

Three Burning Questions for the Next President: Roundtable Discussions about People Management in the Next Administration

As we approach a presidential transition, government agencies must prepare for the changes that will come. Similarly, both presidential candidates must consider solutions to the looming management issues affecting the 1.9 million civilian employees of the executive branch. Once elected, the next administration and Congress will need to answer several key questions regarding the federal workforce that will influence the effectiveness of the government.

From March through August 2008, the Partnership for Public Service and CNA sponsored a series of roundtable discussions to address burning issues for the next president. Both organizations are members of the Government Performance Coalition, which supports the “Transitions in Governance 2008” initiative (www.transitioningovernance.org).

The first event, also co-sponsored by the Coalition for Effective Change, was held in Washington, D.C., on March 12, 2008. Top level officials from both the public and private sectors gathered to discuss the impact of the upcoming elections on the federal workforce. Moderated by Chris Mihm of the Government Accountability Office, the panel included representatives from Office of Personnel Management, the Office of Management and Budget, government employee unions, good government groups, and other agencies and organizations. In the subsequent months, additional roundtable discussions (similarly structured) were held in Los Angeles (May 22, 2008), New York City (July 24, 2008), Chicago (August 7, 2008), and Atlanta (August 11, 2008).

The following report summarizes the participants’ thoughts and recommendations for the next president regarding management issues such as federal pay, the multi-sector workforce, and collaboration.

KEY RECOMMENDATIONS

Although participants stated conflicting opinions on controversial issues such as pay-for-performance, there were some broad areas of agreement about certain topics during the five roundtables. The most common pieces of advice for the next president voiced in the roundtables include:

Be proud of our government.

From your first day in office and first speech, set the tone by saying you are proud of what our government does and the people who do it.

- Celebrate federal employees and share your vision with them. As one participant said, “We’re a cheap date. Let us know you care, and we’ll do anything for you.”
- Initiate a campaign for federal employment. Honor federal employee service and promote federal employment as a place to make a contribution and do useful work while serving America. The federal government’s stability, diversity, and benefits are also strong points. Use military recruitment as a model for the campaign. (i.e., the few, the proud...)
- We need to change perceptions, both external and internal, about public servants – their dedication, the importance of their work, work ethic, and the contributions they make.

Enhance pay flexibility.

- Walk the talk by providing the resources and incentives needed to compete with the private sector in recruiting, retaining and rewarding high achievers by modernizing federal compensation.
- While the General Schedule system helps classify jobs, it is too inflexible to be the basis for performance-based pay. Pay banding provides that flexibility.

- Use other attractors and motivators, in addition to pay, to recruit and retain employees – opportunities in government, recognition, the challenges, and the opportunity to do valuable work serving the nation.
- Pay alone does not motivate performance; when too low or inequitable, it may be a disincentive. Pay is a discriminator but not the deciding factor for joining the federal government – and certainly not for determining levels of performance.

Quicken and simplify federal hiring.

- We've come a long way, but we are not yet competitive with the private sector. Many of the most promising people find other work while waiting for federal employment. As one town hall participant stated, "Do I really want to work for an organization that can't even get the hiring part done right?"

Make sure managers are well trained.

Rather than promoting employees based on their technical capabilities alone, ensure that federal executives are prepared to:

- Manage, particularly employee and program performance.
- Objectively and fairly reward the right people.
- Deal effectively and quickly with poor performers.

Employ the right balance of staff in a multi-sector workforce.

Use federal employees where they do the job most cost-effectively – and contractors where they do.

- Contractors are best for temporary projects or tasks and where the federal government does not want to acquire the needed skill sets permanently.
- Contracting should never be done solely because there are not enough federal resources to do the job (e.g., FTE limits).
- Make use of volunteers.
- Many federal employees feel that the Competitive Sourcing initiative (now called Commercial Services Management) in the President's Management Agenda has tilted too much in favor of contracting.
- Structure and size the government in the best way to provide goods and services based on citizen needs, the market, and the best resources to do it; including contractors, cooperating non-profit organizations, and even volunteers.
- Some say little is inherently governmental. However, government should make decisions on government direction and services (contractors can advise). Sometimes (e.g., military operations) a task should be accomplished by people (military and federal employees) who are sworn to uphold the Constitution.

Encourage collaboration and cooperation across government.

- Include collaboration in performance standards (some suggest 360-degree feedback in evaluating performance) and tie performance to duty-based outcomes.
- Cross-agency action teams and joint offices bringing together several agencies for a common goal are also ways to increase collaboration; Federal Executive Boards are a good example.
- Enhance communications between headquarters in Washington and the regions.

Walk the walk.

Model what you want to see in a performance-based federal government in your own behavior.

- Insist on knowledge and capability in your political leadership team.
- Set clear goals and hold yourself and your team accountable for performance.
- In cabinet meetings and elsewhere, ask your leadership team about performance.
- Listen and keep open to new ideas and approaches.
- Understand and adopt the best ideas from "across the aisle," within the agency, and from private industry.

ROUNDTABLE DISCUSSIONS AROUND THREE CRITICAL ISSUES

During each roundtable discussion, participants were asked to address three main issues: federal pay/performance management, managing a multi-sector workforce, and building collaboration within government. The following captures the responses of forum participants by topic.

FEDERAL PAY, JOB CLASSIFICATION, AND PERFORMANCE MANAGEMENT

There are currently a variety of pay systems in the federal government. What position should the next administration take regarding pay, classification, and performance management reforms?

While attendees of the roundtables could not agree on the best alternative to the current system, many expressed concern about the General Schedule (GS) system. Although some participants stated that the GS system functions well in certain agencies, others warned that the current system:

- Limits the capacity of federal agencies to compete with the private sector for qualified workers
- Fails to hold employees accountable for performance
- Does not provide the flexibility needed to adequately compensate highly-skilled workers, such as engineers
- Lacks opportunities for upward career mobility

Overall, the majority of participants argued that the next president should consider enacting a more flexible, market-sensitive and performance-based system, such as pay-banding, to help agencies attract skilled workers and reward their best employees. The system must be fair, transparent, objective, performance-based, and linked to agency outcomes. Additionally, the government must ensure that workers doing comparable work in different agencies are rewarded equally. Many attendees urged the next president to enlist a commission to study the current alternative federal pay systems that use pay-banding and/or pay-for-performance models before eliminating GS altogether.

Participants agreed that the government must devote greater resources to developing leadership within the government. Managers and supervisors must identify clear goals and benchmarks for evaluating their employees' performance so that the best workers in an agency can be recognized for their achievements. Attendees stressed that this point would be especially important if pay-banding were established since supervisors would have greater discretion over the career advancement of their employees.

Below is a sample of the wide range of opinions that participants shared on additional topics related to federal pay. These ideas should not be interpreted as consensus opinions.

- Locality pay may be inadequate to compete with other employers in high cost of living regions, like Los Angeles.
- Pay-for-performance disproportionately rewards extroverted employees and is too subjective.
- While there was consensus that we need to attract the best and brightest to federal service, some felt that the next president should focus on how to attract next-generation employees, while others stressed attracting strong, experienced employees to higher-level positions.
- Institute a two-tiered system: Pay-banding should only be implemented among upper management since the federal workforce is most in need of strong performance and accountability at that level, while other employees would still follow the GS system.
- Any changes to the GS system will need to be approved by the federal unions.
- The federal workforce is too top-heavy.

Participants generally agreed that federal workers are driven by the opportunity to help the country. Harvesting that energy, agency leaders should challenge workers with meaningful projects, reward them for exemplary work and give the best performers clear opportunities to advance.

MANAGING A MULTI-SECTOR WORKFORCE

The work of the federal government is increasingly conducted by a combination of federal employees, private and non-profit contractors, grantees, and others. What changes should be made to more effectively manage a multi-sector workforce?

Participants expressed widely differing views on the value of private contracting to government's mission. Each panel sought to determine which tasks should be executed by federal employees versus contractors. In the five discussions, attendees offered the following suggestions for how to divide tasks between federal employees and private contractors:

- Consider contracting out when the product sought does not involve decisions of a legal, fiduciary, or policy nature.
- Use contractors when the nature of the work is short-term.
- Do not use contractors to formulate policy or handle secure information.

Despite a sense that contracting may be needed for the functioning of modern government, some panelists expressed concerns about contracting:

- Contractors are not held to the same high standards and accountability expected of government workers.
- Once an essential function is contracted out, it can deprive government agencies of the expertise to perform that task in the future.
- Contractors earn higher pay than their public sector counterparts, so those federal employees are often lured away to the private sector.
- Government could do the same tasks that are sent to contractors, often at lower cost, if agencies could create more full-time equivalent (FTE) positions.

A few attendees stated that the government can eliminate some need for private contracting if it improves the way agencies attract and retain qualified workers. Government needs to become a more attractive place to work for recent college graduates and highly-skilled employees. Agencies should:

- Define clear roles and responsibilities for each employee to establish benchmarks for advancement.
- Implement a variety of innovative employment benefits such as telecommuting, and market existing ones such as the generous federal pension package.
- Offer employees training opportunities and challenges to keep them engaged.
- Stream-line the recruiting and hiring processes.

Panelists agreed that any large-scale reform to the GS system must be inaugurated through the younger cohort of government workers who are more attracted to pay-for-performance jobs than their parents' generation. One of the biggest challenges for federal agencies is to improve the public's perception of federal employment. This goal could be accomplished through direct contact with students at schools and universities. Highlighting the contributions that young Americans can make to society through government service will make the government a more desirable place to work for intelligent, qualified young workers.

BUILDING COLLABORATION

The effectiveness of the federal government is frequently dependent on the development of strong, constructive working relationships between different individuals and groups within and among agencies. What should be done to enhance collaboration across government?

With the growth of contracting and inter-agency projects, collaboration has grown in importance over the last several decades. In a survey of the attendees about their agencies' success with inter-agency collaboration, at least half said their agencies were doing at least "ok." Several panelists noted that government employees from different agencies often work together effectively in regional offices but fail to communicate well with the agencies' headquarters. Panelists argued that more needs to be done to engage all relevant stakeholders – within individual agencies, between agencies, and with private contracting partners – to streamline the government's work in many projects. The shift requires today's government managers to understand more complex scheduling and administrative tasks than their predecessors.

To facilitate collaboration within government, panelists urged government executives to institutionalize cooperation across agencies. Specific ideas for fostering collaboration between agencies included:

- Establish cross-agency action teams to bring together employees from different agencies to address a problem as a single team.
- Create inter-agency subject groups.
- Establish joint program offices.
- Identify and implementing best practices of large companies such as IBM and Google, whose employees rely on significant cross-department collaboration.
- Incentivize cooperation, including creating statutory collaboration requirements.
- Add collaboration to individual performance plans.
- Identify desired results for inter-agency projects, weaving collaboration into the success factors that produce those results.
- Use the Internet to effectively save time and money and share best practices.
- Charge the Federal Executive Boards and/or agency leaders in Washington, D.C., with encouraging inter-agency collaboration and highlighting its necessity and benefits.

In tandem with structural changes to agencies, participants argued that changing the working culture of agencies could encourage collaboration. Mentoring and leadership coaching were two ideas offered for how senior executives could encourage junior government employees to engage in collaborative activities with other agencies and private sector partners.

CONCLUSION

Based on these discussions, the next president clearly will face tough choices in managing the federal workforce. The majority of panelists believe that the next president – at the very least – should commission a study of the pay system, encourage agencies to define the tasks that will be contracted out, and promote cross-agency collaboration, including more opportunities to conduct staff exchanges inside and outside of government. Executed properly, these endeavors will help improve the work atmosphere for 1.9 million federal employees – and make the government more efficient and responsive.