

CIVIL SERVICE

Journal

Vol. 17 No. 2 October/December 1976



U.S. Civil Service Commission

CIVIL SERVICE

Journal

Vol. 17 No. 2 October / December 1976

ARTICLES

- 1** Auditing in Government
by Elmer B. Staats
- 7** Progress and Problems
in the Federal LMR Program
by Robert E. Hampton
- 14** Outstanding Federal Women
of 1976 Honored
by Ada R. Kimsey
- 17** Toward a Modernized
Federal Examining System
by Arch S. Ramsay
- 23** Productivity and Personnel
by John D. R. Cole
and Allan S. Udler

DEPARTMENTS

- Employment Focus **4**
- The Awards Story **12**
- Appeals Digest **20**
- Spotlight on
Labor Relations **27**
- Personnel Research
Roundup **29**
- Intergovernmental
Perspectives **31**

U.S. CIVIL SERVICE COMMISSION

Chairman Robert E. Hampton
Commissioner L. J. Andolsek

Vice Chairman Georgiana H. Sheldon
Executive Director Raymond Jacobson

Editor Sylvia Bayliss Byrne

The Civil Service Journal is published quarterly by the U.S. Civil Service Commission. Editorial inquiries should be sent to the Journal Editor, Office of Public Affairs, Room 5336, U.S. Civil Service Commission, 1900 E Street NW., Washington, D.C. 20415. Telephone 632-5496 or Code 101, Extension 25496. No special permission necessary to quote or reprint materials contained herein; however, when materials are identified as having originated

outside the Civil Service Commission, the source should be contacted for reprint permission. The Journal is available on subscription from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402, \$4.10 a year domestic, \$1.05 additional for foreign mailing. Single copy \$1.05. Use of funds for printing this publication approved by the Office of Management and Budget by letter of May 2, 1975.

WORTH NOTING

□ NEW METHOD instituted for calculating COL annuity raises; "kicker" dropped: Public Law 94-440 changed the formula for calculating cost-of-living increases in civil service annuities.

Under the new method, COL adjustments will be made at specific, regular 6-month intervals.

Each year the Commission will make two computations: First, it will compare December's Consumer Price Index (CPI) with the previous June's CPI, with an equivalent change in annuity to be effective March 1. Second, the Commission will compare June's CPI with the previous December's, with an equivalent change in annuity effective September 1.

Changes will be reflected in actual

annuity checks issued on the month after the effective date—April 1 and October 1 checks of each year.

The first comparison, however, will be made by a special transitional method. The transitional method will compare the December 1976 CPI with the December 1975 CPI. An equivalent change will be effective March 1, 1977—in April 1, 1977, checks.

(Continued—See Inside Back Cover)

how it serves management today
and what the future holds

AUDITING IN GOVERNMENT

by Elmer B. Staats
*Comptroller General of the
United States*

WHAT THE TERM government auditing means today and how that function is performed has changed significantly in the past 10 years, and it is almost certain to continue to change in years ahead.

Effective auditing brings many benefits to an organization as it is seen that operating officials can use auditing as a tool for improving their efficiency and effectiveness and thus do their own jobs better.

Government Auditing Today

Auditing, as an important management function in Federal agencies, has developed gradually over the years. Today, in addition to the General Accounting Office which is responsible for auditing executive agencies, most Federal agencies have auditors engaged in audits of internal operations. Many also have auditors engaged in audits of their contractors and grantees.

The real story about government auditing is not its growth, however, but the expansion of its scope. As a result of this expansion, the government auditor serves a much larger role in government operations than in earlier years.

In the early days of governmental auditing, the work of the auditor was largely confined to verifying correctness and legality of financial transactions, checking the accuracy of accounting and

other fiscal records, and determining whether agency personnel were complying with management's instructions in performing their work. These are still important functions, and government auditors still perform them, but today they do many other jobs as well.

Today a great deal of the auditor's time is spent in assessing whether the organization being audited performs its job efficiently and economically, as well as answering the broader question of whether the organization is accomplishing its goals effectively.

With the addition of reviews of (1) economy and efficiency and (2) effectiveness in attaining desired results for agency programs and activities, the work of the government auditor has become more important and challenging.

Benefits of Auditing

Before proceeding further, I think I should explain some of my views on the benefits of auditing.

□ In the financial area government auditors perform important work in keeping managers advised of the reliability of the financial reports they receive. No manager who has relied on financial reports in making an important decision, and then found that the data in the report were wrong, will question the desirability of having such statements audited.

Such audits are a function with proven worth over a long period of time. The very existence of an internal audit department and the possibility that records may be audited tend to keep agency personnel on their toes and trying to do a better job.

□ In large organizations legislators and officials usually try to get operating people to perform their jobs in accordance with prescribed rules and regulations. These rules and regulations may be a part of laws that authorize programs or may be administratively determined to



provide effective management control over resources.

In either case, long experience has shown that it takes continuous effort to see that such regulations are complied with. In fact, a very common audit finding is that management has worked out a sound plan for performing one of the functions the agency is responsible for but its instructions have not been followed.

As a result, the program is not achieving its objectives or is more costly than necessary. This aspect of auditing, which is an important part of compliance auditing, is very important to management. It is one of the best ways for management to find out whether people are really following the guidance given to them.

□ Auditing to identify ways to improve economy and efficiency is one of the most exciting types of work auditors do, and it is one in which their accomplishments are most readily measurable. We in GAO do a great deal of this type of auditing.

□ Auditing program results is the newest and perhaps most challenging type of work of the government auditor. The objective here is to find out whether the program or activity is achieving the objectives set for it and to analyze the reasons for shortfalls.

Auditing program results has a long way to go before it becomes as commonplace in all government circles as audits of economy and efficiency—and an even longer way to go before it attains the maturity of financial auditing work. It is, however, an area in which there is great interest from legislators and the public, and increasing interest from agency officials.

To proceed further with benefits, auditing is one of those rare functions about which it can be said, "it doesn't cost, it pays." We in GAO are constantly trying to identify

opportunities to improve the economy and effectiveness of Federal programs and operations. Where possible, we make estimates of savings that are directly attributable to GAO recommendations. Such measurable savings amounted to \$503 million in Fiscal Year 1975. Of this, \$147 million will continue to be saved annually in future years. Over the past 2 fiscal years, measurable savings resulting from our work totaled nearly \$1.1 billion.

In addition, numerous actions resulted in financial savings that could not be fully or readily measured. Examples of these include (1) reducing the investment in modernization and expansion of ammunition plants (which could save approximately a billion dollars in future years), (2) reducing grant aid for the Korean Security Assistance Program, (3) substantial savings possible with increased agency purchases through the General Services Administration, and (4) eliminating duplication between the Department of Defense and the Energy Research and Development Administration in the development of nuclear weapons.

Even more important is the large number of recommendations GAO makes which, while not resulting in immediate dollar savings, point to ways to improve program effectiveness. For example, our work has helped to expedite disability compensation payments, change the military body armor program to further reduce casualties, increase control and consumer awareness of salmonella in raw meat and poultry, improve control over suspected fraud and abuse in Medicaid, strengthen energy conservation standards for new homes, and provide better job placement assistance to displaced Federal civilian employees.

Need For Efficiency and Effectiveness in Auditing

Within the Federal establishment there are 50 audit organizations that employ 9,800 professionals and their supporting staffs. The annual budget of all these auditors runs well over \$260 million, and this does not include the cost of independent public accountants who are often engaged to perform audit work, particularly in grant programs.

With this much effort and cost going into the auditing function, it follows that auditors should try to do their work as efficiently and effectively as possible. This means working efficiently and avoiding duplication of effort.

There are two aspects to auditing efficiently and effectively—what the auditors must do, and what management must do. Let's consider these separately.

What auditors must do

The auditors must, of course, be knowledgeable of auditing procedures. They must be trained, educated in their profession, and knowledgeable of the programs and activities they audit. They must know the intricacies of the operations, the rules and regulations under which the program is operating, and the goals established for it.

Auditors must plan their work carefully to provide maximum coverage in a minimum length of time. Auditors must try to prevent areas from going unaudited over the required audit cycle. Consequently, they must be aware of the work of other audit groups and avoid overlaps and duplications in effort.

With the limited auditing resources available, it becomes very important to use the work of other audit groups in the review of an agency's federally assisted

programs whenever that work is adequately performed.

The need to rely on each other's work was a major stimulus in the 1972 publication of GAO's comprehensive statement entitled "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions," better known as the "yellow book." These same concepts have been incorporated into our guidance to internal auditors entitled "Internal Auditing in Federal Agencies."

Finally, government auditors must do a better job of cooperating. There is still a need to (1) coordinate their plans with those of other auditors having overlapping responsibility and (2) develop procedures and cooperative work relationships that will permit auditors in all fields and at all levels of government to rely on each other's work.

What the manager must do

If an audit is to be fully productive, the manager's contribution to the effort is an important one. The auditor's job is to point out problems and bring them to management's attention. However, the auditor does not have the line authority needed to act upon his recommendations. Thus nothing happens unless line management acts to correct the problems the auditor finds. Here are two things I think management needs to do:

□ The internal auditors' placement as part of an agency puts them in a unique position to help management. Given the opportunity, internal auditors can serve as the "eyes and ears" of management. In large organizations like most government units, management needs information on how things are working out. Internal auditors can provide much of this type of information. What it takes is for management to view the in-



ternal auditor in this light and use the results of his work accordingly.

□ Managers should also consider auditors' findings and recommendations carefully. Here I refer to both internal auditors' findings and those of external audit groups like GAO. Management may not always agree with the auditors' findings nor will it always accept their recommendations, but managers can usually get a lot of useful information from the auditors' reports.

Managers who do not react defensively to the auditors' findings and recommendations, but consider them objectively and move to correct the problems described, get much more out of audit work and spend much less of their own time on the matters than those managers who are defensive.

Where Auditing Is Going

In discussing where auditing is going, I would like to recount some predictions I made at a recent meeting of government auditors. These predictions were that by 1986:

—Larger programs will be audited cooperatively by Federal, State, and local auditors.

—Governmental audit staffs almost universally will be able to do all three types of audit work, i.e., financial and compliance,

economy and efficiency, and program results.

—While all grants will be subjected regularly to financial audits, specific grants to be audited for compliance with laws and regulations, economy and efficiency, and program results will be selected using statistical sampling methods on a national basis by Federal, State, and local auditors working together.

—Audit staffs will be multidisciplinary and include accountants, mathematicians, economists, data processing specialists, and others in accordance with the demands of particular jobs.

—Grant requirements will be greatly simplified and procedures for auditing them standardized.

—Information on how well programs work will be regularly considered by legislators before reauthorizations are voted on.

The prospect by 1986 is not for bringing a radical change in approach, but rather the achievement of what we are now working toward.

If managers and auditors work together productively, I believe these goals are practical and achievable. The results will be better information, better managed programs, and more effective programs. CSJ



This article presents highlights from a Civil Service Commission report on the educational background of full-time permanent General Schedule employees. The study, the first issued by the Commission on the educational attainment of Federal civilian employees, is based on data in the Commission's Central Personnel Data File for 1.2 million General Schedule employees having permanent appointments and working a full-time work schedule. The report includes data as of August 1974 on the educational attainment of men and women employees, within minority (and nonminority) groups.

Composition of the Group

Minority group employees are 17 percent of the group; nonminority employees (all employees not in one of the specified minority groups) are 83 percent. The minority group employees are distributed as follows: Black, 75 percent; Spanish-surnamed, 15 percent; American Indian, 5 percent; Oriental, 5 percent.

The overall percentage of men and women employees is 60 percent men and 40 percent women; however, there is considerable variation in the percentage of women in the five minority (and nonminority) groups. The lowest percentage of women is in the nonminority group (36 percent), followed by Oriental (39 percent); and Spanish-surnamed (40 percent). The highest percentages of women are in the American Indian (59 percent) and black (64 percent) groups. Since, as will be seen, women employees tend to have lower levels of educational attainment than do men employees, the average educational attainment for groups with large percentages of women will be lower than if all groups had the same proportion of women (two-fifths) as did the study group as a whole.

Educational Attainment of the Total Group

Of the employees included in the study, one-third (32 percent) had no education or training beyond high school; 13 percent had some business school or other technical training beyond high school (other than in an academic college); and over half (55 percent) had some college attendance.

Employees With College Attendance

Within each minority (and nonminority) group, the men have considerably higher percentages with college attendance than do the women:

	Percentage of employees (of all educational levels) with any college attendance		
	Men	Women	Total
All GS employees	67	37	55
Nonminority employees ..	68	37	57
Minority employees			
Black	51	37	42
Spanish-surnamed	54	34	46
American Indian	53	29	39
Oriental	79	56	70

Oriental employees lead the other minority groups, and also the nonminority group, in educational attainment. This is true for Oriental men, as compared with the other groups of men, and for Oriental women, compared with the other women's groups. Because of the relatively small number of Oriental Americans (only 5 percent of GS minority employees and less than 1 percent of all GS employees), their high educational attainment has little influence on the figures for all minority employees and even less influence on the overall totals.

Subdividing those with any college attendance by the amount of college work completed, we find:

	Percentage of employees (of all educational levels) with specified amount of college work completed		
	Men	Women	Total
GS employees with any college attendance	67	37	55
One year of college or less	13	18	15
2 to 4 years (no bachelor's degree)	11	9	10
College graduates:	(43)	(10.5)	(30)
Bachelor's degree (no graduate study)	19	5.8	14
Graduate study	24	4.7	16

Thus, slightly under one-third (30 percent) of the total group of General Schedule employees had achieved bachelor's degrees or above: 43 percent of the men and just over 10 percent of the women. When only those with college attendance are considered, it can be seen that almost half of the women enrolling in college did not complete more than 1 year; the comparable proportion for the men is one-fifth:

	Percentage of employees with any college attendance completing specified amount of college		
	Men	Women	Total
GS employees with any college attendance.....	100	100	100
One year of college or less	19	48	27
2 to 4 years (no bachelor's degree).....	17	24	19
College graduates.....	(64)	(28)	(54)
Bachelor's degree (no graduate study).....	28	15.6	24.5
Graduate study.....	36	12.6	29.7

College Graduates in Minority (and Nonminority) Groups

Following are the percentages of men and women employees in each group having bachelor's degrees (with or without graduate study):

	Men	Women	Total
All GS employees.....	42.6	10.5	29.7
Black.....	23.2	7.8	13.4
Spanish-surnamed.....	22.8	6.5	16.3
American Indian.....	23.3	5.3	12.7
Oriental.....	55.9	22.0	42.5
Nonminority.....	44.8	11.3	32.7

Educational Level Within GS Grade Group

As would be expected, the educational level of General Schedule employees rises in successively higher grade groups. The percentages of men college graduates within each grade group are higher than the percentages of women college graduates in that grade group. However, the differences are less in the higher than in the lower grades:

October-December 1976

	Percentage of employees in specified grade group having bachelor's degree and above	
	Men	Women
All GS employees.....	42.6	10.5
GS-1 thru GS-4.....	4.3	2.4
GS-5 thru GS-8.....	18.4	7.8
GS-9 thru GS-11.....	39.7	35.7
GS-12 thru GS-13.....	61.4	55.4
GS-14 thru GS-15.....	78.0	77.6
GS-16 thru GS-18.....	88.7	86.1

GS Grade Group Within Educational Level

Holding educational level constant, there are great differences in the distribution of men and of women employees by GS grade group. These differences are much greater than the differences among the minority (and nonminority) groups. The pattern of higher GS grades for men than for women is observed within each educational level for each minority (or nonminority) group. The greatest differences can be seen by noting, for each of the educational levels, the percentages of men in the lowest grade group (GS 1-4), compared with the percentages of women in this grade group at each level:

	Percentage at specified educational level who are in grades GS-1—GS-4	
	Men ^a	Women ^b
All educational levels.....	7.6	39.8
High school or less.....	17.6	49.6
Training beyond high school (other than college).....	9.5	39.3
College, less than bachelor's degree.....	6.7	36.0
Bachelor's degree (no graduate study).....	1.3	12.2
Graduate study.....	0.4	4.0

^a Taking General Schedule men of all GS grades at each specified educational level as 100 percent.

^b Taking General Schedule women of all GS grades at each specified educational level as 100 percent.

College Graduates and GS Grade Group

Considering only those General Schedule employees who have attained the bachelor's degree (or above), one finds continuing the trend for men

employees to have higher GS grades than women employees at the same educational level. Thus, for grades GS-12 through GS-18 combined, the comparison is as follows:

	Percentage of college graduate men who are in grades GS-12 thru GS-18	Percentage of college graduate women who are in grades GS-12 thru GS-18
All GS college graduates	60	28
Black	45	16
Spanish-surnamed	45	15
American Indian	46	11
Oriental	56	18
Nonminority	61	21

The *highest* percentage for a women's group (21 percent) is thus less than half the *lowest* percentage for a men's group (45 percent). It is also noteworthy that, although Oriental men and women lead all other men's and women's groups, respectively, in educational attainment, nonminority men and nonminority women have somewhat higher percentages in grades GS-12 through GS-18 than do Oriental men and Oriental women.

Educational Attainment and Occupational Category

The white-collar occupations are classified into five categories: professional, administrative, technical, clerical, and other. Following is a comparison of the distribution by occupational category for men and

women and for the minority (and nonminority) groups. Separate percentages are given for the two most clearly contrasting categories—professional and clerical; the three remaining categories are combined:

	General Schedule employees: percentage distribution by occupational category			
	Total	Professional	Clerical	Technical, Administrative, and Other
All Educational Levels	100	19	31	50
By Sex:				
Men	100	29	8	63
Women	100	5	64	31
By Minority Group:				
Black	100	6	49	45
Spanish-surnamed	100	9	42	49
American Indian	100	11	29	60
Oriental	100	33	27	40
Nonminority	100	21	28	51
College Graduates	100	54	4	42
By Sex:				
Men	100	53	1	41
Women	100	34	18	48
By Minority Group:				
Black	100	38	10	52
Spanish-surnamed	100	46	4	50
American Indian	100	56	3	41
Oriental	100	64	6	30
Nonminority	100	56	3	41

—Ann Carmel

PROGRESS AND PROBLEMS IN THE FEDERAL LMR PROGRAM

by Robert E. Hampton
Chairman
U.S. Civil Service Commission

FIRST, I appreciate very much the opportunity to speak with you. I've given some time to thinking about what I'd like to say. My first thought, of course, was: What do you talk about in a room full of management types, union types, and their third-party go-betweens?

It's always more clear-cut when you're speaking with *either* management, *or* unions, *or* third-parties.

I have met with unions at their conventions and I focused my comments on their concerns. I have spoken with management people at Federal Executive Boards and other interagency forums, about management concerns. And in my work on the Federal Labor Relations Council, I have come to know the third-parties—how they operate, and what their concerns are.

Since I have you all together—in a “captive audience,” to borrow a phrase from the private sector—I'd like to share my thinking with you in some areas of common concern. This is the real contribution groups like yours can make: opening a forum for all parties to exchange their thinking on matters of mutual interest. I'll be keying my own

REPRINTED from a speech delivered by Chairman Hampton before the Society of Federal Labor Relations Professionals, Arlington, Tex., and before the Southwest Chapter of Federal Labor Professionals, Long Beach, Calif., in September 1976.



remarks to areas in which we all have a stake. And of course I'll be happy to share any thoughts I have on other issues you may wish to raise as well.

In discussing our topic—the federal labor relations program today—I've divided my remarks generally into two parts:

First, I'd like to look at where we are today in terms of how we got here. The focus will be on the second generation of the labor relations program, under my 7 years' stewardship of Executive Order 11491.

Second, I'll be looking at where we are today in terms of where we ought to be going for the future. In effect, I'll be getting down to the “basics” of labor relations.

The first generation of our labor relations program covered the 7 years prior to 11491. By and large, unions and agencies were left to their own devices in their dealings and in settling their disputes.

It was the age of “employee-management cooperation” under Executive Order 10988. And it was

an age in which we went through 7 years of largely rudderless growth.

You'll recall that in August 1969 we completed an extensive review of the 10988 experience. The study committee I chaired submitted a formal report with recommendations to the President. We reported to him that:

—The policies of 1962 had brought about more democratic management of the work force and better employee-management communication.

—Union representation had expanded from 19,000 employees in two agencies to nearly 1½ million in 35 agencies (including postal).

—Negotiation and consultation had produced improvements in a number of personnel policies and working conditions.

In a word, *more* employees had gotten *more* of a “say” in *more* areas through the labor relations process.

We also reported that: It had become apparent the policies of 1962 were unequal to the tasks of 1969. In effect, they had fallen victim to the unpredictable growth; they had advanced the program to a level beyond its capacity to keep pace. Plainly, the program was due to be “modernized.”

Among the major areas we flagged for change were:

—Third-party processes for settling representation disputes, for investigating and resolving com-

plaints, and for helping settle impasses and grievances.

—Improved criteria for appropriate units and bargaining rights.

—Enlarged scope of negotiation, and better rules for ensuring that it wasn't arbitrarily or erroneously limited.

Another 7 years have elapsed since we made these recommendations to the President. And we have all come a long way.

The program has gone through one complete overhaul to put it into high gear, and regular checks and fine tunings to keep it running smoothly. As one of the mechanics responsible for that work, I'd like to briefly trace the progress we have made in these three areas, and to assess their impact on the operation of the program today.

The *most obvious* distinction came in the area of third-party involvement. Under 10988, there was only one formal procedure for handling disputes—advisory arbitration. As a result, management retained the final say in resolving differences with unions.

All of this changed in 1970, when Executive Order 11491 ushered in formal third-party machinery for settling disputes.

In the negotiated grievance procedure, for example, the parties were permitted to adopt binding arbitration, as well as advisory.

With the 1971 amendments to 11491, the scope of grievance arbitration was confined to the four corners of the agreements—that is, to the interpretation or application of negotiated provisions.

But in 1975, all of this changed, too. With the later 11491 amendments, the parties were permitted to negotiate the coverage and scope of their procedure—provided it did not cover matters for which a statutory appeal procedure exists.

We can assess the impact of the



first change, in 1970, regarding the negotiation of binding grievance arbitration.

According to our computerized LAIRS file, some nine-tenths of Federal agreements today provide binding arbitration for grievances. And these 2,000 provisions affect nearly 900,000 employees.

But it is too early yet to assess the full impact of the '75 change, regarding the expanded scope of the negotiated procedure. Even without hard data, though, I think we can all appreciate the potential in reaching agency personnel regulations through the arbitration of grievances.

Before leaving the subject of third-parties, I'd like to relate a particular concern we've been running up against in the Federal Labor Relations Council. Lately, we've been inundated with negotiability appeals on issues of every description and size. Many are difficult and important. Some are not.

It is irritating, for example, when members of the Council get drawn into *de minimis* disputes that could and should have been resolved in the first place by the parties themselves. There is nothing alchemic about the Council substituting its judgment for the prac-

tical wisdom of the people directly involved in these kinds of cases.

When I see matters like these escalated to the level of the Council, I can only conclude:

1. That some parties are getting too hung up on being overly legalistic and technical with comparatively simple and mutual issues.

2. And that they are apparently incapable, or unwilling, to settle these differences the way they ought to be settled—simply and mutually.

The win-lose approach benefits nobody—not management, not the union, not the employees, and certainly not the public interest. We should be looking instead to making the program *less* legalistic and technical, and *more* oriented to settling problems where they arise.

Enough said on this subject. Let's move on now to the second major area identified by the '69 study committee.

The *most persistent* problem of our program is in the area of unit structure. I sometimes wonder if there is anything we can do that will arrest the fragmentation of bargaining units. It has achieved such remarkable permanency in our program.

In the 7 years under 10988, units proliferated through consent recognition and through advisory arbitration of unit disputes. (By the end of 1969, there were 2,621 units—with an average size of 322 employees apiece.) In the 7 years since the study committee report, we frankly have not made the progress we had hoped we would in correcting this problem.

In 1970, we added two new criteria—effective dealings, and efficiency of operations—to the community of interest standard for appropriate units.

The design was to reduce fragmentation; the result was a whopping one-third increase in the

number of bargaining units by the end of 1974 (up to 3,483 units). And, in fact, the size of these units (averaging 328 employees apiece) had barely changed at all—so while we were getting more units, they were not getting much bigger. (Today, based on some unpublished figures I saw, we're up to 3,682 in the number of units, and their average size—329 employees apiece—is nearly identical to what it was 4 years ago and little different from what it had been 7 years ago under 10988.)

Clearly, something more was needed to reduce unit proliferation. So, in '75, the program took a different tack on the problem—this time to promote the consolidation of existing units. Although it's too early to tell what the impact will be, our initial experience has been that there is no onrush of consolidation petitions.

But we have gotten a firmer fix on another impact regarding unit fragmentation. And it shows why this is an area for real concern.

Before leaving Washington, I asked the LAIRS staff to run this question through the computer: Do bigger units produce more meaningful negotiated agreements than smaller units?

For purposes of comparison, we took "bigger" units as those with 500 or more employees (including those under multi-unit agreements). We matched these against the 34 most substantive topics for bargaining. And the computer kicked back the answer in very plain terms:

The percentage of agreements covering large units that contain each of the 34 key provisions is higher, *in every instance*, than the percentage of agreements covering small units!

The larger units were way out front in provisions on EEO, safety inspection and equipment, union representation on safety commit-

tees, and notice to the union on reductions in force. Agreements covering larger units also showed a greater incidence of binding arbitration (as opposed to advisory).

The size and structure of bargaining units, therefore, have a very definite impact on the substance of negotiated agreements. Which brings us to the third and surely the highest impact area I'd like to trace from the '69 study committee recommendations.

The *most controversial* issues in the program relate to the scope of bargaining.

Our basic definition of the scope of bargaining has remained the same for 14 years—personnel policies and practices and matters affecting working conditions. But its meaning has been amplified each step of the way under 11491.

The biggest expansion came with the '75 amendments to 11491—taking the lid off negotiations in areas of agency regulations (excepting only those issued at the very highest levels for a compelling need). At the same time, we reasserted the mid-contract bargaining obligation on changes in conditions within the scope of bargaining.

We cannot now gauge the full impact of "compelling need" on negotiations in areas formerly insulated by agency regulation. But we suspect it will be profound in further enlarging the scope of bargaining.

With regard to the mid-contract bargaining obligation, we are seeing some indication of over-reaction at the operating level. In some cases, it appears that managers may be ignoring this obligation. In other cases, it appears that unions may be viewing this right as a "hold" on management's ability to make essential operating decisions or personnel actions not covered by the negotiated agreement.

Neither of these extremes was intended, and we're trying through case-law to sort out rights and responsibilities in these kinds of situations.

We also hear a lot of griping about the scope of bargaining in the program, and it comes from two directions. Some feel it is too narrow, that meaningful issues are not included. On the other hand, there are those detractors of collective bargaining who would argue that management has already negotiated away its ability to make personnel decisions in a timely, effective, merit-based fashion.

We hear a lot less about how far we have come in this area. That we have come a long way already becomes more and more apparent every time we take a new look at what's been negotiated into the 3,000 or so agreements in our LAIRS file.

To get a closer fix on what's been negotiated lately, for example, we made a special computer run on the 46 subjects most affected by negotiations. And we got back a picture of over-the-year ('74-'75) bargaining trends on those key subjects.

We found, to begin with, that the increase in negotiated provisions was well above the increase in negotiated agreements.

Getting to the specifics, between November '74 and November '75 there was over a one-third increase in the negotiation of such provisions as employee counseling, excused time for training, transfer, past practice provisions, union rights under the grievance procedure, suggestions and awards, technological displacement, labor relations training, pay policies, office service for the union, and environmental pay.

Despite the gripes, the parties still have a way to go before they reach the outer limits of bargaining under 11491.

Nor would even this represent the total scope of the unions' influence on personnel conditions. We must recognize also that their impact on decisionmaking today reaches well beyond the Executive order's boundaries:

—to white-collar pay, through the Pay Council under the comparability law;

—to blue-collar pay, through the Prevailing Rate Advisory Committee and locality pay-setting under the prevailing rate law;

—to Government-wide personnel policies, through day-to-day consultation with the Civil Service Commission on changes in the Federal Personnel Manual and other policies being considered by the Commission itself.

I am aware, of course, that the unions believe they have had no impact on white-collar pay. And, in fact, three members of the Pay Council have seen fit to resign.

I submit, nonetheless, that the operation of the 1970 Comparability Act, with all its imperfections, has been a vast improvement over the annual pay battles prior to enactment. And, the unions *have had* an impact on the agent's decisions.

I certainly hope the departed members will rejoin the Council so we can have the benefit of their input.

Finally, while we're on this issue of scope of bargaining, I'd like to track one more major area of concern—management rights under the Executive order.

While the *concept* of management rights has spurred a great deal of controversy, the fact is that in *practice* it has worked out reasonably well—permitting a fair amount of bargaining, with regard to the procedures used and the impact on employees of management decisions and actions.

This is not to say that their basic exclusion from the scope of



bargaining has not given us some severe headaches in the negotiability process.

The prevalence of section 11(b) and 12(b) disputes was dramatically illustrated in a survey we conducted earlier this year on negotiability determinations. A review of all negotiability decisions published by the Council prior to January 1, 1976, showed that about half of all issues found non-negotiable fell into the management rights area—more commonly under 11(b) than under 12(b).

While we have permitted an expansive scope of bargaining through our developing case-law in this area, the basic difference between section 11(b) and 12(b) has been a persistent problem in sorting out negotiability issues into the different slots of mandatory, permissible, and prohibited subjects of bargaining.

The record shows there is plenty of negotiating going on in and around some of these areas we call management rights—at least with respect to the procedures used and the impact on employees.

Recently we published an in-depth review from our LAIRS file

of negotiated provisions on the assignment and scheduling of work. Let me give you some round-figure examples of just how extensively these provisions have been negotiated, in terms of their employee coverage:

Meal periods—432,000

Work breaks—447,000

Shift hours—607,000

Temporary assignments—657,000

Workweek definition—845,000

Overtime—874,000

What the survey showed, *over all*, is that considerable negotiation—which, in some areas at least, is not within the obligation to bargain—is taking place on assignment and scheduling practices.

This is a difficult area, I know. But it is one where negotiations are being felt and where we are producing workable results through case-law.

The scope of bargaining is the "gut" issue in our program. And if there is any one message I'd like to leave with you today, it is this:

There's not nearly enough *frank and fair* recognition in the program today of the tremendous improvements that have been achieved in the unions' status and in their *impact* on decisionmaking.

All the procedures and case-law in the world won't bring about mature, honest, and mutually beneficial labor relations unless we who are in the business face up to realities and work together to get the most out of our relationship.

This is another way of saying what I said at the outset, and I would like to focus on that thinking and how it applies to all of us here today. Our common concerns are what labor relations is all about, and we must deal with them realistically if the program is to work.

Living together—This is a deceptively simple way of stating what labor relations is all about. It

doesn't mean victory. It doesn't mean defeat. It does mean an awareness by both parties of their respective interests. For example:

Let's analyze the situation where the parties have just concluded negotiations, and their agreement is ready to go into effect. As professionals in this business, all of you know the job isn't finished with initialing of the agreement.

In fact, your next step is a very important one. Next to the negotiation itself, it can contribute more to making the agreement work than any other action. This, of course, is the job of making the supervisors and stewards understand what has been agreed to:

—The meaning of negotiated provisions, and how they're intended to be applied;

—The rights and responsibilities of the parties to enforce and live up to the agreement; and

—The consequences of ignoring or misapplying its provisions in daily operations.

You have worked hard and long to negotiate an agreement the parties can live with. But you know also that it is not self-executing.

Unless the supervisors and stewards on the line clearly understand what's expected of them, it can become part of the problem rather than part of the solution at the work-site.

Let me mention one more important issue before closing the loop on my talk.

Safety—There has been real progress in the negotiation of safety and related protections. I am not going to go into the details, but I can think of no better example of the benefits and payoffs of joint union-management action than in this area. It illustrates that when unions and agencies put their

shoulders to a common problem, the chances of real success are excellent.

In closing I would like to share with you what has been behind the evolution of the labor relations program.

From the beginning it has been apparent that unions would grow in size and influence within the public sector. It was also apparent to some that public sector labor relations presented different problems and different solutions than the private sector. Although many have stubbornly hung on to the theory that what was good for industry was good for the public sector, their number has grown smaller and smaller as the real public sector issues were surfaced.

Those of us responsible for plotting the evolutionary course of the development of the labor relations program had no precedents, no guidelines, nor any patented success formulas to follow in plotting that course. We have had to experiment and we have had to learn from our mistakes. However, I think that what we have today works. It is not perfect. It will need to be under continual scrutiny, and those who monitor the program must be flexible in accepting the need for change.

I do not believe that those of us who are close to the program seriously doubt that legislation will ultimately replace the Executive order. The only questions are: When? And in what form?

A labor relations law does not appear to be just around the corner. We are caught up in a backlash of anti-public employee sentiment.

In the meantime, all of the concerned parties should be willing to spend the time and study required

to deal realistically with the many problems and issues peculiar to labor-management relations in the Federal Government. However, our mutual challenge will continue to focus on getting the most out of the current program.

This is an important investment in the future, as well as the present. When the time does come, I do not envision a sudden move into a radically different program under law. Nor do I think that would be desirable.

In my view, we can expect instead a continuation of and a building upon the progress made under the Executive order. Let's be ready then with the soundest possible base from which to move forward.

We are engaged in a common and difficult venture. It will require our common and best efforts.

Two hundred years ago, Edward Gibbon drew this conclusion from *The Decline and Fall of the Roman Empire*:

"The ardour of contention, the pride of victory, the despair of success . . . from such motives almost every page of history has been stained."

For us, I think, the lesson is plain. It means working together, rather than in contention. It means finding solutions that benefit both parties, rather than win-lose.

Yes, and it also means management accepting the legitimacy of Federal employees acting like trade unionists, and Federal unions accepting the legitimacy of management acting like management. Cooperation and problem-resolution, after all, do not require capitulation.

If we can achieve this, none of us should despair of success in our labor-management relations. **CSJ**



THE AWARDS STORY

Benefits From Incentive Awards

Incentive awards program results are in for FY 1976, and it proved to be a banner year. Performance and suggestion contributions beyond job responsibilities by Federal employees produced over \$333 million in tangible benefits to the Government—or the equivalent of the Federal income taxes of 182,000 average American taxpayers. This is the third highest amount of tangible benefits in a fiscal year since the incentive awards program was established by Congress in 1954, and it represents a 54 percent increase over tangible benefits realized during Fiscal Year 1975.

Approximately one out of every 11 Federal employees received recognition for suggestion or performance contributions during FY 1976. Two out of every 100 employees submitted suggestions, and 26.5 percent of the suggestions processed during FY 1976 were adopted, resulting in an average of a \$99 award for \$3,849 benefits—a return of better than 38 to 1 for the Government.

About eight out of every 100 employees were recognized for performance contributions beyond job responsibilities—about three of these having received quality increases (an additional within-grade increase) and about five having received an average lump-sum cash award of \$228. Since many recommending officials overlook the possibilities for identifying tangible benefits resulting from improved employee performance, these awards typically show less of a return for the Government than do suggestion awards. However, this situation undoubtedly will improve as managers are made aware of the fact that they should identify tangible benefits that result from improved employee performance, wherever possible, when making performance award recommendations.

In addition to tangible benefits, which permit program funds to be directed to higher priority projects, the Government also realizes intangible benefits such as advancing medical science, conserving natural resources, contributing to national security, and improving services to the public. Not the least of these intangibles is the increased motivation and productivity among employees that result from an effectively administered incentive awards program. It is interesting to note that cash awards granted to

employees during Fiscal Year 1976 were distributed among grade levels in close proportion to their respective populations within the General Schedule, wage grade, and other pay plans.

Agency Achievements

During the fiscal year under review, 17 agencies reported tangible benefits in excess of \$1 million: Agriculture; Army; Agency for International Development; Air Force; Commerce; Transportation; Defense Supply Agency; Federal Communications Commission; Health, Education, and Welfare; Housing and Urban Development; Interior; National Aeronautics and Space Administration; Navy; Office of the Secretary of Defense/Office of the Joint Chiefs of Staff; Treasury; United States Postal Service; and Veterans Administration.

Other noteworthy agency achievements in the incentive awards program during FY 1976 include:

Air Force—led all agencies in benefits through employee suggestions with \$56.2 million—the 15th consecutive year that the agency has reported over \$30 million in benefits.

Defense Supply Agency—the highest participation and adoption rates for suggestions, with a receipt rate of 23.4 and an adoption rate of 6.2 per 100 employees.

Health, Education, and Welfare—led all agencies in benefits through employee special achievements beyond job responsibilities with \$70 million—a new Government record.

Navy—had the highest percentage of adopted suggestions of those processed—with 38.2 percent.

Treasury—set a new department record for benefits through employee suggestions—with \$2.9 million.

Veterans Administration—set a new agency record for benefits through employee suggestions—with \$3.7 million.

Employee Achievements

Some of the more notable contributions by employees during the past fiscal year included:

- Development of a process that allows gold to be extracted from gold-bearing ore, which otherwise would have been lost.
- A suggestion that reduced the time required to discharge certain categories of Navy enlisted person-

nel, to the extent that tangible benefits of over \$3 million accrued.

□ Development and implementation of new technological advances in submarine sonar systems.

Presidential Cost Reduction Campaign

These outstanding program results and individual employee contributions are attributable to the added impetus provided by the President's expressed interest in and support of the incentive awards program through the Presidential Cost Reduction Campaign. During this campaign, which ran from May 6, 1975, through May 5, 1976, civilian and military personnel whose contributions through suggestions or performance resulted in tangible benefits to the Government in excess of \$5,000 received a personal letter signed by the President. With the expressed intent of achieving greater economy in Government operations, the campaign produced \$297 million in tangible benefits, with each letter signed by the President representing, in effect, an average saving of \$82,510.

Civilian and military personnel from 36 departments and agencies received a total of 3,605 individual letters from the President. This top-level recognition of Government personnel and support

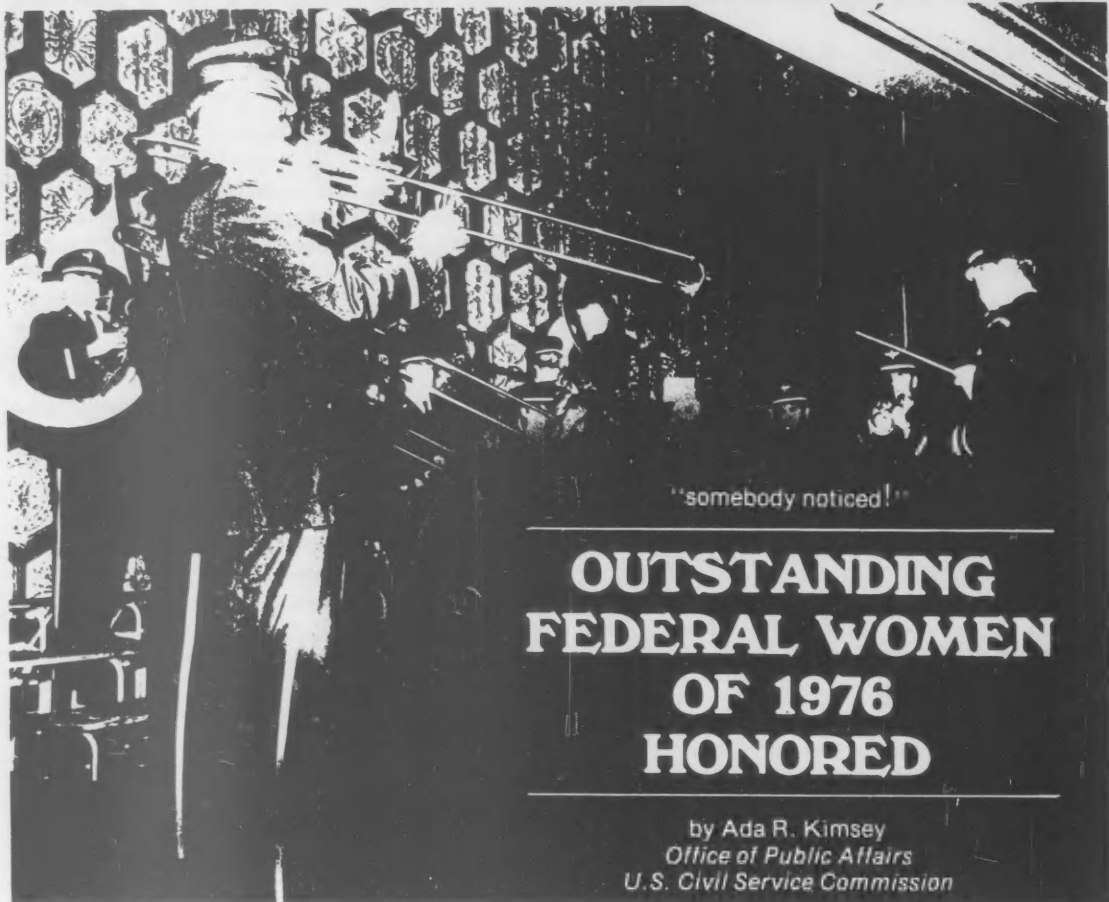
for the awards program met with a tremendous response from employees and from persons with incentive awards program responsibilities.

Capitalizing on the Impetus

With interest in the incentive awards program renewed at all levels, the Commission plans to use the program to continue emphasis on cost reduction through personnel management, and to support major Government objectives such as equal opportunity and energy conservation. As a part of this effort, improvement of systems and procedures for processing employee contributions, and the establishment and maintenance of effective communications within and among agencies, will be important concerns.

The support of all Federal personnel is being sought to achieve an increase in tangible benefits realized through employee contributions during FY 1977. The Commission intends to continue to support agency efforts and to provide improved assistance during the year ahead—particularly in the area of training for supervisors, managers, and executives, and in guidance on program promotion and publicity.

—*Edith A. Stringer*



"somebody noticed!"

OUTSTANDING FEDERAL WOMEN OF 1976 HONORED

by Ada R. Kimsey
*Office of Public Affairs
U.S. Civil Service Commission*

"IN THE DAYS before EEO and ERA, my first boss gave me excellent career advice. 'Dorothy,' he said, 'to get any place in the government, you've got to look like a girl, act like a lady, think like a man, and work like a dog.' To that, a woman friend later added: 'Yes, and hope that somebody notices.' Well, tonight somebody noticed!"

That was how Dorothy I. Fennell, world-renowned mycologist accepted her award as one of the 1976 outstanding Federal women. The gala Federal Woman's Award banquet, conducted by Mrs. Jayne Baker Spain, took place this fall in Washington, D.C. Mrs. Spain, Chairman of the FWA Board,

called this a time to open the door to Century III where men and women may work "together in strength, in confidence, knowledge, and maturity..." Mrs. Spain is former Vice Chairman of the Civil Service Commission, now Senior Vice President, Public Affairs, for Gulf Oil Corporation.

In accepting their awards, all six honorees paid tribute to influences and support from families and colleagues. Sometimes unspoken, but clearly present, was the office esprit de corps that many winners enjoyed, and had fostered. The gang from her office was present to cheer loudly for each Washington, D.C., winner. M. Patricia "Pat"

Murray expressed thanks to the teams of colleagues in physical therapy who—with her—have literally helped people to walk.

Awardees pointed out the excitement and fulfillment they'd found in seizing opportunities to move forward in their careers. Said Fennell, "While some days, a nice job clerking at the local dime store's crockery counter seemed more appealing, I've had many more of the exciting and rewarding days."

Joyce Walker, a budget official whose Government career started in 1965, sounded another note when she spoke to her generation's debt of gratitude to the women of the preceding generation. "Since I've been in Government," she



RUNNING CLOCKWISE in a "winners circle" on this page, starting above: TWO OUTSTANDING Federal women step to the podium: awardee Marion J. Finkel, escorted by Virginia Y. Trotter, Assistant Secretary for Education, Department of Health, Education, and Welfare; AWARDEE M. Patricia "Pat" Murray speaks fondly of her family and coworkers who contributed to her award-winning career; AWARDEE I. Blanche Bourne listens as Mayor Walter E. Washington cites her career milestones, with Mrs. Jayne Baker Spain, FWA Chairman, looking on at right; FRIENDS/COLLEAGUES—they're one and the same in awardee Joyce Walker's office: Walker is seated second from left; HER PROUD FAMILY flanks awardee Carin Ann Claus; and AWARDEE Dorothy I. Fennell receives her citation from Robert W. Long, Assistant Secretary of Agriculture for Conservation, Research and Education. ON THE FACING PAGE, music by the United States Air Force Ceremonial Band sets the tone for the awards gala. AND ON PAGE 16, "Striving for Excellence" is symbolized in dance and song by the Gallaudet College dance troupe.



said, "I've come to know just how much we owe these Federal women just ahead of us—they really cleared the way for us." She pledged to work for and pass on new gains to the next wave of women in Government.

An audience of several hundred applauded the awards ceremony, which had a "show-biz" flair. Just before the ceremony, singers and dancers set the theme of striving for excellence when they performed "Climb Every Mountain." The dancers, from Gallaudet College—the world's only college for the deaf—were accompanied by the Paul Hill Chorale. The chorale also sang a rousing 19th century suffragette song, "Rights of Women," set to the tune of "My Country 'Tis of Thee."

Spotlighting each awardee in turn, FWA Board Chairman Spain introduced the winner with a mild "celebrity roast," and then called her and the head of her agency. After the agency representative read the citation, the winner received the framed certificate, a check for \$1,000, and a gold charm for a bracelet.

Awardees for the 16th annual program are:

I. Blanche Bourne, M.D., a pediatrician and public health administrator par excellence, has developed, set up, and carried out numerous major projects to enhance the health of community people, particularly the children. Dr. Bourne is Deputy Director of Public Health; Deputy Administrator, Community Health and Hospitals Administration; Department of Human Resources; District of Columbia Government.

Carin Ann Clauss, renowned for her brilliant leadership in Federal enforcement and litigation under the Fair Labor Standards Act, Equal Pay Act, and Age Discrimination in Employment Act, has guided to a favorable Supreme Court decision the first case on equal pay for equal work regardless of sex. Clauss is Associate Solicitor for Fair Labor Standards; Office of the Solicitor; Department of Labor.

Dorothy I. Fennell, a member of the "penicillin team" whose research led to mass production of penicillin, is also famed as one of the few mycologists who can provide identification of two important fungal categories. Her work has benefited farming, industry, the military, and medicine. Four micro-organisms have been named in her honor. Fennell is Microbiologist, Northern Regional Research Center, Peoria, Ill.; Agricultural Research Service; Department of Agriculture. She is Curator of the Culture Collection's



Aspergillus and Penicillium strains.

Marion J. Finkel, M.D., an outstanding clinical pharmacologist, directs a major Federal regulatory program, which she superbly handled during a major restructuring. The result of her leadership in the new drug assessment program is that safe and effective new drugs are available without undue delay to the physician. Dr. Finkel is Associate Director for New Drug Evaluation, Bureau of Drugs; Food and Drug Administration; Department of Health, Education, and Welfare.

M. Patricia Murray, Ph.D., a distinguished physical therapist, started her research in analyzing the movement of walking in order to help diseased patients. She spent years pioneering descriptions of normal gait and posture, since none existed. Her multifaceted career has included contributions to research, teaching, administration, and scientific literature. Dr. Murray is Chief, Kinesiology Research Laboratory; VA Center, Wood, Wis.; Veterans Administration.

Joyce J. Walker, nationally known for her effective contributions in the compilation and administration of the Federal Budget, was particularly praised for her liaison work with Congress and Federal agencies. She played a major role in meeting the requirements of the Congressional Budget and Impoundment Control Act. Walker, formerly Chief of the Budget Preparation Branch, is Deputy Associate Director for Economics and Government, Office of Management and Budget.

CSJ

TOWARD A MODERNIZED FEDERAL EXAMINING SYSTEM

by Arch S. Ramsay
*Director,
Bureau of Recruiting and
Examining
U.S. Civil Service Commission*

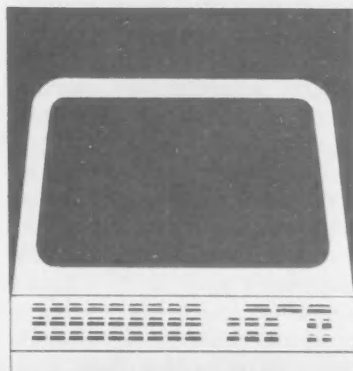
THE DEVELOPMENTS spotlighted in the middle column are two examples of the steps now being taken by the Civil Service Commission to modernize the Federal examining system.

The Commission is responsible for assuring that the Federal service has qualified people to do its work, for serving the public by providing accurate information on Federal job opportunities, and for assuring that applicants are matched with jobs on the basis of merit, fitness, and equality of opportunity. In order to better meet these responsibilities, we have launched a comprehensive program to improve recruiting, examining, and job information for Federal employment.

Our modernization plans call for a spectrum-wide effort encompassing all aspects of examining. While this article focuses on the application of automated data processing technology, we are also pursuing improvements in the examining design process such as better methods of rating applicants' experience against job-related criteria, and more refined written testing techniques.

The Need for Improvement

The Commission's examining offices process about 2 million job applications each year to fill 150,000-200,000 positions throughout the Federal service. These positions are in a wide range of occupations covering profes-



In March 1976, the U.S. Civil Service Commission began operating its first fully automated written test scoring facility. Tests administered throughout the nation are now machine scored and results returned to the administering office within 3 days. Previously, the machine scoring cycle frequently took 6 to 8 weeks to be completed.

Thirty-two Commission area offices are using the Managed Approach to Recruitment (MAR) to program recruiting and examining activities and to improve service to agencies and the job-seeking public. Under the MAR concept, area offices use forecasts of agencies' hiring needs to gear publicity and job opportunity information, and to influence the intake of applications toward occupations in which vacancies are projected. As a result, applicants get more accurate information about job opportunities, declinations are reduced, and a better managed Commission workload leads to improved service to agencies.

sional, scientific, managerial, administrative, technical, clerical, and trades and labor employment.

Approximately 1,700 employees are directly involved in these examining operations and perform such functions as announcing ex-

aminations to the public, receiving and processing applications, administering written tests, evaluating qualifications, establishing and maintaining registers of eligibles, referring candidates to Federal agencies, and reviewing agency hiring activities.

This is a tremendously complex process. A multiplicity of processing systems now exist to accomplish these tasks. As the Federal Government has branched into new fields of endeavor, the number of occupations and the level of specialization in Government employment have increased. Each new need seems to have generated a new process for obtaining information from applicants and using this information to match them with jobs. Legal and public policy decisions have also created complexities by demanding refined examining processes.

These refinements, in turn, have led to the need for better tools to handle more information on each applicant's qualifications.

The Civil Service Commission, like other Federal agencies, is constantly striving to increase productivity, to do more work with fewer resources, and to provide higher quality products to those it serves. To meet these goals and to deal with the problems of high volume and highly complex processes, the Commission is carrying out a sustained effort to integrate the many current procedures into one

simplified system and to take advantage of modern ADP technology.

Where We Are Going— System Design Concept

The Commission's improvement efforts began with a total systems study of examining operations. The results of the study were an overall design for a nationwide system to fully integrate all aspects of examining program operations and a determination that using ADP support for the system would be feasible. In order to turn the broad system design into an operational reality, Project SCORE was established to develop and implement a nationwide integrated System of Comprehensive Operations for Recruiting and Examining.

The conceptual design of the proposed system provides for the integration of seven major components of recruiting and examining operations into a single system:

□ Planning—obtaining and analyzing information on projected hiring needs of Federal agencies. Data are used to inform the public about job opportunities, adjust the intake of applications to meet actual needs, and to concentrate examining resources in the occupations and locations where they are needed.

□ Recruitment—implementing specific recruiting activities based upon predetermined hiring needs. Emphasis is shifted from generalized announcements of opportunities in broad occupational groupings and wide zones to specific information on positions identified by occupation, location, salary, and time.

□ Application processing—evaluating applicant qualifications data with standardized, consistent, and rapid processing through use of one standard application form and supplements keyed to specific

occupational fields. These processes are to be supported by centralized automatic data processing equipment, thereby reducing manual workload and reducing the time required to complete the cycle.

□ Competitor inventory—establishing and maintaining a repository of records on eligible applicants who are available for jobs. The system design provides for computerized access to information on competitors, to be used for automated screening of candidates' qualifications and for rapid updating of individual records.

□ Certification—searching records of competitors and providing certificates listing qualified and available candidates for positions required by agencies. Provides for automated search and printing of certificates immediately transmitted to the requesting office.

□ Selection and audit—checking or auditing the action taken by an agency on a certificate, assuring that competitive requirements were followed when a selection was made, and automatically posting changes in applicant availability reported at the time of the audit.

□ System evaluation—providing Civil Service Commission management with information for evaluating and improving the overall effectiveness of the recruiting and examining operation. This is designed to provide data needed to determine how well the needs of the agencies and the public are being satisfied, and

whether costs incurred were appropriate to the service provided.

The chart shows how these seven components are combined into a single system; the components are integrated in that the outputs of one become the inputs for another, and all provide management data that are tied together in system evaluation.

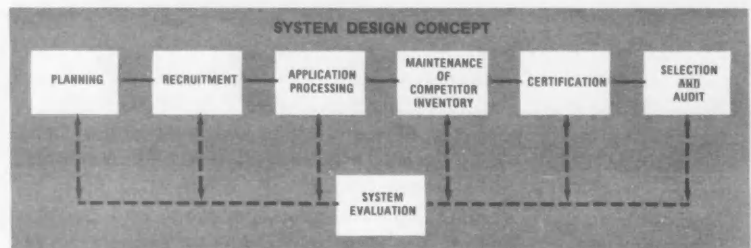
Where We Are Now— Ongoing Improvements

The job of integrating the multitude of current procedures is complex and time-consuming. We are not waiting until all elements of the conceptual design are ready to install; therefore, implementation is being phased to provide for immediate installation of components as they are ready. Our initial efforts are modest but have the capability of being expanded as needs, time, and resources dictate.

One of these efforts is the Managed Approach to Recruitment (MAR), which has been installed in 32 area offices and is planned for eventual installation in all. MAR contains the key features of the improved planning and recruitment components described above.

—New hire estimates are obtained from Federal installations quarterly, updated monthly. These data, further refined through liaison activities with agencies, are combined with other information on trends in Federal hiring to produce a composite list of anticipated staffing needs.

—Applicants are informed of anticipated needs for applications



in those occupations for which a comparison of the status of the competitor inventory (numbers and qualifications of available eligibles) to projected hiring levels indicates a need for additional candidates. The Federal Job Information Center is the focal point for recruiting and information to the public on specific needs. Applicants can review qualifications requirements and position descriptions; and center staff guide applicants to those occupations where opportunity exists.

—Shortage inventories are augmented by mass mailing of publicity material to schools, professional organizations, community organizations, employment service offices, and other manpower sources; and by public service radio/TV announcements and paid advertising.

—Surplus inventories are not augmented; to avoid receiving unneeded applications, Job Information Centers guide applicants away from surplus occupations and/or accept only job interest cards rather than applications. Job interest cards are filed by the receiving office so that should a subsequent need for applications develop, candidates can be contacted directly and asked to submit complete applications.

As a result of this new approach to recruitment, several benefits have accrued:

—Lower declination rates result because applications are processed closer to the time a vacancy occurs, with a higher proportion of applicants actually available as fewer have moved, found other jobs, or otherwise become disinterested.

—Better qualified candidates can be identified more readily because applications can be solicited for specific jobs rather than for general categories under broad examination announcement

procedures. Furthermore, the Commission's ability to adjust workload means that more time can be spent evaluating applicants' qualifications for specific job requirements, thereby resulting in a better match between person and position.

—More accurate information about specific employment opportunities can be provided to the job-seeking public.

—Area office staff can spend more time keeping informed about agency staffing needs and assisting agencies in improving staffing practices.

At the present time, the MAR concept is being used only for jobs filled from local rather than nationwide recruiting sources. With the full development of sufficient ADP support, this concept may be extended to cover nationwide recruitment as well.

Another of our ongoing improvements is the Commission's BRE Service Center in Macon, Ga., which since March 1976 has been operating a centralized written test scoring system. Using the latest in high-speed optical mark reading computer equipment, the center currently processes 2,000-3,000 written tests each day.

Written tests are administered by Civil Service Commission examiners to over 1 million competitors each year at over 1,000 examination points throughout the nation. The 60 different tests used for a wide range of occupations are applied in various combinations to create many test batteries. The volume and complexity of the Commission's nationwide testing program provide a strong incentive to install the quickest, most accurate test processing system available in today's world.

The differences between the service center's processing system and previous systems are striking.

—Speed of turnaround. Using

direct firm mailing procedures to minimize handling, an area office can send a batch of test answer sheets to the service center, have them scored and the scores received back in the area office within 2-3 days. This is in contrast with previous processes that ranged from 6-8 weeks for tests mailed to the central office for machine scoring. A significant source of reduced turnaround time is the capability of the scoring equipment to scan up to 18,000 answer sheets per hour, as opposed to 2,400 sheets per hour previously.

—Accuracy of scoring. The new equipment and the quality control procedures instituted at the Macon center have virtually eliminated errors in scoring tests. While the error rate for test scoring has never been high, the value of nearly 100 percent accuracy cannot be overestimated. The new process eliminates the possibility of human error by automatically matching test keys with test series. This eliminates operator errors in manual matching, and allows tests to be scored in any order instead of requiring manual batching of answer sheets according to test series.

—Simplicity. The new processes use only one answer sheet for all tests instead of the nine different answer sheets previously used for a variety of tests. This also reduces printing costs, inventory control, and test administration problems caused by using numerous answer sheet formats.

—Security. Test keys are tightly controlled; the test score is no longer printed on the answer sheet itself, thereby eliminating the possibility of someone constructing a test key by using a group of scored answer sheets. Furthermore, less handling of answer sheets occurs because only scores and names, not answer sheets, are mailed back to

the area office administering the test.

As with other improvement efforts, centralized test scoring is being implemented on a phased basis. Currently, only written tests for occupations where recruitment is carried out on a local or regional basis are being processed through this system. Processing of written tests administered by agencies for internal placement of current Federal employees is also provided. Our plans are to expand this service to all written tests as time and resources permit.

Beyond the improved service it gives, the important feature of the new test scoring system is that it provides the nucleus for the application processing system we plan to establish over the long haul. The optical mark scanning equipment now used to score written tests can also be used to read

and record other kinds of applicant data. We are now testing machine-readable application forms with which self-coded experience and education data can be automatically transferred to the computer for storage and retrieval.

Using this nucleus, we plan to begin phased implementation of the application processing, competitor inventory, certification and selecting, and audit components within the next year. The details of these systems will be discussed in a later *Journal* article.

Where Is the Payoff?

The ultimate product of these improvements will be a more effective Federal work force. Modern information handling equipment and processes will allow us to obtain and use more refined data on applicants' skills, compare these data to job requirements, and

reach a better match. This will produce, for example, reduced costs and training time needed to bring a new employee up to speed.

By providing faster service, the Commission will help agencies fill their vacant positions more rapidly and increase their ability to respond to organizational adjustments and emerging new programs.

Through a better managed workload, the Civil Service Commission's staff will be able to bring about further improvements in the future.

Much remains to be done to bring these improvements to the point where their full benefits can be realized. We are working as rapidly as possible, and we expect all of these efforts to result in our being better able to meet the goals of the nation's largest employer.

CSJ



APPEALS DIGEST

Termination of Probationers

Probationary period

The appellant received two consecutive career-conditional appointments in the agency, each in a different line of work, with no break in service between the appointments. Less than 1 year after the second appointment was effected, the appellant's employment was terminated, for preappointment reasons, under the procedures provided in part 315H of the civil service regulations. The appellant appealed to the FEAA, which found that he had not completed his probationary period, and that his appeal therefore was not within the purview of the Commission's appellant jurisdiction.

At the appellant's request, the Appeals Review Board reopened the case. The Board noted that the appellant had been detailed, during his first appointment, to a position in the same line of work as that in which he worked during his second appointment, and that the detail had continued until the effective date

of the second appointment. The Board therefore found that the appellant's service during the time he was detailed should have been counted toward the completion of his probationary period under the second appointment. Because the detail began more than 1 year before termination of the appellant's employment, the Board found that the agency should have used the procedures provided in part 752B of the civil service regulations in effecting the appellant's separation.

In view of the agency's failure to use those procedures, the FEAA's decision was reversed, and the Board recommended that the separation be canceled. (Decision No. RB315H60034.)

Reduction in Force

Retirement on RIF separation date

The appellant received a reduction-in-force notice advising him that he would be separated from his position effective July 14, 1975. The appellant

selected optional retirement, and the agency processed the personnel action as "Retirement—RIF" on July 14, 1975. The FEAA field office decision indicated that the appellant voluntarily left his position prior to the effective date of the reduction-in-force action and concluded that the appeal was not within the purview of part 351 of the Commission's regulations.

The Appeals Review Board, in reversing and returning the appeal to the field office, noted that it is the policy of the Civil Service Commission that a timely reduction-in-force appeal will be entertained in cases involving voluntary actions, such as retirements and resignations, *effective on or after* the scheduled date of separation by reduction in force. Since the appellant's retirement was effective on the scheduled date of the RIF action, he was entitled to have his reduction-in-force appeal accepted and processed. (Decision No. RB035160156.)

Discrimination Complaints

Retirement during processing

The complainant's complaint of discrimination was accepted for processing and was investigated. Shortly after the completion of the investigation, the complainant retired. The agency subsequently proposed to find no discrimination in the case, and asked the complainant to withdraw his complaint. Instead of withdrawing his complaint, however, the complainant requested a hearing. The agency then advised the complainant that his retirement had eliminated any possibility that the corrective action he requested could be granted, and it notified the complainant that his complaint was "terminated." The complainant appealed to the Appeals Review Board.

The Board noted that part 713 of the civil service regulations included no provision for "termination" of a complaint by an agency under circumstances such as those found in this case. For that reason, the agency decision was reversed, and the case was remanded to the agency for further processing. (Decision No. RB071360942.)

Reassignment of another employee

The complainant filed a complaint in which he alleged that the reassignment of another employee to a position for which he had hoped to compete constituted racial discrimination against him. The agency rejected the complaint as not within the purview of part 713 of the civil service regulations, based on its findings that the reassignment did not affect the complainant's own employment. The complainant appealed to the Appeals Review Board.

The Board found that the reassignment at issue clearly was alleged by the complainant to be a matter affecting his own employment, and that a determination of the accuracy of this allegation related to the merits of the complaint rather than to the purview issue. Accordingly, the Board reversed the agency's decision and returned the complaint to the agency for processing under part 713. (Decision No. RB071360989.)

Adverse Actions

Alcohol rehabilitation program

The appellant was removed for unauthorized absence from duty. He contended, on appeal to the FEAA field office, that the removal was improper because the agency should not have taken the action without first affording him an opportunity to solve the drinking problem that gave rise to the absence at issue.

The field office noted that, between the time the advance notice of the proposed removal was issued and the time the agency issued its notice of decision to take action, the appellant's second-level supervisor referred the appellant to another agency official for counseling because of the possibility that the appellant's absence was related to abuse of alcohol or drugs. It also noted that the appellant advised the counselor that he did have a drinking problem; and that the counselor, noting that the appellant had received a notice of proposed removal, decided not to proceed further with the appellant because he did not want to subject him to the cost of hospitalization, which the counselor considered necessary for further evaluation.

In light of these circumstances, the field office found that the agency had failed to give the appellant an opportunity to be rehabilitated, which under Federal Personnel Manual Letter 792-4 and Public Law 91-616 it was required to do. The action therefore was reversed, and the field office recommended that the appellant's removal be canceled. (Decision No. DA752B6030.)

Alcohol rehabilitation program

The appellant was charged with and admitted to being on duty under the influence of alcohol and, therefore, being unable to properly perform the duties of his "emergency-essential" position, which required him to be ready, willing, and able to perform his duties at all times. More than 1 year prior to the removal action, the agency had required the appellant to submit to a fitness-for-duty examination because of alcohol abuse. Nine months prior to the action appealed, the agency reprimanded the appel-

lant for being drunk on duty and suggested that he seek help from the Drug-Alcohol Abuse Office. However, not until he received the notice of proposed removal did the appellant acknowledge his alcohol problem. Thereafter, he sought and obtained treatment.

In his appeal, appellant contended that this treatment had resulted in a "marked recovery," and that he should, therefore, be given another chance to prove his fitness. The FEAA field office found that "... the agency made efforts to consider the appellant's alcoholism problem long before the appellant recognized the problem," and that, given the requirements of the appellant's position, the removal action, on the basis of his being on duty under the influence of alcohol, was proper. (Decision No. SL752B60094.)

*Agency obligation to file
disability retirement*

The appellant's removal was based on charges of repeated actions of disruptive behavior, unacceptable

job performance, and insubordination. The charge of insubordination resulted from appellant's failure to report for a psychiatric fitness-for-duty examination.

The field office found the evidence clearly demonstrated that the agency had been "fully aware for some months that appellant's conduct might be the result of an emotional illness." The agency did not, however, file a disability retirement application on appellant's behalf, as required by section S1-3a(5) of FPM Supplement 752-1.

The field office found further, that in accordance with section S10-10(5)(c)(5) of FPM Supplement 831-1, "... the appellant's failure to cooperate with the agency in its efforts to have her examined by a physician did not absolve the agency from its responsibility to initiate a disability retirement application on her behalf which could have been supported by the same documentary evidence relied on to effect appellant's removal." Accordingly, the field office reversed the removal action. (Decision No. PH752B60254.)

—Paul D. Mahoney

some new developments in
measuring the efficiency
of personnel offices

PRODUCTIVITY AND PERSONNEL

by John D.R. Cole and
Allan S. Udler

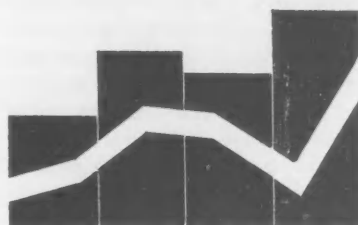
HOW PRODUCTIVE is your personnel office? What do personnel offices produce, anyway? Is it possible to measure the efficiency of the personnel function? If so, what do those measurements tell us? And what use can we make of them?

After more than a year of development effort, we now believe that some of these questions can be answered. Prompted by interest expressed from a workshop at the 1975 IAG Personnel Directors' Conference, a "prototype" productivity measurement system has been developed and is ready for operational testing. Seven major departments and agencies will participate in the test project during Fiscal Year 1977. Here's the story.

Part of Federal Productivity Program

Personnel is one of several administrative functions that comprise the overhead or indirect labor costs of an organization. Budget and finance, information and computing services, procurement and supply, and management analysis are other kinds of administrative services. Because these functions and services support an organization, and their outputs are not

MR. COLE is Director, Bureau of Personnel Management Evaluation. MR. UDLER is Assistant Director, Clearinghouse on Productivity and Organizational Effectiveness, and has been project manager of the interagency task force whose efforts are discussed in this article.



"end products," they have not been subject to the kind of productivity measurement that has been required for other more "direct" programs and functions in the Government-wide Federal productivity program.

These support functions are highly essential, however, and contribute both to the inputs (costs) and outputs (goods and services) of Government organizations. Therefore, for Government managers who need to be concerned about the efficiency and productivity of such support functions, a means of measuring them is bound to be helpful.

Until recently, the measurement of administrative service functions has taken a back seat in the Federal productivity program. Most productivity measurement efforts in the past have addressed the direct labor activities and the products and services of the main-line organization. While some agencies have tried to measure and report on their administrative services separately, most fell in with the standard practice of treating these services as administrative overhead. This was especially true

in the personnel area, where no standard definitions of products or services existed.

Thus, the first Federal Productivity Report in 1973 showed a productivity trend for personnel services that didn't seem to make sense to Federal agency personnel directors. They found the approaches taken too crude for meaningful results, and the measurements, therefore, wholly inadequate.

As a result, it was decided to establish an interagency task force to design and test a standard productivity measurement system for operating personnel offices throughout the Federal Government. The task force consists primarily of Federal personnel specialists with many years of operational personnel management experience. A Civil Service Commission project manager heads the group.

The work has been underway for more than a year. Design, development, and initial testing were followed by modification and more testing. Now, after a verification process which is nearing completion, a pilot prototype productivity measurement system is on the verge of being established for large-scale operational test purposes.

What Do We Mean by "Productivity"?

Productivity is generally used to describe the operational efficiency

$$\text{Productivity} = \frac{\text{Volume of Goods and Services Produced (OUTPUT)}}{\text{Labor Required To Produce These Goods and Services (INPUT)}}$$

Figure 1

of an organization. Simply stated, productivity can be defined as the OUTPUT of an organization, as measured by the quantity of goods and services produced, divided by INPUT, as measured by the labor needed to produce these goods and services. Figure 1 illustrates this ratio.

This efficiency measurement does not attempt to address the effectiveness or quality of the products or services. This is not to say the effectiveness and quality are of no concern to those interested in productivity. Quite the contrary; the inherent assumption is made that these aspects of organizational performance are already at acceptable levels. Determining effectiveness and quality, of course, are more complex and difficult tasks, but they are just as important as measuring efficiency.

Since very little work has been done in measuring either the efficiency or effectiveness of personnel functions and operations, we thought we would begin with the easier task first—it is also the basic task of measuring quantities. Effectiveness and quality measures will, of necessity, come next; meanwhile, they will have to continue to be judged subjectively.

Basic Approach

To start with, we divided the personnel office into five functional areas: personnel transactions, position classification, employee relations and services, employee development, and general administration and other. For each of these, we have defined outputs—the goods and services produced. We have also defined input measures; each of these func-

tions has an indirect labor and direct labor component—more about these later.

Not every activity in the personnel office can be measured equally well; that is, not all of the work lends itself to meaningful quantification of outputs. Consequently, we tried to focus on those outputs worth counting, and we tried to avoid measurement for measurement's sake. For those activities that do not lend themselves to output measurement, we only looked at the labor (input) side of the productivity ratio. These are referred to as nonmeasurable activities.

Output Measures

Four of the five functional areas we defined have direct labor outputs that are measurable. These outputs are judged to be the goods and services produced by each function that are both "countable" and meaningful measures of efficient performance.

Personnel transactions. This measure counts official personnel and pay actions effected; it includes accessions, promotions, separations, internal actions, agency internal actions, and pay actions. The count would include the number of Standard Forms 50 (Notification of Personnel Action) and Standard Forms 1126 (Payroll Change Slips) produced.

Position classification. In this function we count positions classified and positions reviewed. Review and analysis of a position resulting in a recommendation that a formal personnel action be taken is counted as a position classified. When a similar review and analysis takes place, but no formal person-

nel action is taken, that is a position reviewed.

Employee relations and services. Employee relations and services includes a range of activities from health benefits and insurance, to various labor-management relations efforts, formal complaints, grievances and appeals, and suggestions and awards. For productivity purposes, we measure the following: (1) the number of formal grievances processed; (2) the number of formal appeals processed; (3) the number of formal equal employment opportunity complaints processed; and (4) the number of adverse actions processed. These measures must satisfy three criteria in order to be counted: they must be written, they must concern an issue that has not been resolved at the first level of supervision, and they must require action by the servicing personnel office.

Employee development and training. This includes the personnel office and other agency staff who participate in formal classroom training; output measures are participant training hours spent in internal (done by agency staff) or in external (done by nonagency staff) training.

General administration and other. In this fifth functional area, the outputs for the most part do not lend themselves to quantification. These include instances of management or technical assistance that cannot be directly identified with a measured output or otherwise associated with any other functional area. General assistance given by the personnel officer or staff in cross-functional areas—such as personnel management evaluation, productivity, work force analysis and planning, or other areas not directly related to one of the other four functional areas—would be included in this category. It is not meaningful to attempt to quantify

these activities in terms of outputs; consequently, there are no output measures for this function.

Input Measures

People assigned to the personnel function perform activities that can be classified either as direct labor or as indirect labor, in relation to the measured outputs. Direct labor is defined and measured in terms of staff hours directly involved in producing measurable outputs or participating in nonmeasurable activities. Now let's look at indirect labor.

The indirect labor component, defined functionally as "general administration and other," has the following functions measured in terms of staff time:

Supervisory. Time devoted by designated managerial and supervisory personnel (including officially designated part-time supervisors, or "working leaders") to the managerial and supervisory functions of planning, organizing, directing, coordinating, controlling, and evaluation.

Clerical support. Time spent in reception, taking dictation, typing, filing, distribution, and other clerical-administrative and support tasks.

Leave. Includes time charged to annual, sick, and other official leave categories.

Training. Used to record time charged to formal training courses or programs, but does not include informal on-the-job training.

General administration. Time spent by nonclerical employees in nonproductive work; e.g., getting office supplies, attending general agency meetings, informational reading, etc.

Travel. Includes all official travel time, including time in transit to or from an installation where work in any of the other functional areas is being done.

Reports. Time devoted to collec-

tion of data and to preparation and review of recurring or nonrecurring reports.

How the System Collects Data

Up to this point, we have tried to explain the purpose and key technical details of the measurement system, and to describe output and input measures. Now, how is the system intended to work?

As we have already noted, the prototype personnel office productivity measurement system is essentially an output-oriented system. It depends on several sources of data to provide the different types of information needed.

Much of the data already exists in most personnel offices, including most if not all of the measurable outputs. What the task force has done is to systematize their collection, aggregation, and reporting. This feature serves to highlight one of our objectives in designing this system: minimize the

workload required to produce usable data. Since much of the information the system generates is based upon data that already exists, the additional effort required to produce usable data for this system is minimal.

Input data are collected through an efficient random-sampling method, used only five times per year for 2 weeks at a time. At randomly selected times, personnel office employees will record on data collection sheets the precise activity that they are involved in at that time (See Figure 2). The sampling method used is designed to account for seasonal workload variances.

The data collection sheet used in this sampling process delineates the five functional areas, and it provides for the recording of time allocated to all the activities that relate to the direct and indirect labor categories on which productivity data are being collected.

PERSONNEL OFFICE MEASUREMENT SYSTEM

		RANDOM TIMES				
		DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
DIRECT LABOR	PERSONNEL TRANSACTIONS					
	ACCESSIONS 100-292					
	SEPARATIONS 300-472					
	PROMOTIONS 702					
	INTERNAL 800-891					
	PAY ACTIONS 800-899					
	AGENCY 900-999					
	STAFF ASSISTANCE					
	MGMT/TECH ASSIST					
	INDIRECT LABOR	ADMINISTRATIVE/CLERICAL				
SUPERVISORY						
CLERICAL						
LEAVE						
TRAINING						
GENERAL ADMIN						
DIRECT LABOR	POSITION CLASSIFICATION					
	POSITIONS CLASSIFIED					
	POSITIONS REVIEWED					
	STAFF ASSISTANCE					
	POSITION MANAGEMENT					
	MGMT/TECH ASSIST					
INDIRECT LABOR	ADMINISTRATIVE/CLERICAL					
	SUPERVISORY					
	CLERICAL					
	LEAVE					
	TRAINING					
	GENERAL ADMIN					
DIRECT LABOR	EMPLOYEE RELATIONS & SERVICE					
	GRIEVANCES					
	APPEALS					
	ADVERSE ACTION					
	EEO COMPLAINTS					
	STAFF ASSISTANCE					

Figure 2

These data collection sheets can easily be modified to reflect the requirements of a particular personnel office; adjustments can readily be made in each functional area in which a personnel office has a unique need for input data collection.

Using the System for Managing

The prototype measurement system is rather simple to understand and use. The information that it generates is primarily directed to the personnel officer who is interested in knowing more about the productive efficiency of his or her own office. Some of the information produced, if used in an appropriate way, can be useful to higher level managers and administrators as well.

Several types of information are generated. The principal measurement system outputs are productivity indexes for each of the four measured functional areas.

Functional area outputs are counted and then divided by the staff years used to generate them in order to establish productivity indexes for each function. An example of a productivity index for personnel transactions is seen in Figure 3. The solid line represents productivity, which uses a base-

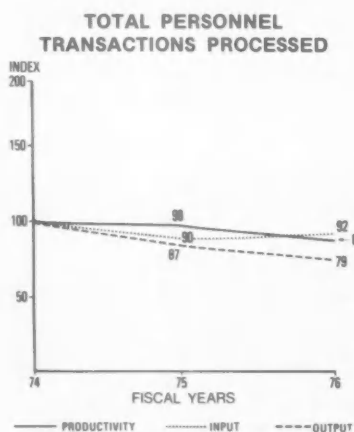


Figure 3

year index of 100 in FY 1974. Declines to 90 in FY 1975, and 86 in FY 1976, are indicated in the example. This is an overall decline of 14 percent in productivity during the 3-year period. The dashed line, which represents output, also declined during this period, as did labor input, as represented by the dotted line, though the latter was at a slower rate. By referring to the definition of productivity (Figure 1), one can readily understand this productivity decline. Similar charts and analysis can be developed for each of the three other measured functional areas.

Looking at another functional area, Figure 4 illustrates the productivity trend for position classification. It can be seen that productivity increased 82 percent from FY 1974 to FY 1976. Similar charts and analysis can be developed for the other functional areas.

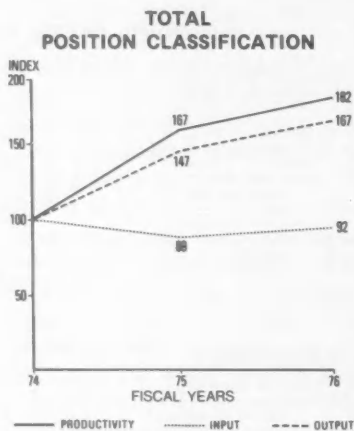


Figure 4

These indexes are then combined so as to yield a total productivity index for the specific operating personnel office using the system. Figure 5 illustrates a total productivity index. One can see from Figures 3 and 4 that the other functional areas within personnel have had to have varying increases and

declines in productivity in order to offset the decline in the personnel transactions area, as well as to neutralize the sharp rise in the classification area.

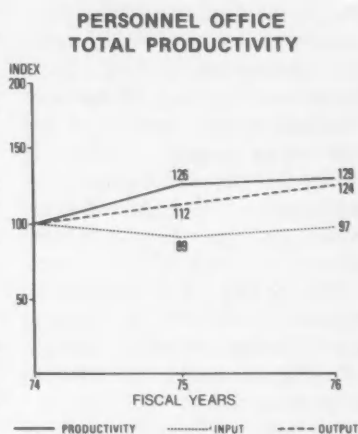


Figure 5

The construction of productivity indexes requires the use of various mathematical and statistical techniques. If trained staff who are knowledgeable and skilled in the use of these techniques are not available in a personnel office, assistance is available. The Bureau of Labor Statistics, a statistical arm of the Federal Government, will provide this service, on request, through its field offices. An operating personnel office need only collect and supply input and output data; BLS then develops the productivity indexes and returns them to the respective personnel offices for individual use.

This productivity index is the key to the system; it can be used by the operating personnel officer and key assistants to determine and analyze periodic workload and staffing trends. It can also be useful for program planning and budgeting purposes. With little information of this type available on personnel offices, many people are forced to resort to agency "staffing guides" that justify and support

staffing levels on the basis of rather arbitrary ratios of personnel staff to serviced strength.

The best uses of productivity data are for tracking single agency personnel office operations from year to year. This is an excellent way of determining trends and identifying causes for change within individual personnel offices. Additionally, indexes from all Federal personnel offices will be aggregated by BLS to present a picture of the total productivity of Federal personnel offices. Agencies will also be able to make comparisons between and among in-

dividual operating personnel offices, both within the agency and against Government-wide norms. Since there are many variables that could account for differences in productivity performance, such comparative analyses should be approached with care.

Major Benefits

This system should help personnel managers do a better job of managing, because it helps them know better where their resources are being spent to produce what results. In these times of spiraling costs and budget cuts, the need for

this kind of accountability mechanism is obvious.

Pilot tests have shown that it is easy to use and implement, at a relatively small cost. It provides useful management information, and employees find it makes sense to them, too. There is little or no disruption to normal office operations because the system draws heavily on existing data-gathering and reporting requirements, and its sampling technique is quite simple and nonthreatening.

In short, here is a new tool to help personnel people manage better. CSJ

SPOTLIGHT ON LABOR RELATIONS

CG Resolves Official Time Issue

The issue of official time for employee representational functions has been resolved by a new decision from the Comptroller General followed by guidance to agencies from the Civil Service Commission.

The CG issued a new Decision B-156287 September 15, 1976, in effect rescinding his previous limitation on the amount of official time for employee representational functions. The effect of that limitation, imposed by the CG on February 23, 1976, had been suspended until October 1, 1976, in an interim decision issued by the Comptroller General on March 22.

Pursuant to his request, the Commission developed guidelines for use by the agencies in this area. In his latest decision, the CG concludes: "We have reviewed the proposed FPM Letter . . . and believe that it provides adequate regulatory controls over the use of official time for representational purposes . . . obviating the need to follow the restrictions imposed by the February 23 decision." Accordingly, he allows, "The agreement between the United States Dependent Schools, European Area, and the Overseas Federation of Teachers, which was the subject of the earlier decision, may be implemented consistent with this decision and the Commission's guidelines."

CSC Guidelines for Agencies

In his decision, the CG stated that agencies, in authorizing the use of official time for representational functions, should follow the guidance issued by the Civil Service Commission. The Commission's guidelines require agencies to promulgate regulations and keep records on employee use of official time for representational functions.

Following are key excerpts from the guidance and advice issued by the Commission as they appear in FPM Letter 711-120—issued in an advance edition September 24, 1976:

Definitions. For the purpose of this letter, "representational function" means those activities undertaken by employees on behalf of other employees pursuant to such employees' right to representation under statute, regulation, Executive order, or the terms of a collective bargaining agreement. It includes activities undertaken by specific, individual designation (such as the designation of a representative in a grievance action or an EEO complaint), as well as those activities authorized by a general, collective designation (such as the designation of a labor organization recognized as exclusive representative under E.O. 11491, as amended). Also for the purpose of this letter, "official time" means all time granted employees by the agency to perform

representational functions while otherwise in a duty status without charge to leave or loss of pay.

Agency implementation. Heads of agencies or their designees are responsible for issuing policies and regulations, consistent with these guidelines, for authorization of the use of official time for employees to engage in representational functions.

Guidelines. In authorizing such official time, heads of agencies or their designees should satisfy themselves that employee use of official time for representational functions is reasonable and mutually beneficial to the agency and its employees, pursuant to the following criteria:

1. Employees may use official time for representational functions where such is authorized pursuant to, and consistent with, applicable statutes, regulations, and Executive orders relating to complaints, grievances, appeals, and other matters involving dealings with agency officials, including labor-management meetings consistent with E.O. 11491, as amended, which are of mutual concern to management and its employees. This includes proceedings before the third-party authorities set forth in the order.

2. Limitations on the use of official time by employees engaged in negotiating an agreement with agency management are contained in section 20 of E.O. 11491, as amended. Furthermore, section 20 prohibits the use of official time to conduct internal union business, e.g., the solicitation of membership or dues.

3. In all cases, the amount of official time to be authorized and the number of employees authorized to be on official time for representational functions should be determined by balancing the effective conduct of the Government's business with the rights of employees to be represented in matters relating to their employment.

4. In making this judgment concerning the use of official time, management should consider factors such as: the mission and manner of functioning of the activity, dispersion of and accessibility to the employees, number of employees, supervisory structure, and past experience concerning the amount and efficient use of authorized time to perform representational functions. Also relevant to this decision is management's judgment as to the impact on employee performance and efficiency, as well as on the efficient administration of Government that will

derive from employee representation in the decision-making process.

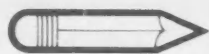
5. While these guidelines recognize that no fixed or standard Government-wide number of hours for representational functions can be set that would be universally and continuously appropriate for agencies of different sizes, different missions, and different mix of employees and personnel problems, agencies should nevertheless assure that the amounts approved by managers and supervisors for any one or a group of employees do not exceed that needed to perform required and/or mutually beneficial functions. In no circumstances should the amount approved result in serious interference with the assigned responsibilities of the agency or activity or be unjustifiable in light of the benefits, including sound employee-management relations, to be derived.

Recordkeeping. Heads of agencies or their designees will institute methods to record or account for the use of official time for all representational functions, if such do not currently exist. Such information should be used in evaluating the reasonableness of the amount of official time used in terms of its impact on agency operations and effective employee representation.

Labor-management relations. Consistent with these guidelines, the amount and nature of official time authorized for representational functions, as well as the procedures and impact of any new or revised systems of recordkeeping, are subject to consultation or negotiation, as appropriate, with recognized labor organizations, pursuant to E.O. 11491, as amended.

In addition to the guidance excerpted above, FPM Letter 711-120 contains a discussion of agency experience in this area. Generally, CSC reports, authorization of official time is stated in terms of "reasonableness" rather than specific, agreed-upon-in-advance hourly amounts. In interpreting and applying "reasonable time" provisions in negotiated agreements, for example, "arbitrators look to such indicators as (1) the kind and extent of matters requiring representation in the pertinent collective bargaining agreement, (2) past practices (i.e., the kinds of representational functions and amounts of official time approved in the past), (3) the degree of efficiency demonstrated in the use of official time, and (4) the cost/benefit ratio of providing alternate means of problem resolution."

—Mary Quinn Boyd



THE CASE FOR WRITTEN TESTS IN FEDERAL EMPLOYMENT

This is the third in a series of articles addressing some of the questions raised about the use of written tests. The first article presented an overview of the Commission's testing program and described some of the basic steps in test development. The second addressed legal, policy, and practical reasons why tests are necessary and pointed out some of the limitations and advantages of them.

This third article discusses the major means by which psychologists determine that written tests are relevant and useful. It also notes some reasons tests are more likely to be attacked than other selection procedures.

What Validity Is

Employers should use only selection procedures that can be proved to be related to job performance. Before being used, there should also be evidence that a written test or other selection procedure achieves its intended purpose. The major purpose of all selection procedures is improved job performance among individuals selected. The extent to which a selection procedure achieves its intended purpose is called its validity.

Types of Validity

Over the years, psychologists have developed three major methods of demonstrating validity: criterion-related validity, content validity, and construct validity. Because psychologists have been so closely associated with the development of written tests, people often assume that the validity methods only apply to tests. Actually, these three approaches to developing evidence of validity can be applied to most non-test selection procedures as well as to tests.

In practice, however, this has not always been done. Some other selection procedures, such as the interview and letters of recommendation, have been developed by nonpsychologists who have not examined their validity. These procedures have a great deal of commonsense appeal, but until put to the rigorous scrutiny demanded by a validity study, they can only be said to have "face validity" or the appearance of validity.

Even though psychologists have educated the public to expect that selection tests used will be backed up by evidence of their validity, it does not

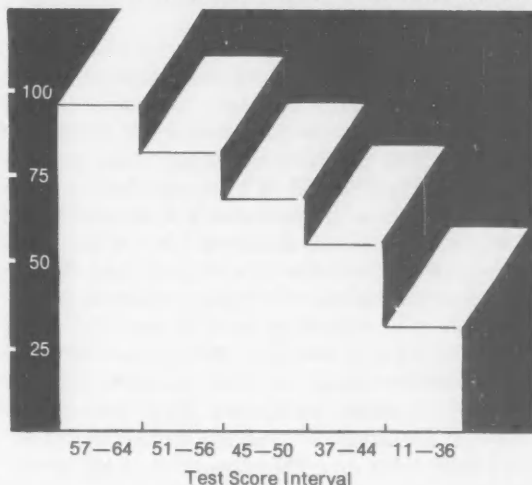
occur to many people to ask for such evidence in the case of other selection procedures. As a result, both the validity and the standards for evidence of validity have traditionally been lower for these procedures. Interviews, for example, are among the most commonly used non-test procedures. Yet when their validity is carefully assessed, they generally show low or no relationship to job performance.

Now let's look more closely at the three methods for demonstrating validity. Each has advantages and disadvantages. Each is more or less appropriate for some tests, characteristics, or circumstances.

Criterion-related validity. The purpose of a selection procedure is to predict which job applicants will show the highest levels of job performance. One way to determine whether a test can accurately make such predictions is to administer the test to a group of people, measure the job performance of each individual (the criterion), and then see if the two measures show a significant correspondence. If standing on test score tends to match standing on the job performance criterion, this is evidence that the test is valid.

One advantage of criterion-related validity studies is that the results can be presented to the non-specialist in the easily understood form of a performance expectancy chart. This chart is a graphic display of how likely it is that an individual with a given score will perform successfully on the job. An example of such a chart is the following:

Chances of Being Superior in Job Performance



This chart is used by first finding an applicant's score interval on a test or other selection procedure and then reading his or her chances of being superior on the job. For example, if an individual's test score is 59, that applicant has 97 chances out of 100 of being a superior worker. On the other hand, if the score is 25, the applicant has only 29 chances out of 100 of being in the superior performance group.

It can be seen that while use of the test will obviously decrease errors by selecting people who are more likely to be successful, it will not eliminate *all* errors. Even in the lowest score interval, some of the applicants (29 percent) would be superior workers, although none would probably be hired. Similarly, if only applicants scoring over 57 are hired, up to 3 percent of these may not be superior.

The important point is that *fewer* errors will be made when using a valid test like this one than when using less valid non-test procedures—for example, the interview or letters of recommendation. Written tests have often been criticized on grounds that even valid tests make errors. These criticisms overlook the fact that most alternative selection procedures will show a *greater* error frequency.

When properly carried out, criterion-related validity studies provide an excellent basis for claiming validity. However, such validity studies have a number of disadvantages. They require administering the selection procedure and measuring the performance of a large number of persons who are representative of employees in a given job at a given level. This is necessary in order to obtain an accurate statistical estimate of validity. However, it is not always possible to obtain a large enough number of persons (often 300 or more). When the employees are widely distributed geographically, it is particularly difficult and costly.

A second disadvantage is that it is sometimes impossible to obtain an accurate measure of job performance. It is usually necessary to develop special measurement procedures for each job or setting and use more than one measure for each.

A third disadvantage of criterion-related validity studies is their cost. This varies with the nature and size of the sample (the employees who are tested and whose job performance is measured) and the difficulty of developing adequate criterion measures. However, for a nationwide study of average difficulty for a single job at one level, the cost may be more than \$200,000. Ideally, a study would be done on each job for which a test is used. In an examination covering a number of occupations, such as PACE, this could mean over 100 studies and a cost of millions of dollars to the Government. As a result of

these disadvantages, criterion-related validity studies are often not technically or economically feasible.

Content validity. A content-valid test is one whose content matches to some degree the actual content of the job. That is, the test is actually a sample of some or all of the skills, activities, knowledges, or abilities found on the job. Examples include a typing test in the case of a secretarial job, a test of knowledge of chemistry in the case of a chemical research position, and a test requiring the actual writing of computer programs for the job of programmer.

The demonstration of content validity rests on judgments of job experts. Based on a careful job analysis, a test plan is constructed showing content sub-areas and their importance. Then, with the aid of expert judges thoroughly familiar with the job, the test constructor plans and develops the test. The resulting test is then content valid when the expert judges agree it is a valid sample of actual job content.

Content-valid tests are well received by many job applicants because they do deal with job content. Also, content validity studies are often far less costly than criterion-related validity studies. However, a major disadvantage of content-valid tests is the fact that they cannot be used in selecting applicants with no previous opportunity to learn the knowledges, skills, or activities required on the job. As a result, their use for entry-level selection is limited.

Construct validity. Psychologists use the term "construct" to refer to a general trait that is not observable but is "constructed" from psychological theory about how people perform. Examples of constructs used in employment testing are verbal ability and mechanical ability.

A test has construct validity if sufficient evidence exists to show it actually measures the general trait (or "construct") it purports to measure. This evidence can take many forms. For example, if a test is claimed to measure mechanical ability, we would expect engineers to score higher on it than office workers and we would expect high scorers on the test to score high on other known measures of mechanical ability. Both of these would be evidence of construct validity. Psychologists are not yet able to agree on just how much evidence is enough. They do agree, however, that "more is always better."

There is another requirement when construct validity is used in selection. It is not enough to show that the test measures the trait it purports to measure. We must also show that this trait is in fact present on the job and related to job performance. Generally, this determination can be made on the basis of evidence from criterion-related validity studies and/

or a careful job analysis that shows the trait is required to perform the job successfully.

Requirements for using construct validity in employment testing are not yet as well defined as they are for criterion-related and content validity. As a result, it is much less frequently employed. But this could well change in the future as the methods for demonstrating construct validity become more systematized, the transportability of the method becomes better understood, and the practical and technical difficulties involved in criterion-related validity studies become more widely known.

Utility of Selection Tests to the Federal Government

Use of a valid test leads to selection of employees who show higher average levels of job performance than those selected without use of the test. If, for a given job, we compute the value in dollars of this increase in average job performance, we have an index of the test's utility to the Government.

For example, suppose that prior to using the test, a certain function required 50 full-time workers per year. Suppose, further, that it was necessary to double output. Use of a valid test could so improve work efficiency that only 35 new workers would be required. If each worker's total compensation is \$15,000 per year, then after 35 employees have been selected with the test, the yearly savings produced by use of the test will be $15 \times \$15,000$ or \$225,000. Sav-

ings are typically much larger than this because in the usual case many more than 35 applicants are hired.

Psychologists have developed statistical procedures that can be utilized to estimate the dollar value of using a test. In order to apply these procedures, personnel psychologists must have certain items of information about the test: its degree of validity, the number of applicants, the percentage of applicants who are hired, the amount of variability in job performance, and the cost of administering and using the test. They can then apply certain equations to this information to estimate the value of savings, increased output, or improved quality of performance.

Studies of selection test utility—whether in Government or in the private sector—have revealed savings to be quite large, larger in fact than most selection psychologists anticipated. For example, for selection programs with large numbers of applicants and selectees, such as the PACE program, estimated yearly savings from placing more individuals in jobs they can perform successfully are typically in the hundreds of millions of dollars. These figures reveal the crucial importance—for the Government, the taxpayer, and the individual—of accurately matching the capabilities of individuals with the demands of jobs. The productivity and well-being of our society depend on nothing less than how well this is done.

—Helen J. Christrup
and William A. Gorham



INTERGOVERNMENTAL PERSPECTIVES

IPA Mobility Program

From May 1971 to June 1976 salary costs for assignees under the Intergovernmental Personnel Act mobility program have amounted to \$79,274,618. Thirty-eight percent of the cost, or \$29,929,273, was borne by States, local governments, and educational institutions. The Federal Government contributed the other \$49,345,345.

The IPA provides for the temporary assignment of employees between Federal executive agencies and State and local governments, institutions of higher education, and Indian tribal governments. The assignments are one means of sharing scarce talent and bringing an intergovernmental perspective to bear on problems that are of mutual interest to the different levels of government. What is more, the figures in-

dicating that State and local governments have thought the program meaningful enough to share substantially in its cost.

Some 1,624 Federal employees representing 40 agencies had participated in the IPA mobility program as of June 1976. The average salary was \$23,000 per year. The total salary cost amounted to \$51,516,435. Fifty-one percent of that amount, or \$25,833,431, was paid for by State and local governments. Federal employees worked on the State and local level as directors, special advisors, and researchers in a variety of areas such as education, telecommunications, financial management, housing, health, agriculture, computer technology, manpower management, and environmental engineering.

For those 1,540 employees of State and local governments assigned to Federal agencies, State and

local governments paid only a small portion of the salary costs—14.8 percent. The bulk of the cost was financed by the Federal Government. The average salary level of State and local participants was \$19,000 per year.

Clearly, there is a Federal interest in incorporating the views and experiences of State and local governments into the planning and work processes of the Federal Government. All 50 States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, and American Samoa have been able to participate in the IPA mobility program.

Also making use of the IPA authority have been a wide variety of multi-State organizations such as the Port Authority of New York and New Jersey, the Missouri River Basin Commission, and the Appalachian Regional Commission. Local government contributions to the 1,540 assignees going to Federal agencies came from 273 cities and counties, and 33 councils of governments. A total of 328 colleges and universities and nine Indian tribal governments have also participated.

If the trend evidenced during the 3-month transition period between fiscal '76 and fiscal '77 is any indicator, participation in and support for the IPA mobility program will continue to grow.

As one IPA assignee said, "the IPA program has resulted in a greater understanding and respect between Federal and State employees and officials . . . [it] provides for a more cooperative and efficient operation between Federal and State agencies." The kind of momentum and financial support that has been generated for this program stems from genuine public service needs.

The IPA and State and Local Training

One of the primary purposes of the Intergovernmental Personnel Act is to encourage and sup-

port the training of State and local government employees. An authorization for Federal agencies to open their training programs for Federal employees to employees and officials of State and local governments is one of the means provided by the Act. More than 240,000 State and local employees have taken part in Federal agency training since the IPA was enacted in 1971.

In FY 1976 the Civil Service Commission alone provided classroom training to 12,958 State and local employees in a number of curriculum areas. These included general management, personnel management, equal employment opportunity, labor-management relations, and communications and office skills.

Most of the training offered by the Civil Service Commission is made available through its 10 Regional Training Centers. In addition, the Commission has opened its four Executive Seminar Centers and the Federal Executive Institute to State and local officials. During FY 1976, 83 State and local employees took advantage of the opportunity for executive-level training.

In addition to providing classroom training, the Civil Service Commission has developed training courses and provided them to State and local governments for their use in building in-house training capacity. These courses cover such subjects as affirmative action planning, labor-management relations, bookkeeping and accounting, and automatic data processing. The availability of these courses will make it possible for many more State and local employees to receive training than could ever be accommodated through federally provided classroom training.

—Jim Hellings

WORTH NOTING

(Continued)

No further increase will be triggered under the old method, since the law for the new method is retroactive to October 1, 1976.

Under the old method annuities were increased whenever the cost of living rose by 3 percent and remained at the increased level for 3 months. The cost-of-living adjustment was then calculated by taking the highest actual increase in the cost of living and adding a "kicker," of 1 percent, to it. This method will, as stated earlier, no longer be used.

FEDERAL EMPLOYEE wins Nobel: Dr. Carleton Gajdusek of the National Institutes of Health (NIH) has won the 1976 Nobel Peace Prize for his discoveries concerning a deadly microbe. He discovered a "slow virus," found among tribal peoples of New Guinea, that can remain in the body for years before killing. This discovery could lead toward cures for several common diseases.

This is the fourth Nobel Prize to be won by NIH scientists in the past 8 years. A total of 65 NIH grantees have won Nobels.

Dr. Gajdusek was awarded the Nobel for research done among a cannibalistic tribe in New Guinea. The tribe transmitted a fatal disease, kuru, through a ritual in which pregnant women and children ate the brains of the dead as a mark of respect.

Dr. Gajdusek's discoveries turned out to have implications for a variety of diseases throughout the world.

Dr. Gajdusek, 53, graduated from Harvard Medical School while still in his early twenties, and is recognized as an expert in pediatrics, virology, comparative child behavior, genetics, anthropology, immunology, and neurology.

He speaks German, French, Spanish, Slavic, Rumanian, Persian, Dutch, and several dialects of the Pacific.

During his repeated trips to the Pacific, Dr. Gajdusek, a bachelor, has adopted 16 boys and brought them to live in this country.

RETIRED MILITARY occupy 5 percent of Federal civilian jobs: The Civil Service Commission has reported to the House Subcommittee on Manpower and Civil Service that on June 30, 1975, there were 141,817 individuals employed in the Federal civilian service who had retired from the military or other uniformed services. These in-

dividuals accounted for approximately 5 percent of the total work force of 2,809,541 included in the Commission's study.

Key findings of the study are as follows:

The study shows that there were 111,793 retired enlisted personnel and 27,682 retired officers presently working as civilians in the Federal Government.

The three primary employers of uniformed service retirees were the Department of Defense (78,124); the U.S. Postal Service (37,724); and the Veterans Administration (7,288).

More than 65 percent had salaries in the range of \$10,000 through \$17,999.

About 87 percent were between the ages of 40 and 60.

SUPERVISOR'S NOTES held private: Personal notes, papers, or records that may be kept as memory aids regarding the performance, conduct, and development of employees supervised are not "agency records" for purposes of the Privacy Act.

Such notes or records are not to be disseminated or circulated to any person or organization. They are retained or discarded at the supervisor's discretion. They are exempt from the requirements of the Privacy Act.

In a sense, these notes are no more than an extension of the supervisor's memory. It is imperative that they not be disseminated or disclosed in any way, except at the supervisor's option, to the individual who is the subject of the record or notes. Also, a supervisor's notes can be used as a reminder in preparing formal personnel actions.

JOHN J. LAFFERTY has been named Director of the New York Region, U.S. Civil Service Commission, succeeding Virginia M. Armstrong, who has been selected Director of Personnel for the Department of Housing and Urban Development.

As Commission Regional Director in New York, Mr. Lafferty is responsible for merit personnel management practices affecting more than a quarter-million Federal civilian employees in New York, New Jersey, Puerto Rico, and the Virgin Islands.

Mr. Lafferty has been an assistant to the Deputy Executive Director of the Commission and was Deputy Director of the Bureau of Personnel Management Evaluation before being named to his present post.

NO PEACETIME PREFERENCE: Applicants for Federal civil service jobs will no longer be entitled to peacetime veteran preference if they entered military service after October 14, 1976. Preference, however, continues to apply to those who enlisted on or before October 14, 1976, and were separated or discharged under honorable conditions. Also, those who enlist after October 14, 1976, and become disabled or serve in future campaigns will continue to receive preference.

NEW cost-of-living allowances computed by different method: New cost-of-living allowances for Federal white-collar and postal employees serving in Alaska, Hawaii, and nonforeign areas overseas were announced by the Commission. The rates became effective December 5, 1976. Some rates have increased; others have decreased or remained the same.

Beginning with this adjustment, cost-of-living allowances in each area concerned will take into consideration whether an employee resides in private housing, Federal civilian housing, or Federal military housing, and whether the employee has commissary and exchange privileges or must shop in local private stores—all of which affect actual living costs. In the past these factors have been considered only in the Virgin Islands and Guam.

For further information see FPM Letter No. 591-16.

CFC HITS \$65.8 million: Federal employees contributed more than \$65.8 million to the Combined Federal Campaign last year.

This was an increase of more than 8 percent over the previous year's contribution and was the largest amount ever raised among Federal employees for voluntary charitable organizations.

TRAINING FILM for women: "How Many Eves?," a 15-minute, 16mm film from the Federal Women's Program may be ordered from Walter J. Klein, Ltd., 6301 Carmel Rd., Charlotte, N.C. 28211, for \$275.

NEW "live-in" per diem recommended. The new recommended miscellaneous subsistence expenses (MSE) allowance, which went into effect on July 1, 1976, is \$3.50 per day.

CSC Bulletin No. 410-88 has recommended an increase in the MSE allowance for those attending Commission "live-in" training programs.

—Ed Staples

UNITED STATES
GOVERNMENT PRINTING OFFICE

PUBLIC DOCUMENTS DEPARTMENT
WASHINGTON, D.C. 20402

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. GOVERNMENT PRINTING OFFICE
THIRD CLASS

CSJ SERIA300STI5SDUE001R 1
SERIALS DEPT
XEROX UNIV MICROFILMS
300 N ZEEB RD
ANN ARBOR MI 48106

S

