



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

As we approach a presidential transition, government agencies must prepare for the changes that will come. Similarly, the next president must prepare for the looming management issues awaiting the next administration. As part of an ongoing series, the Partnership for Public Service and The CNA Corporation sponsored a roundtable discussion on May 22, 2008, 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 Los Angeles Federal Executive Board gathered a diverse group of agency officials to discuss the impact of the upcoming elections on the federal workforce and to gather their insights and recommendations for the next administration and Congress.

OVERVIEW

Every incoming presidential administration faces pressing management challenges. After taking office on January 20, 2009, the next president will confront a particularly thorny set of “people management” issues related to the 1.9 million civilian employees of the executive branch. The next administration and Congress must answer several key questions regarding the federal workforce that will influence the effectiveness of government. This forum gathered a small, diverse group of federal managers and employees in the Los Angeles area to offer advice on three important workforce management issues:

- **Federal pay, job classification, and performance management**
- **Managing a multi-sector workforce**
- **Building collaboration within the government**

FEDERAL PAY, JOB CLASSIFICATION, AND PERFORMANCE MANAGEMENT

The Los Angeles roundtable opened with a poll on whether to abolish the General Schedule (GS) system. Two of the approximately 20 participants voted to eliminate the current system, none voted to keep it, and the rest were undecided. Though participants agreed that the General Schedule system is broken, they were uncertain about how to fix it. The group expressed concern with the GS system’s failure to hold employees accountable for performance, its inflexibility in compensating the vast array of jobs that Federal employees hold, and its lack of opportunities for upward career mobility. They were also frustrated by the locality pay scheme, which they agreed was insufficient to account for the cost of living in California cities and overly subject to political influence. Participants shared accounts of federal colleagues relying on food stamps and maintained that starting federal salaries are far too low. A participant from the Forest Service illustrated the problem: while new Forest Service firefighters earn \$34,000 a year, local firefighters can make \$125,000. This results in a stream of starting firefighters who join the Forest Service for its high-quality training and leave shortly after for better-paying local jobs.

The group discussed alternatives to the GS system, including pay-for-performance schemes such as the Department of Defense’s “National Security Personnel System (NSPS).” The group disagreed on how well pay-for-performance is working. Some worried that it rewards extroverted employees, threatens to hold back those in bargaining units, and is too subjective. On the other hand, participants agreed that a more flexible, performance-based and market-sensitive system, such as pay banding, could have value by allowing higher starting pay for skilled workers like engineers and better compensation of high performers.

The group laid out suggested requirements for a successor system to the GS:

- The system must be fair, objective, performance-based, and linked to agency outcomes.
- Pay-for-performance must be adequately funded.
- The federal salary cap must be lifted.
- The system must fairly compensate employees in high-cost areas and not favor federal workers in the Washington, DC, area.
- The pay scale must be fairer for the highest- and lowest-performing employees.
- More flexibility must be built into the system.
- There must be greater standardization across agencies.
- Employees must be held accountable for failure to perform.

Participants agreed that a commission should be created to examine the best practices of the different federal pay systems – including GS, NSPS, and others – to create a fair and equitable system for the modern federal workforce. The panel should keep in mind changing cultural and generational issues, especially reducing the barriers to entry for young federal employees. One contributor summed up the discussion, “The old GS system is made for the last century and now we need to develop a system for the 21st Century, with a safety net for existing employee.”

MANAGING A MULTI-SECTOR WORKFORCE

The roundtable began its discussion of the multi-sector workforce by asking, “When is it appropriate to contract out, and when should government employees carry out a program?” Generally, participants agreed: contract out when the advice sought is not of a legal, fiduciary, or policy nature. At the same time, final decisions must belong to the government. Participants expressed concern that contractors are not held to the same high standards and accountability expected of government workers. But group members agreed that their agencies lack the skills they need without relying on contractors.

Still, frustrations run deep about the contracting system. One discussant argued that contractors “don’t know the government way of doing things,” and others raised the concern that once an essential function is contracted out, it can deprive government agencies of the expertise to perform that task in the future. Finally, federal employees are wary of the “revolving door” where new federal employees are regularly tempted away from their work for higher-paying contracting jobs.

BUILDING COLLABORATION

The framework for discussing collaboration included: 1) collaboration within agencies, 2) collaboration among agencies, and 3) developing activities to promote collaboration opportunities. To promote collaboration, participants argued, it must be institutionalized. As an example, a representative from the Department of Homeland Security (DHS) shared how that agency relies on a Human Capital Working Group consisting of members of each of the 22 agencies brought together under the auspices of DHS.

Roundtable discussants shared recommendations to foster collaboration among agencies, including:

- Cross-agency action teams which bring together employees from different agencies to address a problem as a single team.
- Cross-agency subject groups.
- Incentivizing cooperation, including creating statutory collaboration requirements.
- Add collaboration to individual performance plans and link it to outcomes. NASA, for example, has added cooperation and teamwork to its newest performance standards.

One participant offered a warning to avoid falling into a common trap: don’t just tell people to collaborate. Identify desired results and weave collaboration into the success factors that produce them.