sheet carries all information for personnel reporting and finance purpose. Most recurring monthly, quarterly, and annual personnel reports and certain recurring fiscal reports are already being produced through the use of ADP equipment.

VA is also at work on a nationwide systems design to tie into a single automatic data processing system some activities within the functions of personnel and fiscal payroll that are now performed in personnel offices at headquarters and in the field either manually or by mechanical equipment.

These few illustrations are representative of a number of ADP applications to Federal personnel management now at various stages of planning, development, or operation which are being pioneered in agencies and installations throughout the Government. But they provide some insight into the future possibilities for wide and varied ADP applications in personnel administration.

CSC CONTRIBUTES IN ADP FIELD

Because of its central responsibility in Federal personnel management, and recognizing that it can have a significant influence in determining how ADP may be utilized in this field, the Civil Service Commission has geared its organization and operations to make contributions in a variety of ways. It has been actively working

to facilitate promising applications to its own operations—both internal and those having a Government-wide effect—and to personnel operations of individual agencies. The Commission's activities have taken on these main forms—

Aids to Recruitment, Retention of ADP Personnel.—To help agencies in the recruitment and retention of qualified personnel, the Commission has developed new position classification and qualification standards for jobs in the rapidly growing, fast changing ADP field, and it is working to keep the standards as up to date as possible. It likewise has been continuously researching for the best personnel-selection devices and techniques and has made this material and information available to agencies to facilitate more effective screening and placement of candidates for ADP jobs.

Training.—To help equip present and future managers with the understanding of ADP needed to utilize it in their operations, the Commission has cooperated with Federal agencies to offer appropriate training courses on a Government-wide basis. In the spring of 1959 the first "ADP Appreciation Course for Managers" was conducted for 75 agency candidates in grades 14 and above. Because of high agency interest in the course, it was offered again in the fall of that year and again in the spring of 1960. To date 250 managers have attended the course.



GEOLOGICAL SURVEY has developed an integrated personnel records system that produces rosters for promotions and career development purposes, retention registers, and payroll and other data. A flexowriter, shown being operated by Miss Lenore Anderson of the Personnel Division, is used to prepare input data for the computer.

Recently, the Commission announced that it would offer its first interagency middle-management orientation and intern program in automatic data processing and invited agencies to begin screening employees that they may want to nominate to attend the programs. The week-long general orientation sessions, to which upward of 200 trainees in grades 11 and above will be admitted, will be held September 12-16, while the related 7-month intern program, open to 25 agency nominees in grades 11 through 13, will be conducted between September 12, 1960, and April 7, 1961.

In addition, the Commission tentatively plans to sponsor a 2- to 5-day seminar on ADP applications in personnel management for administrators, programmers, and systems analysts, provided there is sufficient agency interest and CSC finds that a meaningful program can be developed.

Forms and Records Exceptions.—In the course of developing ADP applications to personnel management, agencies sometimes find it necessary to seek Commission approval of deviations from standard personnel forms or exceptions to CSC record-keeping requirements. Such exceptions often are necessary because of limitations of equipment capabilities. In the interest of enabling agencies to investigate fully the potential for ADP in personnel operations, the Commission has shown a willingness to bend its requirements to facilitate promising ADP experiments.

ADP Clearinghouse.—As a result of an increasing volume of requests for exceptions to standard personnel



AIR FORCE is among the larger agencies which have successfully developed automatic data processing applications in personnel management. Col. Charles R. Gregg, USAF (left), Deputy Chief of the Data Processing Center in the Directorate of Statistical Services, discusses a new application for preparation of personnel actions as a byproduct of the current computer program with Herbert R. Wildman, Chief of the Management Division.

forms and recordkeeping requirements, the Commission has been accumulating information about agency ADP applications or plans to develop applications in the personnel field. It expects this growing body of information to become the foundation for an effective clearinghouse on agency plans and operations.

Convinced that there is a need for such a clearinghouse that would serve several worthwhile purposes, the Commission plans to use the columns of the *Civil Service Journal* to provide for an effective exchange of information on ADP applications in personnel management, from which all agencies and CSC could obtain important benefits.

Therefore, the Commission is requesting that agencies and installations provide brief writeups on their successful ADP applications to their personnel operations for possible publication in a department of the *Journal* to be known as the "ADP Billboard" and to appear whenever a sufficient number of agency contributions are available. An outline of the desired format and content of the summaries appears on the next page, along with instructions as to how to address the writeups.

The Commission believes that the "ADP Billboard" will serve the valuable purpose of keeping all concerned informed about developments of interest and possible value. It will help to direct representatives of agencies considering ADP applications to persons in other agencies who are operating or have tested projects similar to their own (thus offering possibilities for considerable savings in time, manpower, and equipment costs). It will also enable the Commission to compile a store of information with which to assist other agencies as well as to further its own efforts to improve the efficiency and quality of personnel management programs through ADP.

Study of CSC Operations.—The Commission recognizes fully that one of the most fertile fields for broad-scale, far-reaching benefits from ADP in the personnel management field may be its own diversified operations. For this reason, it has begun a series of comprehensive systems analyses to determine what improvements can be made in present operations. Keeping its feet firmly on the ground, the Commission's aim is to improve its methods of doing business, whether the improvements produced be manual, mechanized, or electronic. Among CSC operations which are being or will be studied are examining, retirement, insurance, personnel statistics, and test development.

Joint Agency-CSC Projects.—In addition to its own operations, certain CSC functions that have been delegated to agencies may also be susceptible to ADP applications—for example, decentralized examining. One joint project is in progress with the Department of the Army in the examining field. The project, for which Army is providing the personnel and equipment, is de-

signed to explore the possible use of ADP techniques to conduct a multioccupation unassembled competitive examination for blue-collar positions in installations in the Washington area. Using the job-elements technique, and coding and weighting abilities as well as experience determined to be factors in successful performance in the various occupations, the project contemplates that applicants would complete specially designed application forms which could provide input data for the ADP equipment. It would then be possible to design a system that would rate the candidates and produce lists of eligibles for each occupation and option covered by the announcement.

ADP specialists present something of a paradox when it comes to venturing opinions as to the potential of ADP in personnel management—they are the first to caution the layman against expecting too much too soon. But knowing the potential of existing devices and what has been accomplished with them in other fields, they will speculate among themselves and soar right up to "cloud 32" in brainstorming possible applications.

On one point they are generally agreed: the future will bring breakthroughs in both equipment and applications from which personnel operations will benefit. While few will venture to forecast whether the big break will come in 5, 10, or 15 years, most are convinced that it is only a matter of time, hard work, and imagination. So it seems safe to say that the existing situation of "much talk, little doing, and a lot of promising planning," is certain to change to "much doing and less talk, but still more promise from planning."

AGENCIES ASKED TO SUBMIT SUMMARIES FOR ADP BILLBOARD

Believing that an effective exchange of information on successful applications of automatic data processing to personnel operations would be useful to all Federal agencies, the Civil Service Commission is inviting agencies and installations to submit brief summaries of their ADP projects for possible publication in future issues of *The Civil Service Journal*. Agency writeups should follow the following format:

1. Short description of accomplished personnel applications.
2. Type of equipment being used.
3. Other personnel applications planned, with current state of progress and estimated completion date or dates.
4. Location of equipment, organizationally and geographically.
5. Name or title of person who may be contacted for further information.

Agency summaries should be addressed to: Office of Management, Bureau of Management Services, U.S. Civil Service Commission, Washington 25, D.C.

QUOTABLE:

THE CHALLENGE OF GOVERNMENT MANAGEMENT

"The central challenge before any manager, it seems to me, is to instill a basic motivation—a will toward excellence—into the people whom he directs. Essentially, he can induce this motivation through three methods: financial reward, overt recognition, or personal inspiration. Of these, personal inspiration is by far the strongest and most effective motivation technique, if only because the field is crowded both at the top of the pay scale and at the top of any man's individual field. . . .

"The business of the Government employee is society itself, and his product—as I have said—is service in behalf of an ideal. It is a contribution to one's fellow citizens which is of the highest order, and for the manager the administration of this massive machine which is Government therefore inevitably proves an experience stimulating in terms of fresh approaches and rewarding in terms of past accomplishments."

JAMES T. O'CONNELL,
Under Secretary of Labor.

SCIENCE AND THE ARTS

"My current responsibilities bring me into contact with many of the Nation's and the world's leading scientists, and I think I am safe in saying that all the best of them are well aware of the fact that for science to devour all the talent or resources that might otherwise be devoted to the liberal and fine arts and the social sciences would be self-defeating, for it is the latter which gives a free society its special character. . . .

"Our formidable task is to strive constantly for leadership in every field of science and the arts, not in either at the expense of the other. . . . The balance is delicate, and perhaps never more than momentarily achievable, but it should be the constant target."

JOHN F. FLOBERG,
Commissioner, Atomic Energy Commission.

MAN—POWER

"The secret of avoiding the abuse of power lies in the selection of men of ability, humility and understanding to exercise that power. . . ."

Hon. J. LEE RANKIN, *Solicitor General of the U.S., from a lecture delivered April 6, 1960, before the Institute of Public Affairs, University of Omaha.*



A Look at

LEGISLATION

Status of Federal personnel legislation that has made substantial progress or has been passed by Congress:

Health Benefits. S. 2575 provides a health benefits program for certain retired Government employees and their survivors who are not eligible to enroll in the active employees program because of termination of their service prior to the effective date of the Federal Employees Health Benefits Act of 1959. In its latest form, the bill provides for a single Governmentwide plan and one premium contribution rate of not less than \$3 nor more than \$4 monthly for self only or twice such rate for self and family. Would become effective July 1, 1961.

Passed Senate; pending on House Calendar.

Motor Vehicles. H.R. 12620 provides for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment. The bill is designed to solve the problem of personal liability in suits for damages to which employees of the Federal Government are subject as a result of their operation of motor vehicles in the performance of their official duties.

Passed House; pending before Senate Judiciary Committee.

Overseas Personnel. H.R. 7758 provides for improvement in the administration of overseas activities of the Government of the United States. The bill establishes a coordinated and uniform system for temporary lodging allowances, storage expenses, official residence expenses, transportation of motor vehicles, education allowances, and leave accumulation.

Passed House and Senate; pending House action on Senate amendments.

Public Law 86-585, approved July 5, 1960, authorizes the Secretary of Defense and the secretaries of the military departments to grant return job rights to career and career-conditional civilian employees assigned to posts outside the United States. The return right would consist of a minimum guarantee to the employee that he will be placed, upon his return from overseas, in the same position he vacated or in another position without reduction in seniority, status, or tenure.

Pay. Public Law 86-568 provides an approximate 7½ percent salary increase for certain employees in the executive, judicial, and legislative branches of the Government. The act includes employees covered by the Postal

Field Service Compensation Act of 1955, as amended, the Classification Act of 1949, as amended, the Foreign Service Act of 1946, as amended, employees in the Department of Medicine and Surgery, Veterans Administration, employees in the judicial branch, and employees in the legislative branch. In addition to increasing the salary of Agricultural Stabilization and Conservation County Committee (non-Federal) employees, the act covers them under the Civil Service Retirement Act, the Federal Employees' Group Life Insurance Act of 1954, and the Federal Employees Health Benefits Act of 1959. It also increases the salaries of the chief legal officers of the executive departments from \$19,000 to \$20,000; creates the position of Administrative Assistant Secretary in the Department of Health, Education, and Welfare at a salary of \$19,000; and authorizes 5 positions in grade GS-16, 17, or 18 in the Interstate Commerce Commission.

Retirement. S. 2857 provides for disposition of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under the Civil Service Retirement Act. After an individual has completed sufficient service to qualify for maximum benefits (80 percent of high 5-year average salary), retirement contributions will be applied to payment for any noncontributory service and, if none, will be deposited in the retirement fund to pay for additional annuity benefits under the voluntary contribution provisions of section 12 of the act.

Passed Senate and House; pending Presidential action.

H.R. 4601 limits to cases involving the national security the prohibition on payment of annuities to retired employees.

Passed House; pending on Senate Calendar.

Travel. Public Law 86-587, approved July 5, 1960, amends and extends current law authorizing payment of travel and moving expenses of employees reporting to their first duty station. It eliminates restrictive categories contained in present law by authorizing the Civil Service Commission to determine the positions in which there is a manpower shortage; authorizes payment to student trainees in certain cases; makes the program permanent.

H.R. 5196 as passed Senate increases per diem allowances from \$12 to \$15 a day; no changes in automobile,

motorcycle, or airplane mileage allowances; permits actual expenses for parking fees.

Passed House and Senate; pending House action on Senate amendments.

Injury Compensation. H.R. 12383 amends the Federal Employees' Compensation Act to make benefits more realistic in terms of present wage rates. Under present law the amount of compensation paid for disability and death is computed on the basis of the monthly pay received by an injured employee at the time of injury. The bill increases the wage base used to compute the amount of compensation for disability or death by 30 percent if the injury occurred before January 1, 1946; by 20 percent if it occurred after December 31, 1945, and before January 1, 1950; and by 10 percent if it occurred after December 31, 1950, and before January 1, 1958. The bill also increases the minimum amount of compensation for total disability from \$112.50 to \$180 per month; increases the minimum wage base to be used in determining the amount of compensation to be paid in death cases from \$150 to \$240; and increases amounts paid for burial expenses from \$400 to \$800. The bill also authorizes payment of compensation for scheduled disability in addition to benefits under the Civil Service Retirement Act. The bill requires Federal agencies to include in their annual budget estimates a request for funds to repay the employees' compensation fund for costs of benefits paid during the preceding fiscal year on account of injury or death of employees.

Passed House; pending Senate action.

Unemployment Compensation. Public Law 86-442, approved April 22, 1960, provides that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws. It repeals section 1505 of the Social Security Act under which no compensation may be paid to a Federal employee during a period subsequent to separation from the Federal service when he is being paid for accrued annual leave.

Promotions. H.R. 543, as introduced, amends the Classification Act to provide an increase upon promotion equivalent to the difference between the minimum rate of the grade from which promoted and the minimum rate of the grade to which promoted. Existing law provides for an increase which is at least equal to a one-step increase in the grade from which promoted. A committee amendment provides that when an employee is promoted or transferred to a position of higher grade, he would receive not less than a two-step increase of the grade from which he is promoted.

Pending on House Calendar.

NEW APPROACH—continued from page 13.

agencies against developing "crown prince" programs. He said:

"Any projected replacement plan must not publicly list or anoint the collection of 'crown princes.' Obviously, there are numerous instances where the successor to a career executive is fairly well earmarked among his associates. But remember 'there is many a slip.' Remember, also, the morale of those who may feel 'left out' can be destroyed very easily unless great care is used in implementing such a program."

THE COMMISSION'S ACTIVITIES

While we have long recognized that the executive in Government, as in business, presents unique and special problems of personnel management, Government has found it difficult to devise methods to meet this top-level problem.

The Civil Service Commission is reviewing the Federal personnel system to determine what modifications are needed in order to support the Government-wide executive selection and development program. For example:

- **Pay.**—A survey of pay rates and practices in a sample of large industries is underway.
- **Position Classification.**—Present groupings of positions are being reviewed to determine their value in evaluating and analyzing executive positions.
- **Selection.**—Improvements in the use of qualification analysis, interview techniques, testing, and appraisals as they apply to executive positions are being studied.
- **Training and Other Development Programs.**—Inter-agency training programs for executives will be continued and supported. A critical analysis will be made of other executive training needs. The desirability of establishing a civilian staff college for executives will be explored.
- **Consultation With Agencies.**—Commission staff members are engaged in a program of consultation with agencies to exchange knowledge among them concerning successful practices and experience.
- **A Roster.**—Plans for a roster of persons occupying the approximately 2,000 career executive positions in GS-16, 17, and 18 are well along.

IN CONCLUSION

The Government's executive selection and development program is off to a good start. Agency officials agree to the need for improved planning, for better selection methods, and for improved executive development activities. Commission officials, on their part, agree to the need for reexamination of the personnel system as it affects executives. We predict continued and increasing progress. The second report on the program due this summer will test our prediction.

TOP TEAM—continued from page 5.

He should, of course, be informed of the conflict-of-interest laws, but even more important is the getting across of the general concept that he will operate in a goldfish bowl. His business and how he does it is public business, in the conduct of which appearances as well as realities are important. He can never forget the maxim that public office is a public trust.

THE MERIT SYSTEM

Up to this point I have concentrated on the responsibility of the career official to prepare himself to respond to the programs and policies of the new administration, and to give the political executive who is his superior officer an awareness of the climate of Government. There is another responsibility of the career official which is shared with the political executive: the maintenance of the integrity of the career service. It is clear that a competent, effective, responsible career service is a prerequisite to representative government in the modern age. Career officials must insist on, and defend, selection and retention of personnel on the basis of merit without regard to politics, race, religion, or creed. While job security is not an end in itself, during transitional periods any threat to job security not based on efficiency or program needs is a threat to the integrity of the merit system.

The personnel system of the Federal Government has two qualities which are of prime importance in a transition: it fosters a highly competent, stable, and efficient workforce through the application of merit principles, and it is flexible enough to respond to changes in public policy. A very important function of the personnel officer through the transition period is to protect and enhance these two qualities.

I have stressed in this article the obligations of the career service toward a new administration. Political executives are entitled to depend on the support and loyalty of the career service, but they also have obligations to preserve the career service and to give their confidence and trust to its members. To do so will almost always insure invaluable assistance. They are obligated to spell out their policies clearly for the career staff. What may appear to be a lack of support may be simply lack of understanding. Mutual confidence and trust and a real attempt to understand the other's point of view can lead to a highly satisfying and profitable relationship.

The Government can count on four almost universally held attributes of new policy makers: first, integrity of person and purpose, on which I have already commented; second, capability which has been measured against many yardsticks of greater worth than partisan regularity and financial support; third, desire to serve efficiently, honorably, and with a true regard for the public welfare; and fourth, on which I have also commented

earlier, a healthy skepticism about the sanctity of governmental processes. The job then is to fit wholly acceptable and admirable attributes of persons with new, and unknown, and unused tools which have sharp edges and precise uses, and which must be handed on while the machine and the tools themselves are working and being worked by others. One of the most exciting things about democratic government is the fact that it doesn't stop, but goes on, inexorably.

As to the specifics of transition planning, let me repeat that there is really nothing involved except the application of commonsense—advance thinking about the best ways to meet situations which will have to be met in any case. Transition and the orientation of new political leaders will take place whether we plan for it or not; our only choice is whether it will be handled adequately or inadequately, insofar as we can influence the handling.

COURT CASES—continued from page 11.

cause substantial increases in future employee litigation. There is every possibility that Congress will grant Federal employees other benefits in the future. One proposal now being discussed would give nonveteran Federal employees the same job protection rights that now exist for veterans. The grant of such an important benefit, like the grant to veterans under the Veterans' Preference Act, would undoubtedly result in a further increase in litigation. Even without further legislation, however, the trends of the past give every indication that the courts will play a larger role in the review of administrative determinations relating to the rights of Federal employees.

THE FANTASTIC RATE OF CHANGE

"Suppose that mankind has had 50,000 years of history. To make this time more comprehensible, let's compress it into 50 years. By this scale, we stopped being cave-men 10 years ago. Five years ago we invented pictorial writing. Two years ago Christianity was born. Fifteen months ago we got our first printing press. Ten days ago electricity was put into practical use. Yesterday morning, the first airplane flew, and radio was invented last night; television came into being this afternoon; and the commercial jet was invented a few minutes ago. . . . ours is the first generation of parents who cannot surely tell our children what the future will be like."

THOMAS D. BAILEY, *Florida State Superintendent of Public Instruction, writing in "School Life," February 1960.*



TRAINING DIGEST

HQ. TRAINING ACTIVITIES CENTRALIZED

The Commission's new Office of Career Development is now providing agencies one-stop services in training, employee development, and career planning. Formerly such services were provided by various Commission bureaus.

The new office is giving priority to planning for an executive selection and development program in accordance with the President's request of February 5. (See feature article on page 12 of this issue.) The staff is also coordinating and conducting interagency training programs, and is currently developing plans for an interagency roster of career executives which, when established, will be used for meeting emergency and unanticipated staffing needs.

The Director of the new office is J. Kenneth Mulligan. William T. McDonald heads the staff working on interagency programs, and Ross Pollock heads the career systems group.

AGENCY REPORT DUE

The Commission's call for agency annual reports on training under the Government Employees Training Act is contained in D.C. 1050. The report should reach the Commission by September 1. Agencies need not repeat in this report information which they are submitting separately about executive development and training (see D.C. 1045).

COMING SOON

The Fall 1960 edition of the Interagency Training Programs bulletin, to be ready for distribution about August 15, will be larger than any previous edition.

One new feature is the inclusion of courses from several Government training centers outside the Washington area, including (1) Ordnance Management Engineering Training Agency, Headquarters, Ordnance Weapons Command, Rock Island, Ill., (2) Personnel Development Center, Maxwell Air Force Base, and (3) the Office of Civilian and Defense Mobilization Staff College, Battle Creek, Mich.

Most of the Commission's regional offices are listing, by region, the training courses which agencies are making available to others. Further information on field programs can be obtained by writing to the appropriate Regional Director.

July-September 1960

PLACEMENT GUIDE

To assist agency officials in the training of Placement Officers, the Commission has just issued a 3-day conference guide. The publication, developed at the request of field officials, is now available in our Regional Offices and in the Program Planning Division of our central office.

The guide contains discussion notes on appointment, goals for effective placement policies, job requirements, placement of the handicapped, crash recruiting programs, reductions in force, evaluation of the work of placement officers, and other staffing problems. Other sections outline discussions on the integration of placement with other personnel functions and programs.

Prior to final publication, the guide was given a live trial run by the Commission's Third Regional Office in cooperation with local agency Placement Officers.

LIBRARY GROWING

About 30 items a month are being added regularly to the Commission's collection of training materials, now assembled in a separate room for the use of agency personnel and training officials.

Commission inspectors collect much of the Government training materials at the time of their inspection visits. Many agency headquarters offices send the library their new employee development and training materials as they release them. In addition to these sources, the library staff corresponds with industrial and local government officials to obtain items which appear to be of value to the Government service.

Agency representatives who wish to review the training material are welcome, and may make arrangements for borrowing any of the items.

FOR THE TRAINING OFFICER'S CALENDAR

The Training Act requires agencies to conduct a review of their training needs and requirements at least once every 3 years. Therefore, it is not too early for a reminder that the next survey should be completed by September 1961. Planning the survey, and carrying it out, will usually take a number of months.

"Assessing and Reporting Training Needs and Progress," CSC Personnel Methods Series No. 3, may be helpful to employee development officers and others responsible for training need surveys. It is a how-to-do-it aid and technical reference, for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., for 30 cents a copy.



The AWARDS Story

News comes to us from all over the country about activities in the incentive awards program. Here are three worthwhile examples of recent developments.

ARMY STARTS "OPERATION SEARCHLIGHT"

In a concerted agency-wide effort to focus the inventiveness of both civilian and military personnel on particular management-designated areas, top management of the Department of the Army has lined up solidly behind "Operation Searchlight." All Army personnel are being encouraged to use their abilities, skills, knowledge, and ingenuity to develop constructive suggestions for solutions to problems.

Announced by Secretary of the Army Brucker last October, "Operation Searchlight" has been enthusiastically supported by management at all levels in the Army. Numerous areas where ideas are wanted by management have been identified and publicized at the headquarters level, major command level, and installation level. Problem areas identified in one installation are given widespread publicity in others and at various command levels in the hope of stimulating constructive suggestions from employees.



In giving his wholehearted endorsement to "Operation Searchlight," Lt. Gen. William S. Lawton, the Army Comptroller, said: "The amalgamation of forces to search out ways and means of improving management and operation efficiency and the better allocation of funds typifies the spirit of cooperation between various staff elements to gain common objectives, i.e., better, cheaper, and easier ways of accomplishing goals."

On the basis of early returns, it appears that Army's investment of management time in identifying and publicizing problems of current interest will pay substantial dividends in the form of useful and valuable ideas from employees.

VA SUGGESTIONS YIELD LONG-TIME BENEFITS

How long is the life of a suggestion? A high proportion of the employee suggestions adopted by management continue to yield benefits for several years after installation. This is the main finding of a project conducted by the incentive awards committee at the Veterans Administration Center in Temple, Tex. Aim of the project was to determine the value and continuing application of suggestions adopted at the Center in the interest of further evaluating the local incentive awards program.

The table below gives a reporting of the status of a 25-percent random sample of adopted suggestions surveyed by the Center.

All of the suggestions adopted over the last 3 years were still in effect and proving worthwhile at the time of the survey. Eighty-eight percent of the 4-year old suggestions, and 50 percent of the 5-year old group were still in use.

The Acting Manager of the VA Center reported that the benefits derived from this analysis of their incentive awards program will assist the Center in improving its local program in the future.

SUGGESTIONS APPROVED IN VA CENTER, TEMPLE, TEX.

Calendar Year	Total for Period	Total Surveyed	Still in Effect	
			Yes	No
1954	52	18	12	6
1955	52	18	16	2
1956	57	18	18	0
1957	75	18	18	0
1958	120	18	18	0
Totals	356	90	82	8

BUDGET BUREAU BEGINS HONOR AWARDS

Budget Director Maurice H. Stans recently initiated a new series of honor awards for Budget Bureau employees who make exceptional contributions to the conduct of the Bureau's activities.

The Director's Exceptional Service Award will be granted for outstanding service over a period of years by key professional employees of the Bureau.

The Director's Professional Achievement Award will be used to give special recognition to professional staff

RECRUITERS ROUNDUP

AGENCIES USING FULL-TIME RECRUITERS

A number of Federal agencies are setting up positions to give full-time attention to recruitment and especially to the development of good college relations. Among the most active organizations on the Federal recruiting front are the Departments of Agriculture and Navy, United States Information Agency, Veterans Administration, and Housing and Home Finance Agency. In addition, Internal Revenue Service and the Bureau of Old-Age and Survivors Insurance have been operating very successful nationwide programs to fill their continuing needs for trainees.

FEDERAL CAREER DAYS SPOTLIGHTED

The April 1960 issue of the *Journal of College Placement* spotlights Federal Career Days as an effective means of dramatically bringing career opportunities in Government to the attention of promising college students. An illustrated article describes the cooperative efforts of Federal agencies, the Commission's 12th Region Office, and colleges, which resulted in a highly successful series of Career Days at a number of schools on the West Coast.

NEW MANUAL IN PREPARATION

CSC's Examining Division is well along on the preparation of a comprehensive Recruiter's Manual it hopes to have ready for distribution to agencies later this year. The "Recruiting Representative's Manual," prepared as an aid for developing an effective college recruitment program for the Federal-Service Entrance Examination, has been used as the foundation for the new, broader guide to Federal representatives concerned with recruiting at various organizational levels. The new manual will cover high-school and special recruiting programs as

members who have demonstrated a record of exceptional growth as evidenced by an outstanding capacity to assume rapidly their assigned responsibilities. Eligibility is limited to professional staff members in GS-13 and below with no more than 5 years of Federal civilian service.

The Director's Meritorious Service Award is designed to recognize outstanding service rendered by nonprofessional staff members.

July-September 1960

well as college-level activities, and will include information on techniques and activities such as career days, paid advertising, recruiting literature, and faculty visits.

RECRUITING OFFICERS INSTITUTE PLANNED

Plans are nearing completion for another CSC-sponsored College Recruiting Officers Training Institute, tentatively scheduled to be held in mid-October under the Interagency Training Program. An agency work group has been cooperating with CSC representatives to develop an agenda that will be interesting and helpful to agency personnel responsible for planning and administering recruitment programs as well as for those who will make direct contact with prospective recruits.

RECRUITER PROVIDES INFORMATION EXCHANGE

To give added support to agency recruitment programs and provide a means for an exchange of information among recruiters, CSC's Examining Division is issuing the *Civil Service Recruiter* during the academic year. It will feature stories of successful recruiting activities, tips and ideas for improving recruitment practices and techniques, suggested readings, and coming convention dates.

PROBLEM IN RECRUITING

Exactly 100 years ago, the Pony Express recruited for riders with this advertisement:

"WANTED—young skinny wiry fellows not over 18. Must be expert riders willing to risk death daily. Orphans preferred. Wages, \$25 a week."



"This isn't exactly what I had in mind when I said to establish a stenographic pool, Ridgely."

—reprinted by permission, News Front

Employment Focus



Since the current Decennial Census has focused attention on changes in America in the last decade, a brief comparative look at developments in the Federal civil service is timely. The decade of the "Fabulous Fifties" brought significant changes in the size, occupational composition, and other characteristics of Uncle Sam's work force.

End of Postwar Cutback

Spring 1950 marked the low point in the general reduction in the work force that followed World War II. By then, agencies operating wartime programs had been abolished and the defense establishment had made sharp reductions in personnel. An exception was the Veterans Administration, which had expanded tremendously to administer the many veterans' benefit programs. On April 30, 1950, the Federal work force numbered 2,083,910.

Ten Years of Change: In Size

June 1950 brought the invasion of South Korea and a remobilization to meet that emergency. Expansion of the Department of Defense and the creation of control agencies quickly followed, building the Federal work force to a new peak of 2,604,270 by July 1952. Although a 10-percent reduction followed the cessation of action in Korea, the continuing cold war and ever-present threat of hot war, plus changes in domestic programs and development of new programs attending advances in technology, kept employment consistently above the low point of 1950. At the end of April 1960, employment totaled 2,534,092 (or 2,353,012, excluding 181,080 census enumerators and crew leaders).

Today 44 percent of Federal civilian workers staff the Department of Defense; 24 percent handle the mail; and 7 percent serve veterans and their dependents. The remaining 25 percent handle all the many other services performed by Federal agencies. Today's work force is 22 percent larger than it was a decade ago.

In Occupational Composition

The era saw significant shifts in occupational emphasis, resulting in large part from technological developments and changes in Federal programs.

While occupational totals for the complete 10-year period are not available, we can compare the figures for June 1951 with those of October 1958. During this period, general administrative, clerical, and office-services

positions dropped by more than 30,500 (4 percent), inspection and investigation jobs by 15,600 (27 percent), supply positions by 1,300 (2 percent), and mathematics and statistics jobs by 1,300 (7 percent). Most other fields showed increases, some dramatic. Accounting and fiscal positions increased in number by 19,000 (25 percent), engineering by 10,600 (16 percent), physical science by 1,100 (4 percent), and medical, hospital, dental, and public health positions by 13,800 (21 percent). Transportation jobs—including air traffic control, shipment of goods, and transportation of Government personnel—increased by 15,900 (235 percent). Business and industry positions—which include contract work, agricultural marketing, loan examining, and building management—increased by 16,000 (99 percent).

As in industry, there was a significant shift in the blue-collar white-collar worker picture from 1950 to 1960: Federal blue-collar jobs increased by only 6 percent, while white-collar jobs increased by more than 28 percent.

In Other Characteristics

There were noteworthy changes in other characteristics of the Federal work force.

In 1955-56, the competitive service became worldwide for the first time when coverage was extended to 30,000 positions in foreign countries and U.S. territories and possessions.

The introduction of the new career-conditional appointment system in 1955 increased the percentage of career-type appointments (career and career-conditional) as against noncareer. In 1950, 87 percent of Federal employees were serving under permanent appointments, 7 percent in war-service indefinite positions, and 6 percent in temporary jobs. Following a sharp increase in the ratio of indefinites to permanents during the Korean period (when most new appointments were indefinite), the establishment of the new appointment system made it possible to convert thousands of appointments to career or career-conditional. Today, 78 percent of Federal employees have full career standing, 10 percent are career-conditional, and only 12 percent have noncareer appointments.

VETERAN COUNT

More than 20 million American veterans of World War I, World War II, and the Korean conflict were in civil life at the end of last year. Of these, 13,819,000 served in World War II and 3,617,000 in the Korean conflict, while 2,724,000 answered the call to arms during World War I. The State of New York had the most living wartime veterans with 1,929,000; California had the next most with 1,802,000. The fewest number of veterans—11,000—were found in Alaska; the next fewest in Nevada, 31,000.

American Legion Survey.

INSPECTION REVIEW

NATIONWIDE INSPECTIONS

The Civil Service Commission has embarked on a new approach to evaluation of personnel management on an agency-wide basis—nationwide inspections.

A nationwide inspection consists of:

- Using the Commission's total inspection facilities on a coordinated basis to review a representative sample of establishments of an agency, regardless of location, during a specified period of time.
- Consolidating the findings from all such inspections and presenting an overall summary and analysis of these findings to the head of the agency.

Who is subject to "Nationwide Inspection"?

All departments and agencies of the Federal Government which have a significant number of field establishments will be covered by the new "nationwide approach." At present there are 17 such departments and agencies employing about 94 percent of all Federal civilian employees. Within current resources of the Commission, approximately 6 of these agencies will be inspected each fiscal year, thus providing for an appraisal of the personnel management program of all major agencies once every 3 years. Currently, inspections are being completed in Army, General Services, Veterans Administration, Treasury, and Interior.

What is involved in a "Nationwide Inspection"?

Nationwide inspections are conducted in accordance with plans developed as a cooperative effort between the agency and the Commission. The plan is tailored to best meet the individual agency needs as well as Commission responsibilities. In developing a nationwide inspection plan, consideration is given to findings resulting from the agency's own self-evaluation activities. A typical plan would include information on:

- Period during which the inspection will be conducted (usually on a fiscal year basis) and inspection timetable to be followed.
- Minimum number and types of installations of the agency which will be inspected to insure a representative sample of all the agency's components.
- The minimum required coverage within each major personnel program area (e.g., employee development,

employee relations, etc.) which will be achieved for each inspection conducted.

- Any item of special interest to the agency or Commission which must be covered, including the scope of such coverage.
- Special sampling instructions for review of actions taken by the agency under delegated authority.
- Instructions for the uniform reporting of findings.
- Any background information pertinent for an effective evaluation of the agency (e.g., reorganization plans, mission changes, etc.).

As the inspections are completed, reports of findings are forwarded to Washington where they are consolidated, analyzed, and presented to the head of the agency.

Presentation at this level is in recognition of the fact that the ultimate responsibility for developing and operating an effective personnel program is top management's. The comprehensive and thorough nature of the final report will enable top management to take positive action by providing the necessary knowledge for effective leadership and support of an agency's personnel program.

Why the "Nationwide Approach"?

The "nationwide approach" to inspections was developed to meet one of the principal objectives of the Commission—providing agency top management with a meaningful and useful evaluation of their total personnel management program.

Specifically, this approach provides:

- An ability to differentiate between significant trends and isolated findings.
- Organized information of sufficient validity to point up the need for reemphasis or redirection of specific parts of a personnel management program.
- The basis for an evaluation of agency policies in light of the findings resulting from the review of these policies as they are actually applied in the constituent organizations of the agency.

Finally, in all phases of a nationwide inspection, from early planning to final presentation, there will be a continuing awareness that evaluation is an integral responsibility of management at all levels and that through its use, progress can be achieved.



SHELF-HELP

THE GOVERNMENT BOOKSHELF

These publications are available for review in the Commission's library, and in many cases may be obtained from the publishing organization.

Employee training—for whom and what kind; suggesting units of training and training materials for improved work performance at various stages of a VA employee's career. 34 pp. Veterans Administration. Office of Personnel.

VA employees now have available information as to what management expects from them as they advance. Should help bring personal and organizational goals closer together.

Planning and developing civilian career programs. Civilian Personnel Pamphlet No. 59. 73 pp. Department of the Army. Headquarters. Office of the Deputy Chief of Staff for Personnel.

The Army reports considerable progress in its career development program, giving many practical tips of interest to others.

The selection of employees. 65 pp. Department of the Navy. Office of Industrial Relations.

Addressed to employment specialists, this valuable pamphlet presents basic concepts on ranking people in order of their probable success in a job or career.

Guide for supervisors: employee development. 30 pp. Department of Air Force, Civilian Personnel Office, Little Rock Air Force Base.

Pamphlet designed to assist supervisors in determining training needs, planning and meeting those needs, and maintaining training records.

Manpower; challenge of the 1960's. Washington. 24 pp. Department of Labor.

Major shifts in our occupational groups have important implications for personnel officials and counselors of young people.

Personnel management profile summary (Form 2643). 6 pp. Treasury Department, Internal Revenue Service.

Form designed for the evaluation of personnel programs.

Selecting management personnel. 46 pp. Johnson & Johnson. Rev. ed. Office of Industrial Resources, International Cooperation Administration.

Tips on effective use of interviews for employment and placement.

A report of findings and recommendations resulting from the automatic data processing (ADP) responsibilities study, September 1958-June 1959. President's Improvement Fund Report. Bureau of the Budget. 44 pp.

Points to impact of computers on organizations, budgets, manpower requirements, and workers.

Commonsense about evaluating and recognizing performance. 31 pp. Veterans Administration.

Responsibilities of supervisors for performance evaluation.

Supervisory leadership development; a special training program established for first-line supervisors in the public service. 55 pp. Michigan Civil Service Commission, Training Division.

ARE YOUR EXECUTIVES READING THESE?

Landmarks of tomorrow. Peter F. Drucker. Harper & Bros., New York, 1959. 270 pp.

Provocative recommendations for changes to convert tradition-bound institutions into organizations capable of innovation.

Manpower and innovation in American industry. Samuel E. Hill and Frederick Harbison. Princeton, Princeton University, 1959. 87 pp. (Research Report Series No. 97.)

Studies of changes in organization structure when new products, processes, or administrative innovations are introduced.

A moral philosophy for management. Benjamin M. Selekman. New York, McGraw-Hill Book Co., Inc., 1959. 219 pp.

Productivity of complex, large organizations depends on cooperative rather than unilateral effort. The role of the businessman in shaping public policy.

Organizing for national security: interim report (S. Rep. 1026, 86th Cong.) United States Senate, Committee on Government Operations, Subcommittee on National Policy Machinery. Government Printing Office, 1960. 20 pp.

A problem paper on the role of policymaking and policymakers in defense and other security matters. Report criticizes lack of civilian training.





Worth Noting (Continued)

IMAGE OF THE PUBLIC SERVICE: Brookings Institution is conducting a study to ascertain the attitudes of the American people toward the Federal service and Federal employment. Findings will appear in two forms: the attitudes of specific groups in the population toward the Federal service will be traced in some detail in a series of pamphlets, the first of which will be released this fall; the pamphlets will be supplemented by two books—one on the standing of the Federal service generally, and the other on the occupational values and goals that prevail in contemporary American society—expected to be published by 1963.

AWARDS: James W. Clark, a budget examiner with the Bureau of the Budget, is the recipient of the 1960 William A. Jump Award for "outstanding achievement in Public Administration". . . . William T. McDonald, Assistant Director of Interagency Programs in CSC's new Office of Career Development, is this year's recipient of the Charles H. Cushman Award, presented annually by the Eastern Regional Conference of the Public Personnel Association for outstanding achievement in public personnel administration. . . . Abbott Washburn, Deputy Director of the United States Information Agency, has been presented the Distinguished Service Award, USIA's top honorary award . . . Edward F. Brayer, of the Bureau of Employees' Compensation, and Robert B. Steffes and Joseph S. Zeisel, of the Bureau of Labor Statistics, are the first recipients of the Secretary of Labor's Career Service Awards for advance study, established under authority of the Government Employees' Training Act.

RECORDS MOVE: The movement of retirement record files of more than 13 million present and former Federal employees, retirees, and survivor annuitants from Washington, D.C., to an underground site near Butler, Pa., was completed by the Civil Service Commission in June. The move is in line with a general practice of storing permanent records in sites outside the Capital.

COMMUNITY RELATIONS: Central and regional offices of the Civil Service Commission again this year participated in a number of Boys States, the education-for-citizenship program sponsored annually by the American Legion. As part of the program in Washington and in a number of States, the youthful delegates took part in a demonstration civil-service examination. The Commission was also scheduled to play host to the delegates to Boys Nation in Washington on July 26. Commissioner Barbara Bates Gunderson was to speak to Girls Nation in the Nation's Capital on July 19.

ORGANIZATIONS: New president of the Society for Personnel Administration is Robert L. Schultheis, Department of the Army, succeeding C. Mansel Keene, Civil Service Commission . . . Public Personnel Association holds its annual national meeting in New York City October 23-28 . . . Federal Bar Association meets in Chicago on September 15-17.

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