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ATTRACTING AND SELECTING QUALITY APPLICANTS FOR FEDERAL EMPLOYMENT

*A Report Concerning Significant Actions
of the Office of Personnel Management*



Report to the President and the
Congress of the United States by the
U.S. Merit Systems Protection Board



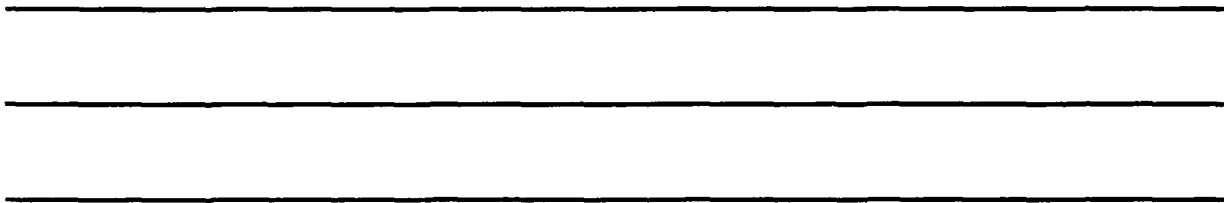
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A Report on the Significant Actions
of the Office of Personnel Management:

Attracting and Selecting Quality Applicants for Federal Employment



**A Report to the President
and the Congress of the United States
by the U.S. Merit Systems Protection Board**

U.S. Merit Systems Protection Board

DANIEL R. LEVINSON, Chairman

MARIA L. JOHNSON, Vice Chairman

Lucretia F. Myers, Executive Director

Office of Policy and Evaluation

Evangeline W. Swift, Director

Deputy Director

John M. Palguta

Project Manager

John L. Crum, Ph.D.

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Executive Summary

This report reviews the initiatives begun by the U.S. Office of Personnel Management (OPM) during fiscal year 1988 to improve the Government's ability to attract high-quality applicants for Federal employment. It also provides the U.S. Merit Systems Protection Board's (MSPB's) assessment of recent proposals to modify the selection process for entry-level jobs in Professional and Administrative Career (PAC) positions. The Board commends OPM for its efforts to revitalize the recruitment process. The Board also finds, among OPM's proposals to streamline and improve the selection process, one proposal that does not provide reasonable assurance of a merit-based system.

OPM's initiatives to enhance the Government's ability to attract more high-quality applicants include:

- The expansion of student hiring programs such as the Presidential Management Intern Program and the Cooperative Education Program.
- The development of professional recruitment materials under the theme of "Career America."
- An effort to modernize the means through which potential applicants can obtain information about employment in the Federal Government through the development of automated telephone response systems and "user friendly" computers.
- Proposals designed to accelerate and improve the selection process for entry-level jobs formerly included in the Professional and Administrative Careers category.

The Board commends OPM for taking the lead in efforts to revitalize the Federal recruitment process. The Board also makes note of several obstacles which still must be dealt with if the Federal Government is to be viewed as an employer of choice for more individuals. For example:

- Potential applicants are often discouraged by the confusion they experience when trying to understand how to get a job with the Federal Government.
- OPM and the agencies must work more cooperatively to change the image of the Government as an employer. Agencies need to be better integrated into the development of OPM recruitment initiatives and need to better understand their role in the recruitment process.
- As suggested by a number of the Federal agencies we contacted during our review, insofar as some jobs are concerned, even the best information systems may not be able to overcome the barrier to attracting

more highly qualified applicants created by the lack of comparable compensation with the private sector.

During FY 1988, OPM also developed several new proposals designed to streamline and improve the selection process for entry-level Administrative Careers With America (ACWA--formerly termed PAC) positions. These initiatives include:

- The development of six new written occupationally specific tests which together cover all ACWA occupations.
- The development of a biographical inventory called the Individual Achievement Record to assess each applicant's qualifications based upon his or her experiences and successes. Applicants for covered positions will be evaluated based on their combined scores on the appropriate written test and the Individual Achievement Record.
- A proposal to create an alternative selection procedure which gives Federal agencies "direct hire" authority for applicants who have a college grade point average at or above 3.0 on a 4.0 point scale--i.e., if the applicant has the requisite grade average, agencies would be able to hire that applicant into a permanent competitive service position without further competition.

OPM's proposals have been generally well received by Federal agencies since they have the potential to increase the timeliness of the selection process. In addition, the combined written examination and Individual Achievement Record offer a formal selection process for many positions where none has existed for several years.

On the issue of the use of college grade point averages as a selection device, MSPB finds that:

- Based on the available research, the relationship between college grades and job success is not strong enough to justify the use of an across-the-board direct-hire authority based upon grade point averages when tools possessing much greater validity exist. Furthermore, the division of college graduates into two groups--those with a GPA of 3.0 or above and those below this cut-off--introduces a new and arguably non-job related barrier into any recruitment effort.
- If it is shown that the Government is unable to recruit or hire qualified persons in certain occupations using the more valid selection instruments, then it is appropriate for OPM to grant agencies direct-hire authority for these occupations. If a direct-hire authority is granted, agencies should consider using a combination of alternative selection tools which might include GPA, although GPA should never be used as the sole criterion for selection.
- OPM should work with the various Federal agencies in developing better alternative selection procedures that can be used in conjunction with direct-hire authorities. Procedures for monitoring the use of these authorities should also be in place to ensure that the selections are made in accordance with the merit system principles.

OPM should also continue its work to streamline the process by which applicants are certified as eligible for administrative and professional positions using the occupationally specific examinations and the Individual Achievement Record. For maximum effectiveness, OPM should make it as easy as possible for an applicant to arrange to take an exam in a timely manner with results available shortly thereafter.

Introduction

The U. S. Government (excluding the Postal Service) currently employs over 2.1 million people in a myriad of civilian jobs. People in these positions are responsible for ensuring the success of virtually every Government program, from medical research to the exploration of space to the distribution of social security payments and support of the national defense. Without capable and motivated people in these positions the efficient operation of these programs would be impossible.

Unfortunately, as discussed in several reports issued by the Merit Systems Protection Board during the last few years, there has been increasing concern about the Government's ability to recruit and retain high-quality employees. In a 1988 report on attracting top-quality college graduates to the Federal Government, the Board concluded that: "the Government is not perceived as an 'employer of choice' by many graduates of some of the country's most highly rated academic institutions."¹ Furthermore, based upon a survey of knowledgeable officials at a variety of highly rated colleges and universities across the Nation, the study found that: "There is little disagreement that the Federal Government needs to be concerned about its ability to attract its share of well-qualified new college graduates."²

¹U.S. Merit Systems Protection Board, "Attracting Quality Graduates to the Federal Government: A View of College Recruiting," June 6, 1988. p. vii. (Subsequent references to this source will identify it as "Attracting Quality Graduates.")

²*Ibid.*, p. 27.

Similar concerns about the ability of the Government to recruit and retain high-quality employees have been voiced by a variety of sources outside the Government. In fact, the National Commission on the Public Service, chaired by Paul Volcker, former Chairman of the Board of Governors of the Federal Reserve System, was organized in 1988 to review this and other related issues. In its report, the commission concluded that:

Government faces an enormous challenge in recruiting America's top college graduates. On the one hand, outstanding students doubt that the public sector can fulfill their dreams of meaningful, challenging careers. On the other hand, they find the complexity of entry makes public sector jobs among the toughest to get.³

Compounding the problem is the fact that competition for highly qualified younger workers is increasing while their numbers are decreasing. As described in a report on the future of the Federal civil service, released by the Office of Personnel Management in 1988:

The national work force will grow more slowly than it has in recent years, and the number of young workers will decline. * * * As a very large employer, particularly of entry-level workers, the Federal government may face a particularly difficult time in hiring able and motivated workers in this environment.⁴

³National Commission on the Public Service, "Leadership for America--Rebuilding the Public Service," Wash., DC, April 1989, p. 26.

⁴The Hudson Institute, "Civil Service 2000," research report prepared for the U.S. Office of Personnel Management, Wash., DC, June 1988, p. 17.

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According to this report, the Government's inability to hire the "cream of the crop" from American colleges and universities is a challenge that must be addressed without delay. Since the competition for well-qualified workers will become more intense during the 1990's:

Private employers will undoubtedly respond to this changing labor market with higher entry-level wages, more recruitment and training of nontraditional workers, more flexible benefit packages, and other adjustments. Unless Federal agencies are able to respond in similar ways, some of them will be unable to compete successfully with the private sector, and may find it much harder to recruit and keep good employees.⁵

Actually, the ability of an organization to obtain high-quality personnel depends upon two separate but related processes: getting high-quality applicants to apply for vacancies and selecting the best candidates from among those who apply. To improve the Government's ability to attract applicants for all types of positions and hire high-quality applicants for certain professional and administrative positions, OPM has developed several initiatives which encompass both aspects of the Government's hiring practices.

This report specifically looks at proposals made by OPM during 1988 to modify the Government's approach to entry-level recruitment and its hiring procedures for positions that were formerly included in the grouping called Professional and Administrative Career positions. OPM's new name for this category of jobs is Administrative Careers With America. This report is part of a series of reports issued by the Merit Systems Protection Board during 1990 which, as required by the Civil Service Reform Act of 1978, review the significant actions taken by OPM.⁶

⁵Ibid., p. 30.

⁶5 U.S.C. 1204(a)(3) and 1206.

This report is a departure from earlier MSPB reports in that it reviews proposed or recently undertaken initiatives rather than programs that have actually been implemented for a substantial period of time. We decided to look at these initiatives before actual (or in some cases complete) implementation for several reasons. First, the initiatives represent important attempts to solve the problems of how to attract highly qualified people for Federal vacancies and how to select from among applicants for certain entry-level professional and administrative positions. For this reason, they were identified by the agencies as issues they felt should be included as part of MSPB's annual review of OPM's significant actions. Moreover, since these procedures may well have a significant and long-lasting impact on the operation of the civil service, it is appropriate to determine their potential ramifications as soon as possible. Finally, as discussed below, the initiatives relating to the selection process were not developed in a vacuum. OPM formulated them in response to a variety of problems associated with earlier selection procedures for PAC positions. Accordingly, one of the purposes of this report will be to attempt to see how well the proposed initiatives address problems identified with the earlier procedures.

To accomplish its objectives, this report will describe several of OPM's related initiatives and discuss whether the various Federal agencies and MSPB believe these initiatives will enhance the ability of agencies to attract top-quality applicants and hire highly qualified personnel for these entry-level positions. In addition, the report will provide MSPB's assessment of the strengths and weaknesses of each of OPM's initiatives. Since the new procedures for attracting highly qualified applicants are directed toward all entry-level hiring, while the hiring initiatives affect only persons being considered for ACWA positions, these two aspects of the recruitment process will be covered separately in this report.

Attracting Highly Qualified Applicants

Background

Over the years, the responsibility for attracting applicants for positions in the Federal Government has been shared by OPM and the various Federal agencies. Although OPM and its predecessor, the Civil Service Commission, have often served as a focal point for Federal recruiting programs, from the early 1980's until the announcement in June 1988 of the proposals or initiatives discussed in this report, OPM placed little emphasis on most recruitment programs. In fact, as a result of job information center closings and staff reductions during the 1980's, OPM for several years placed virtually all of the responsibility for recruitment on the various Federal agencies, which have varied in the emphasis they, in turn, have placed on recruiting. At the same time, as discussed in an earlier MSPB report,⁷ the image of the Federal Government as an employer was declining and there were increasing questions about the comparability of Federal compensation with the private sector.

Probably each of these factors contributed to what some have termed the "quiet crisis" that is facing the Government because of a perceived inability to hire top-quality personnel from outside the Government. For example, Harry L. Freeman, former Executive Vice President of American Express and a founder and board member of the National

Commission on the Public Service, told Congress:

Not so long ago, talented people from the private sector *** could be recruited rather easily into the public service. As a general rule, government service no longer attracts the same caliber of talent that it did in years gone by. Worse yet, the Nation is now clearly ambivalent about whether top talent belongs in the public service. Amazingly *** the whole concept of excellence in Government has come under suspicion.⁸

This problem was also recognized by former OPM Director Constance Horner, who said:

The years ahead will, no doubt, be difficult ones for the Federal civil service. Attracting and retaining skilled and talented employees in a tight labor market will require innovative strategies and strong personnel practices on the part of the Office of Personnel Management.⁹

Similar views were also expressed by the 20 largest Federal agencies when they were recently asked by the Board whether they were experiencing a problem finding quali-

⁷Statement before the Subcommittee on the Civil Service, Committee on Post Office and Civil Service, U.S. House of Representatives, Hearings on Excellence in Government, Mar. 24, 1988. The bill under discussion was H.R. 2882, 100th Cong., 1st sess.—Excellence in Government Management Act of 1987.

⁸Statement made on Dec. 22, 1988, in response to a draft copy of a report on OPM prepared by the National Academy of Public Administration.

⁹Op. cit., "Attracting Quality Graduates," pp. 1-2.

fied applicants for entry-level positions.¹⁰ In response to this question, every agency except the Department of State reported problems attracting well-qualified candidates for certain positions. Almost every agency cited the same reason for this problem--lack of Federal pay comparability with private industry.

Current Agency Recruitment Efforts

As mentioned earlier in this report, in order to staff an organization with high-quality personnel it is first necessary to attract highly qualified applicants. In the case of entry-level administrative and professional positions, the prime target group--in addition to current Federal employees--is recent college graduates. To find out what the various Federal agencies are doing in this area, MSPB asked each of the 20 largest agencies two questions concerning their efforts to attract recent college graduates to apply for positions with their organizations. The first question concerned the number of staff years spent on campuses recruiting college students between January 1, 1987 and June 30, 1988. The second question asked agencies to tell us how many colleges their recruiters had visited. Additionally, we asked OPM whether it knew of any innovative recruitment efforts on the part of the agencies.

In response to these questions, six agencies indicated that their recruitment activities were decentralized and they, therefore, did not know how many staff years were devoted to recruiting. Among the 14 agencies that were able to provide this information, on the average, each agency estimated they devoted 5 staff years to onsite recruitment

over the 18-month period, while visiting an average of 253 schools each. Although agencies may have used different criteria in deriving their estimates, clearly these agencies invested considerable resources in college recruiting. Even so, there was a wide range among agencies in both the number of schools they visited and the number of staff years expended to visit those schools. For example, the Department of Health and Human Services (HHS) indicated it used 3.1 staff years to visit 1,113 schools. In contrast, the Department of Housing and Urban Development (HUD) used only .1 staff year in attempting to reach students at 15 schools. Significantly only one agency, the Department of Education, said it had done no recruiting, indicating that "recruitment was virtually nil" during our study period. The Department noted that the lack of recruitment activity will continue unless the Department allocates funds specifically for college recruiting trips.

Although we obtained no information concerning the success of the agencies' recruitment efforts, OPM believes that some agencies are making extra efforts that will help them to attract qualified applicants. For example, OPM noted that the Internal Revenue Service is moving toward a more centralized recruiting program and that the General Services Administration and the Department of Transportation are taking significant steps to revitalize their college recruiting programs. Although it is not part of the executive branch and therefore not under its jurisdiction, OPM also indicated that the General Accounting Office has made extra efforts to recruit highly qualified college graduates.

OPM'S Initiatives for Attracting High-Quality Applicants

Human resource management is a responsibility shared by OPM and individual Federal

¹⁰ Unless otherwise noted, data in this report were gathered from the 20 largest Federal agencies in response to a formal information request sent by MSPB to them in September 1988. For a complete listing of the agencies contacted, see app. 1.

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agencies. Nevertheless, leadership from OPM in the recruitment arena is needed if the Federal Government is to remain competitive with the private sector. A recent MSPB study noted that:

Although much of the responsibility for effective on-campus recruitment necessarily and properly falls on the individual Federal agencies with the positions to be filled, there is still a need for Governmentwide coordination and centralized recruitment-related initiatives as one component of the larger picture.¹¹

Additionally, in spite of their efforts to attract high-quality college graduates, agencies still say they are having significant recruitment problems in many occupations. As indicated earlier in this report, similar concerns have also been voiced by groups such as the National Commission on the Public Service.

In response to this problem, OPM initiated a new recruitment program designed to augment agency recruitment activities. This program was announced on June 23, 1988, and contained these three principal elements:

1. Development of "Career America," a collection of recruitment pamphlets targeted at several potential sources of new hires which promote the attractiveness of Federal service;
2. Expansion of several student hiring programs including the Cooperative Education Program and the Presidential Management Intern Program; and
3. Modernization efforts including development of an automated telephone response system that provides job information and a computer-based nationwide job information system that

will help take the mystery out of how to find a job with the Government.

At the same time, in response to concerns about both the cumbersome nature of the selection process and the need to replace a special Schedule B appointing authority (explained later in this report), OPM also proposed new procedures to rate, rank, and select applicants for entry-level administrative and professional positions. These proposals are discussed later in this report. When used together, OPM believes that these initiatives will revitalize Governmentwide recruitment efforts and assist agencies in selecting highly qualified applicants.¹² In OPM's view, these initiatives represent innovative steps to streamline and modernize recruitment activities to better help agencies meet the challenge of recruiting talented individuals for Federal Service.

According to OPM, the new recruitment initiatives are designed to encourage more high-quality applicants to apply for positions in the Government by improving the image of the Federal Government as an employer. OPM also hopes that this program will lead to better communications with college placement directors and will increase their knowledge about the Federal hiring system and career opportunities. It is hoped that this, in turn, will improve the ability of Federal agencies to carry on effective college relations and recruiting programs.

OPM's Recruitment Portfolio: Career America

As a first step in reaching potential recruits, OPM during 1988 developed a new package of brochures which promote careers in the civil service. Called "Career America--The U.S. Government, Find Out Why It's Becom-

¹¹Op. cit., "Attracting Quality Graduates," p. 28

¹²These initiatives are described in the June 23, 1988, OPM Handout "New Program to Fill GS-5 and 7 Entry-Level Jobs."

ing the First Choice," the package consists of eight separate glossy pamphlets which describe Federal employment in positive, upbeat language and style. The pamphlets were intended either to be used alone or as companion pieces to agency-specific recruiting materials.

The Career America package was designed to serve several purposes. The main purpose was to provide information to persons seeking Federal employment. A secondary purpose was to encourage persons who influence students in making career decisions to suggest that students consider a career with the Federal Government. A third purpose was to provide a readily available source of information about opportunities with the Federal Government for a variety of constituency groups.

Although OPM designed the Career America campaign in an effort to make Government employment more attractive to all potential applicants, three of the eight available pamphlets are targeted at college students. The pamphlets targeted at this group of applicants are "Student Programs," "Presidential Management Intern," and "College Recruitment."

In announcing the release of the materials, then Director of OPM Constance Horner stated that OPM needs " * * * to do more than simply examine the issues concerning the future work force. Promoting the Federal civil service is also an important role for OPM. With our new Career America employment brochures, we have made a major statement about the value we place on Federal employment."

Expanded Student Hiring Programs

One way in which many people become acquainted with the opportunities that exist for employment with the Federal Government is through programs which hire students on a part-time basis while they are still

in school. These programs include the Cooperative Education Program (Co-op), the Federal Junior Fellowship Program, and the Stay-in-School Program. The Co-op program enables high school and college students to get hands-on training and experience in their chosen career field, while at the same time paying them a salary during the period of their work assignment. Students in the Co-op program may choose from a variety of possible work schedules such as alternating full-time work experiences with full semesters of study at school or working part-time with parallel periods of study. The Federal Junior Fellowship Program allows part-time employment of college students who were nominated by their high schools, are currently pursuing a bachelor's degree, and meet financial need criteria. The Stay-in-School Program allows agencies to employ high school or college students on a part-time basis while school is in session and full-time during vacations so they can afford to continue their education.

As part of its effort to revamp Government-wide recruitment procedures, OPM simplified the process which allows for the noncompetitive conversions to permanent positions of high school and undergraduate students from accredited schools who have successfully participated in the Co-op program. The Co-op and Stay-in-School programs were also simplified to permit agencies to hire students under these programs more easily. Modifications to these programs included a waiver of written test requirements; a reduction in manual reporting requirements; provisions for movement, reappointment, and conversion among Federal agencies to retain students in Federal service; and development of new qualification standards and job classification series. OPM also revised the Federal Junior Fellowship Program so that agencies could increase the number of students in this program.

Another employment program which was designed to bring highly qualified people

into the Government is the Presidential Management Intern (PMI) Program. This program was established by executive order in 1977 to attract to the Federal service outstanding individuals who have an interest in a career in public service. It is open to graduate students nominated by their school who are interested in such a career. Nominated individuals undergo a competitive screening process and, following their graduation, persons selected are given the opportunity for challenging assignments including rotational responsibilities, mentoring, and attendance in development seminars. Once participants successfully complete the program they can be converted to a permanent Federal position. Over the years, many persons hired through the PMI program have moved into senior managerial positions with the Federal Government.

Competition for admission to the PMI program has been keen and, because the program was limited to 200 positions Governmentwide each year before 1989, many qualified applicants could not be hired. For this reason, and because the program has been successful in attracting high-quality individuals, groups such as the National Commission on the Public Service have recommended expanding the number of persons in the program. As a result of OPM efforts, an executive order was issued to expand the use of the program to 400 positions each year beginning in 1989.

OPM has also attempted to strengthen the PMI program in two other ways. In order to increase the number of graduate schools participating in the program, OPM has developed a new recruitment strategy. Additionally, OPM has developed a new "dual track" curriculum. Under this approach, agencies are responsible for training in technical areas such as procurement, budget, and personnel, while OPM is responsible for providing training for the managerial track. This latter track includes training in

four major areas: communication, interpersonal skills, group behavior, and planning and organizational culture.

Automated Recruitment Tools

In an effort to bring Federal agencies and applicants together using modern technology, OPM has undertaken a project that it hopes will reduce the confusion that can occur when a person first attempts to find a job with the Federal Government. Fundamental to this project is the installation of several automated recruitment tools, some of which are already operative. These tools include telephone numbers for obtaining specific job information and enhancement of the job information that can be provided using personal computers in Federal Job Information Centers. A description of both initiatives is provided below.

- **Job Information 2000.** This is an automated telephone voice-activated response system designed to provide job and application information over the telephone. The system includes several "hotlines" which link job seekers who call these numbers to Federal employment information specialists and to agencies with job opportunities. The hotlines, which will be phased in sequentially, include:
 - **General Jobline**--a voice-activated telephone response line for obtaining general job information. This system provides callers with a description of jobs that are available, their location, and where interested individuals can apply. This system will likely be piloted in the Atlanta OPM region by the end of fiscal year 1990;
 - **Career America College Hotline**--a voice-activated telephone response line geared to recent college graduates or those soon to graduate who are looking for information concerning entry-level

jobs. This line also provides information concerning student employment programs for those still in college;

- Career America Connection Recruiting Line--a voice-activated telephone response line used to forward calls of applicants looking for jobs in shortage occupations to agencies having vacancies. Work on this system will begin after the General Jobline and the College Hotline are fully operational;
 - Career America Connection Application System--a voice-activated telephone response line that connects applicants who call this number with a staffing assistant who helps the applicant over the telephone in completing an application which is then entered directly into the main computer; and
 - Status Line--a voice-activated telephone response line which will help applicants find out where their applications are in the process.
- Federal Job Information Center Touch Screens. As discussed later in this report, OPM is attempting to improve the service provided by its Federal Job Information Centers. One way in which OPM is attempting to do this is by providing center visitors with the opportunity to obtain job information through the use of "user friendly" computers. These computers will permit visitors to use "touch screen" technology which is designed to lead the user through a menu of choices without requiring the use of a keyboard, which may intimidate some applicants. The intent is to provide a listing of locally available Federal jobs and information about how to file an application. If the pilot test that is currently being conducted is successful, plans are eventually to provide touch screen capabilities at all Federal Job Information Centers.

Agency Opinions of OPM's Recruitment Initiatives

Career America

When OPM released the materials that make up the Career America portfolio, Director Horner made it clear that promoting the Federal civil service is an important role for OPM. According to the Director, with the release of this material, OPM had made a major statement about the value that OPM places on Federal employment. Furthermore, she indicated that OPM felt that the portfolio had been enthusiastically received by Federal agencies as an excellent step in enhancing the image of the Federal Government.

When MSPB asked agencies about the Career America material, they indicated that they were indeed impressed with the style and content of the portfolio. In fact, we received only positive comments concerning the quality of the material. Several agencies said they were pleased that OPM was taking steps to try to improve the image of Federal employment and indicated that they would use OPM's recruitment material along with their own. The following comment from the Environmental Protection Agency was typical of those received:

The Career America products are very professional and attractive. The content *** is clear and understandable. They go a long way in breaking down the stereotypical image of Government.

A similar comment came from the Department of Agriculture:

The Career America material will be helpful when used in combination with agency specific material. OPM's material is well laid out, colorful and well thought out and eye-catching. Using Career America will assist us when used with our own material.

Unfortunately, despite this universal praise about the quality of the material, many agencies do not plan to make extensive use of

the Career America package. In fact, only 6 of the 19 agencies that expressed an opinion in response to an MSPB inquiry said they thought this package would help them recruit highly qualified candidates.

Agencies basically had two problems with the Career America materials. Some agencies were skeptical about the glossy materials' ability to compensate for the Government's lack of competitiveness with salaries offered in private sector employment. These agencies felt that OPM's promotional material does not address the issue of inadequate Federal compensation and, therefore, will not enhance the ability of agencies to attract and hire highly qualified applicants. For example, the Department of the Treasury said:

Slick packages do not make the Government more attractive to high quality candidates. Money, profit-sharing, child-care centers, etc., are factors in career shopping for today's quality job market. Private sector provides these for the most part; we do not.

Unfortunately, even if they thought the Career America material could be helpful, a number of agencies indicated that they would not use it because they could not afford it. At the time agencies were asked about whether they planned to make use of the Career America materials, estimates were that a complete Career America package would cost approximately \$5.20. Apparently some agencies thought that they could not afford this expense when their outreach efforts may be directed at thousands of potential applicants per year. For example, the Department of the Interior said, "Due to the expense of these materials, we will likely use them very little." For this reason and because they do not believe that the materials address the issue of inadequate compensation, of the 20 agencies surveyed by MSPB, 12 said they planned to make little or no use of the Career America materials in conjunction with their recruiting efforts.

Fortunately, by January 1989 the actual cost of the Career America materials was \$4.16 and as of May 1989, when the materials were in their third printing, the cost had fallen to \$1.85 per package. Hopefully, agencies will not consider the current costs to be prohibitive and will find a way to use the Career America materials in conjunction with their recruiting efforts.

Expanded Student Hiring Programs

When asked, agencies were typically enthusiastic about the Co-op, Stay-in-School, and Presidential Management Intern programs. In their view, these programs are key elements in both their recruiting efforts and their efforts to meet affirmative action goals. NASA, in particular, was unequivocal in its support of these programs:

The Cooperative Education Program plays a significant role in our recruiting, screening and subsequent conversion of many entry level persons into administrative positions ***. The Co-op program is also part of our scientific and engineering intake effort. It has yielded some important dividends *** and may become even more important in the future as the changing profile of the work force makes recruiting more difficult.

Virtually every agency shared the view that programs which involve hiring students for part-time work are a great success. For example, HUD said these programs play a significant part in its recruiting efforts and for this reason, "HUD actively engages in all of these programs. Many of our managers view these programs as positive recruitment tools and expect that trend to continue."

Several agencies also praised OPM's changes in the guidelines, saying that the modifications have improved the programs considerably and made them even more attractive to

agencies. A statement from the Department of Energy makes this point clearly:

These programs were ongoing before the recent changes, however, the recent guidelines have made it easier to qualify these candidates. Many students find college costs so prohibitive that employment is necessary. Positive working relationships developed through these programs often result in former program participants accepting positions following graduation.

Additionally, 17 out of 20 agencies indicated that the Co-op, Stay in School, and PMI programs play a major role in their affirmative action initiatives. In general, each of these agencies felt that the student hiring programs provide an excellent opportunity to target hiring of minorities, women, and disabled persons. According to the Department of the Navy: "Use of these recruitment programs at predominantly minority or female schools has proven an effective way of increasing representation in targeted professions."

Automated Recruitment Tools

Since MSPB was also interested in agencies' opinions concerning OPM's effort to automate the recruitment process, we asked the agencies to tell us to what extent they had made use of OPM's recruitment-related "modernization efforts" (such as the Job Information Center's touch screen computer technology or its telephone-based computerized job information system). We also asked if they would want greater access to these OPM programs.

Although most agencies (14) said they have made little or no use of OPM's "high tech" computer methods, they also said they would use this kind of electronic assistance in their future recruiting efforts. A response received from the Department of Veterans Affairs (VA) was typical. Although VA had not used these new systems, the Department believes that "telephone-based computerized job information had the potential to lessen

demand on its own staff resources and provide better service to the general public." Several other agencies expressed similar views that this kind of program would be useful, especially if it could be adapted to include agency-specific information. In fact, there was a general consensus that these enhancements would be most useful if they included information about local agency employment opportunities. In general, agencies which had not made use of these high-tech tools indicated they had not done so because they did not know they were available.

Among agencies who have made use of the new recruitment technologies, the Department of Energy said that "this type of technology gives us consistency, efficiency, and streamlining of the information forwarded to large numbers of applicants. Such systems promote efficiency in the use of personnel staffs."

Three agencies said they did not plan to use the new automated technologies. One of these three, HHS, said: "While modern technological systems may improve recruitment efforts, we are concerned about their lack of efficiency and non-human image projected to a public that already has a negative perception of Government."

MSPB Perspectives on OPM's Recruitment Initiatives

Overall we believe that each of OPM's recruitment initiatives should have a positive effect on the ability of agencies to attract qualified applicants. As discussed earlier in this report, attracting qualified applicants is a responsibility that must be shared by the various Federal agencies and OPM. Based upon the initiatives described above, OPM deserves credit for taking the lead in this area. Unfortunately, as will be discussed below, there are indications that the initiatives undertaken by OPM will not be suffi-

cient to fully address the problem of attracting quality applicants.

MSPB believes that the Career America materials have the potential to positively influence the Government's ability to attract high-quality applicants. When used in conjunction with agency efforts to reach potential applicants for Federal employment, they should help promote Federal service. Although some agencies indicated that they did not plan to use the Career America materials because of their original high cost, these costs have fallen dramatically. As mentioned above, hopefully, the agencies will no longer view the current costs as prohibitive. By their own estimates, agencies spend an average of about 5 staff years recruiting at colleges. This, by itself, is a significant expenditure. The amount an agency might spend for the Career America materials represents only a small fraction of this total, especially given the new reduced costs. If these materials can be used to get the message across that there are exciting and rewarding opportunities in the Federal Government for qualified applicants, they may well represent a good investment for the various agencies. For this reason, agencies should critically review their recruitment plans to see if the Career America materials can be used as a cost-effective tool to augment their efforts.

OPM's effort to expand student hiring programs is also a valuable initiative. Clearly the agencies believe that these programs are extremely useful in attracting students to Federal careers. While MSPB agrees that these programs have great potential, for the most part we have only limited evidence to support this belief. Work done by Robert Goldenkoff of the General Accounting Office does indicate, however, that approximately one-third of the persons in the PMI program would not have chosen work in the Federal Government if not for this program.¹³ Additionally, OPM has found that historically about 68 percent of the students in the Co-op

program have been converted to permanent positions. Since there are about 12,000 students in the Co-op program it would certainly appear that this program is a valuable source for recruiting qualified students for permanent positions.

Based upon evidence that is available, we believe that student hiring programs provide good opportunities for students to see what working for the Government is like and, thus, are good vehicles to encourage them to consider a career in public service. For this reason, OPM's efforts to streamline the Co-op, Federal Junior Fellowship, and Stay-in-School programs and expand the PMI program may indeed help the Government attract qualified applicants.

The use of automated technologies to enhance the recruitment process is probably also a worthwhile effort. Being able to more quickly obtain information concerning available openings, application procedures, and the status of applications may help reduce the frustrations experienced by some persons considering employment with the Government. Based upon agency comments, however, it appears that many agencies know very little about OPM's planned automated enhancements. Moreover, as will be discussed below, personnel specialists at some agencies believe that these tools may provide applicants with the wrong impression of the Government.

Concerns about the efficacy of OPM's efforts to attract high-quality applicants were raised in a hearing on June 19, 1989, on the issue of Federal recruitment policies and practices that was held before the Subcommittee on Federal Services, Post Office, and Civil Service of the Senate's Governmental Affairs

¹³Robert Goldenkoff, "That the Best May Serve: Methods of Recruiting and Retaining Federal Entry-Level Personnel," report submitted to the National Commission on the Public Service by the U.S. General Accounting Office, Sept. 1, 1988, p. 15.

Committee. At this hearing numerous witnesses testified about concerns they had with OPM's effort to attract qualified applicants for Federal positions. Senator David Pryor, Chairman of the Subcommittee, presented testimony from interns who worked for him who had posed as job applicants seeking information about Federal employment. According to these interns, getting information from OPM or the personnel offices of several Federal agencies was both confusing and frustrating.¹⁴

This problem is, at least in part, the result of an apparent lack of agreement as to where applicants should go to get information about job opportunities with the Federal Government. As has been mentioned several times in this report, the responsibility for attracting applicants is shared by OPM and the Federal agencies. Unfortunately, each of the responsible parties appears to be relying on the other to fulfill this need.

According to OPM's Career America brochures, interested individuals should contact either the personnel offices of the agencies in which they are interested or the nearest OPM Area Office. However, it is not uncommon for persons contacting agencies to be referred to OPM and for persons going to OPM to be told to contact the agencies. This apparently occurs because applications for employment are usually made through OPM, while the announcement of actual vacancies is made by the agencies. According to one noted researcher in this area: "Almost all potential applicants have difficulty finding out what jobs are available, where they are, and how to get them."¹⁵

There is also reason to believe that the use of OPM's automated Job Information 2000 hotlines may not markedly improve this

¹⁴Testimony of interns employed by Senator David Pryor, Chairman, Federal Services, Post Office, and Civil Service Subcommittee, Governmental Affairs Committee, U.S. Senate, June 19, 1989, p. 4.

situation. A 1988 survey of 3,500 personnel specialists throughout the Federal Government revealed that 53 percent of these individuals believe that OPM was ineffective or very ineffective in providing information and assistance to the public concerning the availability of Federal employment. Moreover, in written comments, a number of these same personnelists said that the reduction in the numbers of OPM job information centers and the use of computer-based job information systems had a negative impact on recruitment and selection efforts.¹⁶ These personnel specialists felt that the automated telephone hotlines were frequently busy and that potential applicants could receive a negative impression of the Federal Government as a result of having no one to answer their questions. As noted by Senator Pryor: "Nothing can be more discouraging and frustrating to a young job seeker than finding no one able or willing to answer questions about Federal job opportunities and the application process."¹⁷

While this concern is real, society is in the process of becoming more and more computer literate and the acceptance of automated response systems and computer assisted information retrieval systems is increasing. As prospective applicants become more familiar with the use of computers in

¹⁵Testimony of Patricia W. Ingrahm, Associate Professor of Political Science at the State University of New York at Binghamton and Project Director of the Task force on Recruitment and Retention for the National Commission on the Public Service, before the Federal Services, Post Office, and Civil Service Subcommittee, Governmental Affairs Committee, U.S. Senate, June 19, 1989, p. 2.

¹⁶U.S. Merit Systems Protection Board, "Federal Personnel Management Since Civil Service Reform: A Survey of Federal Personnel Officials," November 1989, p. 18.

¹⁷Testimony of Senator David Pryor, Chairman, Federal Services, Post Office, and Civil Service Subcommittee, Governmental Affairs Committee, U.S. Senate, June 19, 1989, p. 3.

their everyday life, automated tools such as those proposed by OPM will have a greater role in augmenting agency efforts to recruit qualified applicants for Federal positions.

In recognition of the role the Federal Job Information Centers play in shaping the public's views of Federal service, OPM is attempting to improve service. In order to do this, OPM is conducting a client survey of persons using the centers. The intent of the survey is both to determine the public's expectations of the centers and to assess OPM's effectiveness in meeting these expectations. Based upon the findings of the survey, OPM plans to address any problems identified in hope that better quality service will ultimately encourage top-quality applicants.

Additionally, the solution to the problems discussed above involves greater cooperation between OPM and the various Federal agencies. Potential applicants should be able to obtain concise and accurate information about Federal employment and available jobs from either OPM or agency personnel offices. Employees of both OPM and the various Federal agencies should be apprised of the importance of providing assistance to potential applicants and be better trained to respond to their concerns.

The fact that agencies have been unaware of OPM's Job Information 2000 hotlines and were concerned about the initial high costs of the Career America materials indicates a need for better coordination between the agencies and OPM. Part of the reason for this lack of communication is that OPM has been reluctant to fully publicize these automated systems until they are completely operational. While some of this reluctance is understandable, if OPM is to be the leader in the effort to attract quality applicants for Federal employment, it will need to work closely with the agencies to ensure that recruiting materials such as the Career America brochures and the Job Information 2000 hotlines can be integrated in a cost-

effective manner with agency recruiting efforts.

While MSPB believes that each of the recruiting initiatives discussed in this report has merit, we also agree with the position voiced by some agencies that these efforts cannot fully compensate for the higher pay and benefits that are available for many positions in the private sector. Although it is certainly helpful to portray public service in a positive light, agencies cannot expect that large numbers of potential employees will seek jobs in public service if they are offered substantially less pay for doing them. For this reason, OPM should continue to seek ways to improve the manner in which compensation for Federal employees is determined.

At the same time, OPM should continue to expand upon its initiatives to attract qualified applicants and work with the agencies to publicize the benefits of public service. The initiatives begun by OPM may well help to revitalize the college recruitment process. However, more work needs to be done in conjunction with agencies to get the message to a wider segment of the national work force that the Federal Government offers attractive career opportunities.

Additional OPM Recruitment Initiatives

During 1989, OPM also undertook several additional initiatives which are designed to enhance the Government's ability to attract high-quality applicants, but which MSPB has not had the opportunity to review. These initiatives include:

1. A Federal Career Directory which is intended to serve as a resource guide for persons seeking Federal career and employment information. Included in the Directory are descriptions of the mission and functions of 177 Federal agencies and departments. The Directory will

- also contain information concerning entry-level occupations, student employment opportunities, a section on how to get a Federal job, and personnel contacts.
2. Development of a new Automated Recruiting Information System designed to facilitate agency recruiting efforts by providing listings of educational institutions, community and constituency groups, and media sources.
 3. Establishment of Electronic Bulletin Board systems at all OPM regional offices through which applicants and schools can access job opportunity listings using personal computers equipped with modems.
 4. Production of a generic recruiting video called "Career America--The Next Step" in partnership with the Departments of the Navy and Agriculture, and the General Services Administration. This video will attempt to market Federal career opportunities to college students.
 5. Sponsoring or co-sponsoring Federal Job Fairs with other Federal agencies. The purpose of these fairs is to bring applicants and Federal employers together. OPM is also advocating agency participation in school career days and college fairs.
 6. Development of a pilot training course to help college placement directors better understand Federal employment procedures and opportunities.
 7. Preparing a national "Recruiting Study" which is intended to help OPM develop an agenda to assist both OPM and the Federal agencies in future recruiting efforts. In conducting this study OPM collected information about the state of agency recruiting efforts and perceptions of colleges and universities about Federal programs.

Hiring Procedures for Entry-Level Administrative and Professional Positions

Background

About 111 different occupations currently comprise those positions categorized by OPM as Administrative Careers With America (i.e., formerly PAC). Included are such diverse occupations as highway safety specialists, custom inspectors, computer specialists, economists, and historians. Over 28,600 persons were hired to fill entry-level, GS-5 and GS-7 vacancies in these occupations during 1987. Historically, most of these placements are drawn from either the ranks of recent college graduates or current members of the Federal work force who enter these fields through internal placement programs. During 1987, over 10,000 persons were selected to fill the entry-level administrative positions from outside the Government, while approximately 18,000 entered these professions through internal placements.

In addition to the problem of attracting qualified persons to apply for positions with the Federal Government, the various Federal agencies have expressed concern with the procedures that must be followed in order to select and hire persons to fill vacancies in administrative and professional occupations. Every agency contacted by the Board agreed that the Federal hiring process is a labyrinth of lengthy and confusing procedures that result in the Government losing applicants to jobs in the non-Federal sector.

One major complaint frequently cited by agencies is the amount of paperwork appli-

cants must complete. For example, Health and Human Services (HHS)--an agency with a very aggressive college recruiting program--said the current Federal hiring process is an arduous maze for potential applicants. According to HHS:

The completion of the SF-171 is time consuming and confusing and overwhelming; infrequent scheduling of civil service examinations, development of registers, and the certification process result in several months' delay between identifying prospective candidates and making job offers * * *.

Actually the problems described by the agencies result from the fact that, while for the most part the agencies have been responsible for publicizing vacancies, applicants are often required to submit applications through OPM. OPM, in turn, determines applicant eligibility and refers highly qualified candidates to the various agencies for final selection. This bifurcation of the recruitment process often results in a lengthy delay between the time individuals apply for a position with the Federal Government and the time they are offered a job. During this interim period it is not surprising that some of the would-be selectees take jobs with other organizations.

The primary reason OPM has, for the most part, retained control of the ranking process is to ensure that valid rating and ranking procedures are used so that only the best qualified applicants are referred for selection.

This is in conformance with merit system principle 1, which states:

Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity.¹⁸

This is not to say that the only way to ensure adherence to merit principle 1 is to use centralized rating and ranking procedures. However, over the past 20 years a variety of mostly centralized procedures, which have required that agencies obtain OPM certification of applicants' eligibility before they can be hired, have been used in an attempt to ensure both the best possible selections of entry-level personnel and adherence to the merit principles. Until 1982, OPM used a nationwide written examination to rate and rank applicants for entry-level vacancies in PAC occupations.¹⁹ The occupations included in the PAC grouping were originally those determined to be administrative in nature. Other occupations were added to this category over time if scores on the written test were shown to be significantly related to job performance.

During 1981, as a result of a suit filed in Federal court alleging test bias, a consent decree was negotiated between the plaintiffs and the Department of Justice which required OPM to discontinue the use of the examination that was then being used, the Professional and Administrative Career Examination (PACE), and replace it with a series of job-specific written tests which did not

discriminate against minorities. Until these new tests could be developed OPM, under the consent decree, was allowed to continue to use PACE to rate and rank applicants for PAC positions.

Although it had not yet developed the replacements, OPM announced the abolishment of the PACE on May 11, 1982, and established a new Schedule B appointment authority²⁰ to be used while permanent replacements for the PACE were being developed. The Schedule B authority allowed agencies to select persons without competitive examinations for entry-level PAC positions if they could demonstrate that there were no qualified candidates for these positions already in their work force. Since selections made under this authority did not involve competition, individuals selected for these jobs were placed in positions in the excepted service.²¹ Individuals selected in this way were required in most circumstances to compete for competitive positions to advance to the GS-9 level. If they were selected for a GS-9 vacancy after competition with other qualified candidates they were placed in positions in the competitive service.²²

In conjunction with its annual reports on the significant actions of OPM, MSPB has reviewed the operation of entry-level PAC hiring including the use of Schedule B appointments. In each of these reports MSPB

²⁰Schedule B applies to positions, not of a confidential or policy-determining character, for which it is impractical to hold competitive examinations.

²¹The "excepted service" is a term defined by section 2103 of title 5, United States Code. It applies to all positions in the executive branch that are specifically excluded from the competitive service by proper authority, and that are not in the Senior Executive Service.

²²The competitive service consists of most of the positions in the executive branch except for those exempted by statute. Selections for positions in the competitive service are governed by regulations contained in section 2102 of title 5, United States Code.

¹⁸5 U.S.C. 2301(b)(1).

¹⁹For a more complete discussion of the history of OPM selection procedures for entry-level PAC positions see U.S. Merit Systems Protection Board, "In Search of Merit: Hiring Entry-Level Federal Employees," Sept. 15, 1987.

has expressed concern that use of the Schedule B appointment authority may not always have resulted in selections which are consistent with merit principle 1 since the sources of recruitment and methods of selection were left to the agencies, with little or no oversight by OPM. This autonomy was allowed under the Schedule B authority since appointments were in the excepted service and, thus, exempt from procedures governing selection in the competitive service. With the advent of Executive Order 12596, on May 7, 1987, appointments made under the Schedule B authority could be noncompetitively converted to the competitive service based upon proven performance.

MSPB's concern that selections made under the Schedule B authority were not always based on fair and open competition should not be seen as a general indictment of attempts to decentralize the rating and ranking process. Rather, we were primarily concerned with what we believed to be inadequate guidance and oversight of the process on the part of OPM. In addition, we questioned the wisdom of relying so heavily on a policy that required the extensive use of internal selections. In order to make an appointment under the Schedule B authority, agencies were required to first certify that there were no qualified candidates for these positions in their work force.²³

MSPB's reports also expressed concern about OPM's efforts to develop replacement tests which covered all occupations formerly covered by PACE. Through 1987, OPM had developed 16 tests which, by OPM's estimates, covered only about 60 percent of all anticipated PAC hiring. As noted in our 1987 report, apparently little work had been done up to that time to develop examinations to cover the remainder of the PAC occupations.²⁴

For each of the above reasons, MSPB's overall evaluation of the Schedule B authority was that it "should be eliminated as soon as possible by implementation of competitive examination procedures."²⁵ This determination was made despite the fact that the agencies using the Schedule B authority generally rated it as "very good" or "good" in its ability to meet their entry-level PAC needs.

On February 27, 1987, in response to a suit brought by the National Treasury Employees Union, the U.S. District Court for the District of Columbia ruled that OPM had acted improperly in deciding to place in the excepted service all job categories formerly covered by PACE and in deciding to abolish the PACE ahead of schedule when no alternative examinations were available. The judge in this case also ruled that OPM failed to prove that the cost of developing and implementing validated alternative examinations is prohibitive. Although a stay was subsequently granted from the original order that gave OPM 6 months to implement a competitive examination and permanently enjoined them from using the Schedule B authority, it was clear that OPM would need to develop a replacement for the Schedule B authority.

OPM's Proposed Hiring Procedures for Entry-level Administrative and Professional Positions

In an attempt to respond to concerns about both the cumbersome nature of the selection process and the need to replace the Schedule B authority, OPM also announced, on June 23, 1988, new proposed procedures to rate, rank, and select applicants for entry-level administrative and professional positions (for purposes of this report, occupations included

²³Op. cit., "In Search of Merit: Hiring Entry-Level Federal Employees," p. 4.

²⁴Ibid., p. 19.

²⁵Ibid., p. 12.

in the Administrative Careers With America Category--i.e., formerly PAC positions--will be termed administrative and professional). These proposals included:

1. Giving additional delegated authority to agencies to directly hire students who have a grade point average of 3.0 or above on a 4.0 point scale;
2. Development of six new written tests covering the full range of administrative and professional occupations; and
3. Development of the Individual Achievement Record, a biographical inventory which is intended to assess merit based upon an applicant's accomplishments in a variety of settings. Scores on this inventory will be combined with scores on the occupationally specific job tests to rate and rank job applicants.

It is interesting to note that OPM's first proposal is similar to suggestions made by the various Federal agencies when we asked them what could be done to improve the selection process. In response to this question several said that one way to streamline the process would be to delegate more hiring authority directly to individual agencies. For example, the Department of Agriculture stated:

The number of appointing authorities could be reduced and more direct hire authorities provided. The merit process should be simplified to be more responsive to potential candidates and improve the Federal Government's competitiveness with private industry.

Actually it is not surprising that agencies hold this view given the finding in the MSPB report "In Search of Merit: Hiring Entry-Level Federal Employees" that agencies were generally positive about the greater autonomy they had in making selections under the Schedule B appointment authority. Many agencies believe that if their recruiting efforts

are to succeed, the Federal hiring process needs to be drastically expedited, streamlined, and simplified. OPM has attempted to do this by providing two alternative methods for selecting entry-level personnel: selecting on the basis of their grade point average (GPA), or having the applicant complete a written test.

Direct-Hire Authority Based on GPA

The first method of selection proposed by OPM would authorize an expansion of what has been termed the "outstanding scholar provisions." The outstanding scholar provisions were accepted as an alternative selection procedure under the original consent decree when the use of the PACE was challenged. Whereas these provisions granted agencies the authority to directly hire students with a grade point average of 3.5 or above (on a 4.0 scale) without certification from OPM, the new procedures would allow agencies to direct-hire any college graduate with at least a bachelor's degree and an overall average of 3.0 or above. Applicants meeting this standard could be hired immediately and would not be required to take any of the written job tests. OPM's intent is to reduce the time required to hire an applicant, while at the same time providing a tool for making merit-based selections.

In explaining this proposal OPM noted that " * * * GPA is assumed to be a reflection of overall accomplishment and achievement, and its use will afford closer assessment of the total person including such factors as self-discipline, perseverance, and ability to work cooperatively with others."²⁶ Furthermore, according to OPM, the expanded use of GPA

²⁶U.S. Office of Personnel Management, "Report to Plaintiffs in *Luciano v. Horner* on Proposed Examining System for PAC Occupations," Office of Personnel Research and Development, August 1988, p. 13.

is expected to help ensure equitable hiring among minority and majority groups in the applicant population, since both groups have typically been well represented in the high GPA range.²⁷

OPM also stated that the use of GPA as a selection device will significantly accelerate the hiring process and thus increase the number of highly qualified college graduates who will accept employment with the Federal Government. In its opinion, college graduates with high GPA's receive numerous attractive job offers from the private sector and are, therefore, unlikely to be willing to take written tests in order to obtain a job with the Government. By giving them direct-hire authority, OPM believes agencies will be able to recruit more aggressively and better compete in what they believe will be a tight labor market in the coming decade. As will be discussed later in this report, however, MSPB does not find evidence to support all of these conclusions.

New Written Tests

The second method of entry involves a series of job-related competitive examinations. These exams would be given to applicants who either do not have a 4-year college degree, do not have a GPA of 3.0 or more, or were not selected by agency officials. Unlike the first 16 examinations developed as PACE replacements, the new written examinations will cover virtually all of the occupations formerly covered by PACE.

Instead of the 16 previous tests, OPM has developed six "occupationally specific" tests that will be given to entry-level professionals

in the following occupational categories: (1) Health and Environment, (2) Writing and Information, (3) Business and Program Management, (4) Human Resources and Administration, (5) Examining and Adjudicating, and (6) Investigation and Inspection. There is also a seventh category which includes 16 occupations for which there are specific education or experience requirements. Persons applying for positions in occupations in this latter category will not be required to take an occupationally specific job test, but will instead be rated on the basis of training and experience. (For a listing of occupations by all seven categories, see appendix 2.)

OPM believes that the written tests are useful and appropriate because research has shown that "certain abilities such as verbal and reasoning abilities are essential for performance in the jobs to be covered by the new examinations."²⁸ Additionally, tests allow all individuals interested in Government service, not just those who have completed college, to compete for positions. As described by OPM, "the questions on each skills test will frequently use actual job materials or will be directed toward activities performed on the job."²⁹ However, since applicants are being evaluated for entry-level positions for which they will receive training, the questions on each test will not require applicants to possess knowledge or experience which can only be acquired on the job.

The Individual Achievement Record

Although written tests have been used before to evaluate applicants, the current OPM proposal incorporates an additional compo-

²⁷Constance Horner, then Director, U.S. Office of Personnel Management, Address to Career Entry Recruitment Conference, June 23, 1988, p.11.

²⁸*Ibid.*, p. 10.

²⁹Statement of Constance Horner, then Director, U.S. Office of Personnel Management, before the Subcommittee on Civil Service, Committee on Post Office and Civil Service, U.S. House of Representatives, Hearing on OPM's Alternative Hiring Proposal, July 12, 1988, p. 15.

ment which is new. According to OPM, this additional component "elicits information on self-discipline, leadership qualities, and problem solving. It is, in short, a measure of a candidate's character."³⁰ This second component, which is termed the Individual Achievement Record (IAR), contains a series of questions about a person's experience and individual success in academic, employment, organizational, and interpersonal endeavors. OPM describes the IAR as asking questions similar to those that might be asked in a personal interview. The difference is that the IAR uses a multiple choice format and is machine scored.

The IAR is a form of what has been referred to as a biographical survey. Similar types of surveys have been used to provide information for employment decisions in the private sector. One of the reasons they have not previously been used in the public sector is that they have frequently included questions that some might consider to be an invasion of privacy or that the average applicant might otherwise find inappropriate. In developing the IAR, OPM attempted to eliminate questions that would be unsuitable for the public sector while at the same time retaining most of the validity.

OPM intends to combine each applicant's score on any of the occupationally specific job tests with his or her score on the IAR, with each score being weighted equally. According to OPM, this combination will provide a more balanced measure of the qualities that are needed in public servants. As was the case with PACE, veterans' preference points will be added to the aggregate score as required by law,³¹ and the individual will be placed on a civil service register for review by the agencies.

³⁰Ibid., p. 16.

³¹5 U.S.C. 3309.

Agency Opinions of OPM's Proposed Hiring Procedures

Overall, agencies expressed very positive reactions to all aspects of OPM's hiring proposals. Almost without exception, the agencies were pleased that OPM has taken initiatives they believed would result in a more coherent, streamlined hiring program. The proposal to provide agencies with direct-hire authority for college graduates with a GPA of at least 3.0 was particularly well received. Agencies felt that this authority would give them the means to successfully compete for some of the high-quality college graduates that they had been losing to the private sector.

Several agencies also felt that the ability to hire college graduates immediately would be such a positive change that it would mitigate, to at least some degree, the problem of lower Federal pay. For example, according to the Department of Commerce:

Enabling agencies to make immediate, on-site employment offers to quality students is highly desirable. While most entry-level Federal salaries are not competitive with private industry, we expect that being able to make on-site job offers will greatly improve the effectiveness of our recruiting efforts since for many students a job offer in the hand is worth two in the bush.

When questioned by MSPB as to whether the proposed procedures would increase the potential for merit systems abuses, 17 of 20 agencies indicated that they thought there was little likelihood of increased abuses and the remaining three agencies said it was too soon to tell. In this vein, the Department of the Interior noted that any system has the potential for abuse, while the Environmental Protection Agency said:

The potential for merit system abuse would be lessened with the proposed program because agencies will be able to hire qualified candidates without trying to beat the system. All candidates must meet the

stated criteria to qualify and requirements for hiring relatives would still apply. We believe that agencies would continue to ensure adherence to merit considerations.

Nevertheless, one agency, the Department of State, did note:

The absence of certification from OPM will increase the possibility for non-merit related considerations. Agency personnel offices will be vested with more latitude and more responsibility. OPM may want to review existing regulation on nepotism and strengthen them.

Agency comments concerning the development and use of new written tests were almost as favorable as those towards the delegation of hiring authority. Several agencies did, however, have some concerns about certain aspects of the proposed program. Two agencies, the Departments of the Air Force and Labor, had reservations about once again using written tests as a qualifying device for entering an administrative or professional position. Air Force believes that "*** students will find it more difficult to compete for Government positions since there will be six separate examinations to be considered for the same number of positions previously available under one PACE examination."

Even so, most agencies agreed with the view expressed by the Department of Justice that:

To date *** there has been no examining vehicle to which to refer most candidates for entry-level professional positions. The employment process has changed considerably in the last 2 years. We are encouraged that OPM is continually updating and streamlining procedures, and developing new programs to assist in strengthening the work force.

Interestingly, agencies made no comments either positive or negative concerning OPM's proposal to include the IAR as one part of the written examination process. Concern about

the validity of this portion of the written test was, however, raised by the National Federation of Federal Employees (NFFE) in testimony before Congress. NFFE said that it had qualms about how the test was developed and about what it could show about prospective employees. According to the testimony: "We remain unconvinced that what appears to be a 'character' test can have any true correlation with job performance." In NFFE's opinion:

There are only three factors that can be used legitimately to indicate potentially successful job performance, and they are education, experience, and skill. All three may be measured empirically. The IAR measures none of these, and its measurement must be normative, or subjective.³²

MSPB Perspectives on OPM's Proposed Hiring Procedures

After reviewing OPM's proposals to modify the hiring process for entry-level administrative and professional positions, we believe that the proposals represent a conscientious attempt to deal with a very difficult issue. There is no simple solution to the problem of what procedure is best to use to select from among available applicants. While written tests have the highest validity, they can be costly to develop and administer. And, as the case with the PACE, tests can sometimes be used in ways that result in hiring of relatively fewer minorities. Additionally, written tests are often used in conjunction with centralized processing procedures which may result in delays due to the time required to process and rank applications. Even so, a decentralized process such as the Schedule B appointment authority provided increased potential

³²Testimony of James Pierce, President, National Federation of Federal Employees, before the Subcommittee on Civil Service, Committee on the Post Office and Civil Service, U.S. House of Representatives, July 12, 1988, p. 3.

for merit system abuses because of inadequate OPM oversight and lack of guidance to agencies regarding the development of competitive selection procedures including valid selection instruments. Moreover, even when agencies are delegated direct-hire authority, there is no assurance that they will make employment decisions quickly, particularly if they are considering applicants from a variety of schools.

In general, however, MSPB believes the initiatives proposed by OPM are a step in the right direction. In particular, the development of occupationally specific written tests should improve the overall quality of selections by allowing for the appropriate ranking of applicants in terms of their relative ability, assuming that the newly developed examinations are indeed valid. It should also greatly reduce the potential for merit system abuses inherent in the Schedule B appointment authority. Additionally, considering recent advances in OPM test processing capabilities, written tests have the potential to be among the most efficient and least expensive ways of making selections, at least when hiring a large number of employees from among a large number of applicants.

On the other hand, we do have several reservations concerning two aspects of the OPM hiring proposal. The most important concern is with the proposal to provide agencies with a blanket authority to hire any college graduate with an overall GPA of 3.0 or above.

Direct-Hire Authority Based on GPA

Actually, the idea behind the use of GPA to rate job applicants is based on the assumption that persons with higher GPA's are more likely to be successful employees than persons with lower GPA's. This assumption is usually based on the belief that students with the higher GPA's have obtained them either as a result of greater intelligence or a willingness to work hard. Additionally, GPA

is usually easy both to collect and verify. Unfortunately, the extensive research that has been conducted in this area has consistently shown that, at best, the relationship between GPA and job performance is quite small.

Although GPA may have some limited utility in a few narrowly defined areas such as the hiring of law school graduates by law firms, this does not mean that GPA is a particularly good predictor of job success in other areas. In the case of law school graduates, for example, the pool of applicants has already been winnowed to a group of highly qualified individuals by both the law school admissions process and 3 years of law school classes. Moreover, these graduates must pass a qualifying test, the Bar Exam, before they are admitted to practice law. The differences among law school graduates who pass the Bar, therefore, are likely to be far less than the differences among college graduates holding bachelor's degrees in any of a variety of college majors. Additionally, it can be argued that performance in law school classes mirrors the work done by law firms more closely, for example, than the performance of an English major in college mirrors the work of a management analyst or a personnel specialist.

Even more to the point is the fact that a high GPA can be obtained in a variety of ways which have little bearing on how the person will perform in a job. Schools vary in the caliber of their students, and an individual's grades may reflect a comparison with other students in his or her classes, not necessarily students in other schools. Within a given school, a student's field of study, selection of courses, or even selection of instructors may have a significant effect on his or her GPA. Additionally, some students may do well in courses requiring memorization but have difficulty performing a job that requires the ability to conceptualize or deal with complex relationships. Conversely, some people who had lower GPA's in college may have had other demands on their time, such as sup-

porting themselves through college, which may have interfered to some degree with their work in school. Still others with lower GPA's may simply be motivated to do better work in a real work environment. Thus, there are many reasons to explain the fact that the research has found that GPA is a poor predictor of job success.

OPM, itself, was not always so positive concerning the efficacy of hiring based on GPA. In fact, in 1980, OPM released a report that states "the empirical evidence seems to indicate that undergraduate grades exhibit only a small relationship with measures of occupational success.³³ The report further explained that a number of things can affect the validity of the GPA as a predictor of success. For example, grades from different institutions may not have the same meaning, or there could be different grading standards between schools, or some schools could be experiencing grade inflation. OPM reported at the time that: "All these factors tend to mask true differences in academic proficiency and limit the usefulness of grades as predictors of job success."³⁴

At least 50 studies were reported in the research literature between 1917 and 1983 which looked at the relationship between GPA and job performance. These studies involved a variety of performance measures, were based on sample sizes ranging from 20 to 10,000, and used a variety of statistical techniques to look at the relationship between GPA and performance. In many ways, the findings of these studies have been difficult to interpret, both because the results were sometimes contradictory and because the procedures used were different. Several researchers have recently attempted to reconcile the findings of these studies using meta-analytic techniques which allow the

researchers to estimate the true relationship between GPA and job success based upon the results of all of the separate studies.³⁵

It is, in fact, one of these studies that OPM apparently used as the empirical basis for its proposal to grant agencies direct hire authority based upon possession of a minimum GPA of 3.0. In this study, the researchers found the existence of a statistically significant relationship between GPA and job performance. According to their report, overall GPA has an average validity coefficient of about .18.³⁶ While this does indicate the presence of a statistically significant relationship, what is not discussed in this report is that there is an important distinction between statistical significance and meaningfulness in terms of utility for selection purposes.

Although OPM's research has shown that GPA is statistically related to job success, its usefulness as a predictor is simply much lower than other measures such as written tests. This is important since the goal of researchers developing selection procedures is to find predictors that are "both practically important and statistically significant."³⁷ Taken in total, what the research shows is that while there is a statistical relationship

³⁵Two recent studies which use meta-analytic approaches to summarize the findings from various studies which attempt to relate GPA to job success are: "A Review and Meta-analysis of Education as a Predictor of Performance," David A. Dye and Martin Reck, U.S. Office of Personnel Management, April 1989; and "College Grade Point Average as a Predictor of Adult Success: A Meta-Analytic review and Some Additional Evidence," Robert D. Bretz, Jr., in *Public Personnel Management*, vol. 18, No. 1 (Spring 1989).

³⁶David A. Dye and Martin Reck, "A Review and Meta-analysis of Education as a Predictor of Performance," U.S. Office of Personnel Management, April 1989, p. 17. (The authors point out that the opinions expressed in this paper are their own and do not necessarily reflect those of OPM).

³⁷Marvin D. Dunnette, "Personnel Selection and Placement", Wadsworth Publishing Co. Inc., Belmont, CA., 1966, p. 155.

³³U.S. Office of Personnel Management, "Grade Point Average as an Indicator of Occupational Success: an Update," August 1980.

³⁴*Ibid.*, p.1

between GPA and job success, the usefulness of GPA as a predictor of job success is minimal. In effect, using GPA as a basis for selection will only slightly improve the quality of those selections over what would have been obtained if applicants were chosen at random.³⁸

This same point is made by Robert Bretz, who concludes that the use of GPA as a predictor of job success is not advisable because, "Even though it (GPA) is significantly related to the criteria in a few instances, there are other variables that are far better predictors of later success, regardless of how success or achievement is defined."³⁹

Furthermore, in his opinion:

If an organization wishes to make selection decisions on the basis of general intelligence or cognitive ability, measures specifically designed for that purpose are available. GPA is too subject- and situation-specific to be a valid and reliable predictor of job success.⁴⁰

The point is that the extensive research in this area shows that performance in an academic setting does not predict to any great degree how a person will do in a subsequent job.

³⁸Statistically, it is possible to determine the amount that a predictor contributes to the prediction of an expected outcome by squaring the validity coefficient. Performing this calculation shows that GPA measures only about 3 percent of what accounts for job success. By contrast, although no information is available concerning the validity of the six new occupationally specific tests developed by OPM, according to a 1983 OPM report, the average validity of written tests of ability is about .53. This means that performance on written tests typically accounts for about 28 percent of the prediction of job success. Practically, this means that using GPA as a basis for selection when there are many applicants with a wide range of skills and abilities will result in many more inappropriate selections than would occur if selection were based upon performance on a valid written test.

³⁹Robert D. Bretz, Jr., "College Grade Point Average as a Predictor of Adult Success: A Meta-Analytic Review and Some Additional Evidence," in *Public Personnel Management*, vol. 18, No. 1 (Spring 1989) pp. 18-19.

⁴⁰*Ibid.*, p. 20.

OPM's proposal, however, provides face validity for the use of GPA as a selection criteria and, in doing so, may cause selecting officials to look no further for valid selection procedures. In the long run, this could have negative consequences for the civil service when there are alternative procedures which will result in better selections. Since selecting someone with a GPA above a minimum threshold is not nearly as effective as selecting on the basis of performance on a valid test, an overreliance on the use of selections based on GPA must ultimately result in a lowering of the quality of the Federal work force.

In our opinion, by proposing to grant agencies across-the-board authority to direct-hire college graduates with GPA's of at least 3.0, OPM is, in fact, giving up too much in terms of making quality selections in order to facilitate the hiring process. Although to the casual observer it may seem that GPA is all that needs to be considered to ensure a good selection, the research in this area proves otherwise. It is apparent, however, that contrary to the evidence, many people still believe that GPA is a good predictor of job success. This belief and OPM's proposal make it likely that at least some agencies would hire on the basis of GPA alone, believing that they have done all that is necessary to ensure that they have made a good selection. Unfortunately, given the minimal relationship between GPA and job success, agencies hiring on this basis would be far less likely to make a good selection than if they had relied on better selection tools such as written tests.

Actually our concern about the utility of GPA as a selection tool extends to its current use under the outstanding scholar provisions mentioned earlier. These provisions allowed agencies to hire college graduates who obtained a GPA of 3.5 or higher on a 4.0 scale or who stood in the upper 10 percent of their graduating class on the basis of these qualifications alone. Unfortunately, given the

research discussed above, there is no evidence that suggests that persons achieving even a GPA of 3.5 or greater are much more likely, based on that fact alone, to be more capable employees than those with lower GPA's. This is important to note since use of the outstanding scholar provisions to make selections has grown dramatically in recent years. From 1982 to 1985 only six appointments were made under these provisions. By 1986 this number had risen to 237. Since 1987 the use of these provisions had increased even more dramatically as 855 people were appointed under this authority during that year. Similarly, during 1988, 972 persons were hired in this manner.

The use of a general across-the-board direct-hire authority based upon possession of a minimum GPA, regardless of whether the minimum is 3.0 or 3.5, is fraught with many of the same concerns as was the Schedule B appointment authority. Under OPM's proposal, agencies will make their own decisions as to where they go to recruit and the basis on which they will make selections from among those candidates with GPA's above the minimum. For example, an agency may restrict the universities visited, and thus applicants considered, based upon the preferences of the recruiter.

This same concern was expressed by the President of the National Treasury Employees Union when he said:

From a pool growing at an estimated rate of 300,000 college students graduating each year with a 3.0 or above GPA, agency officials can recruit and hire on any basis that serves their political or personal interests.⁴¹

⁴¹Testimony of Robert M. Tobias, National President, the National Treasury Employees Union, before the Federal Services, Post Office, and Civil Service Subcommittee, Governmental Affairs Committee, U.S. Senate, June 19, 1989, p. 8.

In fact, the following statement made by OPM concerning the Schedule B appointment authority could apply almost as well to OPM's proposal to grant authority to direct-hire persons possessing a minimum GPA: " * * * while agencies have generally expressed satisfaction with candidates employed under these arrangements, there has been no overall quality control on the process."⁴²

Respondents to a recent MSPB survey of 3,500 Federal personnelists expressed similar concerns about direct-hire authorities in general. Among these individuals, who have a unique perspective on the hiring process, a frequent comment was that the misuse of direct-hire authorities has resulted in serious abuses of the merit system.

In addition to the fact that OPM believes that GPA is an adequate predictor of job success, OPM has stated that using this method of selection will expedite the hiring process and eliminate the adverse impact on the selection of minorities and women that occurred under PACE. While MSPB concurs in these objectives, we are unconvinced that an across-the-board direct-hire authority based upon possession of a minimum GPA is the best or even an effective method of achieving these goals.

Obviously, the selection of applicants for jobs in the Federal Government should be made in a manner which is not discriminatory. There is, however, no evidence that the delegation of hiring decisions for entry-level administrative and professional positions based upon possession of a minimum GPA will facilitate this goal. Although OPM believes that allowing the agencies to direct-hire on the basis of possession of a minimum GPA will permit the agencies to continue the

⁴²Testimony of Constance Horner, then Director, U.S. Office of Personnel Management, before the Subcommittee on Civil Service, Committee on the Post Office and Civil Service, U.S. House of Representatives, July 12, 1988, p. 12.

success they have achieved in terms of minority hiring using the Schedule B hiring authority, there is an important difference between the two approaches. The Schedule B hiring authority allowed agencies to consider all college graduates as candidates for hiring under the authority. By contrast, under OPM's new proposal, only those students with GPA's of 3.0 or greater will be able to be hired without having to take the written tests and the IAR. Thus, students with GPA's of 3.0 or higher will be much more likely to be hired than those with lower GPA's despite the fact that the relationship between GPA and job success is small. If there is a difference between minorities and nonminorities in terms of the likelihood of obtaining a high GPA, OPM's proposal could actually result in the establishment of a new barrier to the hiring of minorities.

This is a particularly important concern since, according to the Department of Education, there is no reliable information currently available on the distribution of GPA's among college graduates. It may be that the distribution of GPA's varies by either race or gender. If this is the case, establishing a procedure based on GPA could result in a disproportionate number of qualified candidates within some groups, which was the very situation which led to the abolishment of the PACE.⁴³

The best information available on the possible effect of a direct-hire authority based upon GPA on the hiring of minorities comes from a review of hires made under the outstanding scholar provisions (i.e., direct hires of students with a GPA of 3.5 or above). An analysis of the hires made under this

program shows that this use of a selection process based upon GPA did nothing to improve the hiring of minorities. In fact, during 1988, only 8 percent (81) of the 972 hires were black and only 4 percent (35) were Hispanic. By comparison, blacks and Hispanics made up 25 percent of all entry-level hiring during that year. This pattern of hiring occurred despite the fact that one purpose for the outstanding scholar provisions of the consent decree was to increase the intake of minorities. Although these statistics are not necessarily the result of discrimination, use of OPM's proposed procedure could lead to similar results if there are disproportionate numbers of minorities and non-minorities obtaining GPA's at or above 3.0. OPM's proposal would also give selecting officials tremendous latitude for exercising their own biases. Rather than ensuring that the selection procedure is valid and nondiscriminatory, OPM, through this proposal, is simply passing this responsibility to the agencies.

In terms of expediting the hiring process, even if agencies are given the authority to make on-the-spot job offers, it is questionable whether they should or will do so. Presumably, agencies that are making a concerted effort to hire the best applicants will be recruiting at a large number of colleges. As discussed earlier, agencies on the average conducted recruiting activities at 253 schools during an 18-month period. In occupations where there are a large number of students interested in positions with the Government, it is likely that hiring decisions will be made only after agency officials have the chance to review the applications of candidates from a number of schools. A delay in the hiring decision is, therefore, likely whenever there is a surplus of applicants. A similar situation occurs in the private sector, where companies often review an applicant's qualifications in comparison to other applicants before making an offer of employment.

It should be noted, however, that in our opinion OPM is correct in saying that the use

⁴³Although information is not available concerning the distribution of GPA's among minority and non-minority college students, an article in the Dec. 20, 1989, edition of the Washington Post reported that in the Prince George's County Public School System black high school students had lower GPA's than white students.

of a direct-hire authority would in some instances appropriately accelerate the Federal hiring process. This, in turn, may help agencies successfully hire applicants in a competitive labor market. For this reason, we believe there are circumstances under which agencies should receive direct-hire authority.

Agencies most need direct-hire authority when the number of vacancies in the agency is high relative to the number of qualified applicants. When this situation occurs, the issue becomes one of getting qualified applicants to accept positions with the agency. In this case, agencies should be given direct-hire authority and it may be appropriate for them to consider the use of a selection tools of lesser validity such as GPA when making selections under these conditions.

When the number of applicants is much larger than the number of vacancies, however, the emphasis shifts from simply hiring any qualified applicant to making the best possible selections within reason. We, therefore, believe that when the number of qualified applicants is much higher than the number of vacancies, selection tools possessing the highest degree of validity, such as written tests, should be used instead of simply delegating direct-hire authority to the agencies. This assumes that the process of qualifying applicants using the written tests and the IAR can be streamlined and administered in a fashion that allows agencies to make decisions on applicants in a timely fashion. If, however, the process of qualifying applicants using the written tests and the IAR is too time consuming and results in too few qualified candidates who are willing to accept employment with the Federal Government, it may also be appropriate to grant agencies direct-hire authority for these positions.

Practically, this means that OPM should selectively grant agencies direct-hire authority for entry-level administrative and professional positions when there are relatively few

applicants for available positions or when there are few qualified applicants who are willing to accept a job with the Federal Government. Rather than grant blanket direct-hire authority for all administrative and professional entry-level positions, OPM should periodically determine in what types of jobs the number of applicants are low relative to the number of vacancies and grant agencies direct-hire authority for these specific jobs. When this occurs, agencies may need to consider using a combination of alternative selection tools including perhaps GPA or the IAR, although it is doubtful that GPA should ever be the sole criterion for selection.⁴⁴

Since we recommend that written test procedures be used to rate applicants when the number of applicants is large relative to the number of expected vacancies, we also believe that OPM should continue to make efforts to streamline the rating process. Tests should be administered as often as is practical, and registers of qualified applicants should be frequently updated. To expedite the hiring process, OPM might consider allowing the agencies to hire any applicant scoring above an empirically determined threshold. This threshold could be set high enough to assure that only highly qualified applicants are selected. OPM already has the authority to allow agencies to direct-hire applicants scoring above a predetermined score on the written test when there is a shortage of well-qualified eligibles.

Many of the problems associated with the use of a centralized rating system are exacerbated by the legally required "rule of three,"⁴⁵ which restricts selection to the highest three

⁴⁴For more information concerning the views of the Board on the use of direct-hire authorities and delegations of examining authorities see U.S. Merit Systems Protection Board, "Delegation and Decentralization: Personnel Management Simplification Efforts in the Federal Government," October 1989.

⁴⁵U.S.C. 3318.

names available from among a properly ordered list of eligibles. Elimination of this requirement would provide agencies with greater flexibility in their hiring since they could tell applicants that they will be offered a job if they attain a certain score on the occupationally specific job test and the IAR.⁴⁶ If this requirement is eliminated, OPM should consider allowing agencies to administer and score both the occupationally specific job tests and the IAR. This would also allow agencies to make job offers more quickly to highly qualified applicants scoring above the predetermined threshold. In our opinion, the use of valid test procedures would provide sufficient quality control of the process to prevent most merit system abuses.

The Individual Achievement Record

As discussed earlier, the use of biographical surveys is an accepted practice in the private sector and the instrument proposed by OPM could augment the validity of the selection process. We are, however, concerned that insufficient work has been completed to determine how this instrument can best be used. According to OPM's response to the plaintiffs in the case of *Luevano v. Horner*,⁴⁷ which was brought to court to force OPM to eliminate the Schedule B authority and develop replacement tests for the PACE, OPM will continue to conduct research into the most appropriate ways to use the IAR. We believe this to be the correct approach since there are a number of unknown aspects in the use of this new instrument.

⁴⁶According to the "Legislative History of the Civil Service Reform Act of 1978," Committee on Post Office and Civil Service, U.S. House of Representatives, Mar. 27, 1979, vol. I, pp. 944-946, an amendment that would have eliminated the rule of three was proposed in and defeated by the House of Representatives.

⁴⁷Civil Action Number 79-0271, United States District Court for the District of Columbia.

The principal unknown is the extent to which the IAR will prove useful in differentiating between potentially successful and unsuccessful applicants. Preliminary work has shown validity coefficients in the neighborhood of .32, which indicates the existence of a moderate but useful relationship between the score on the IAR and job performance. Unfortunately, OPM has not yet completed work to determine if this degree of validity is found when the IAR is used to rate an actual group of applicants. When developing a new instrument like the IAR, it is standard practice to use a group of current employees to initially determine the relationship between response to test items and the behavior to be predicted (concurrent validation). Often when the instrument is given to a second group of persons the validity coefficient decreases. This occurs because the initial validity estimate may capitalize on relationships occurring randomly in the data and, thereby, overestimate the true relationship between the instrument and the behavior to be predicted. This can occur even when using a strategy of cross validation such as the one used by OPM in developing the original validity estimates.

The validity of the IAR may also decrease because of the nature of the questions being asked. The developmental sample used by OPM was composed of current entry-level employees in administrative and professional positions. Since these people already hold positions and have nothing to gain, they had no reason to inflate their accomplishments. By contrast, applicants do have something to gain and review of the sample items provided by OPM reveals that they will not have to be exceptionally perceptive to realize which answers are likely to increase their chances of being hired. Since it would be difficult, if not impossible, to verify the responses of applicants to the IAR, there is little reason to believe that some applicants

will not exaggerate their accomplishments to portray themselves in the best possible light. If this occurs to any great degree, it may markedly reduce the validity of the IAR as a selection tool.

Fortunately, as mentioned above, OPM is conducting research to look at both of these issues. At some point in the future we will have more definitive information as to the degree to which the IAR is in fact useful in selecting from among applicants for Federal jobs.

In addition to questions discussed above concerning the true validity of the IAR, MSPB is concerned with how scores on this instrument will be combined with those obtained on the occupationally specific job tests. Although OPM has indicated that the scores on the two measures will be weighted

equally, we believe a decision as to how best to combine the two scores should be made empirically. It is quite possible that if the IAR demonstrates validity, scores on it will correlate highly with those obtained on the occupationally specific job tests since both were developed to predict the same thing. For this reason, it may not be optimal for rating and ranking purposes to combine the two scores in an equally weighted fashion. Rather, the method of combination should be determined using appropriate statistical tools (e.g., multiple regression techniques) so that the validity of the combined scores can be maximized. To this end, OPM has indicated that it will be conducting research in this area and will consider the possibility of differential weighting when combining an applicant's score on the IAR and the written job tests based upon the results of this research.

Conclusions and Recommendations

Conclusions

OPM should be commended for taking the lead through its efforts to revitalize the recruitment process and improve the selection process for entry-level administrative and professional positions. To some degree, its efforts should increase the number of qualified applicants for these positions. In particular, the Career America material developed by OPM may be useful in improving the image of the Federal Government as an employer, especially if integrated into agency recruitment efforts. Nevertheless, as suggested by a number of agencies, the ability of any program to attract qualified individuals to jobs in the Federal Government may be limited by the lack of comparable compensation for many positions.

OPM's initiatives to improve the selection process are also noteworthy. The development of occupationally specific job tests and the Individual Achievement Record are significant accomplishments. Once validation studies have been completed and an optimal method of combining scores on the two instruments has been determined, their use should improve the Government's ability to make good selections. We believe it is inappropriate, however, to grant agencies across-the-board authority to direct-hire college graduates solely on the basis of possession of a GPA of 3.0 or above. The relationship between GPA and job performance is simply too small to justify its use as the primary or sole criterion for selection, when tools exist which have much higher validities. Instead, we believe delegation of direct-hiring author-

ity to agencies should be limited to those occupations for which agencies experience difficulty in recruiting or hiring qualified applicants. To this end, OPM should identify those occupations where there is a shortage of applicants and work with the affected agencies to develop alternative selection tools which could include the use of tools such as GPA or the IAR. For occupations where there is an adequate supply of applicants, the emphasis should be placed on improving timeliness of the competitive examination process.

MSPB believes that OPM is making a conscientious effort to improve the Government's ability to compete for qualified personnel. Given the projected work force demographics, which suggest that it will become increasingly difficult to recruit from a shrinking pool of qualified entry-level candidates, it is particularly important that this effort continue.

Recommendations

1. OPM should continue to work with the agencies to determine how the Career America material can best be used to enhance their recruiting efforts. OPM should also assist agencies in their efforts to contact college placement offices and expand the number of colleges that are included in Federal recruitment activities. In the future OPM should consult with the agencies in the

development of recruitment strategies and continue to work with the agencies so that the programs can be most effective.

Additionally, OPM should continue to review its role in providing information to the public concerning possible employment opportunities. Potential applicants should not be discouraged because of discourteous service, or failures on the part of OPM or the agencies to meet their need for information. OPM should continue to work with each of the Federal agencies to develop effective recruitment strategies.

2. OPM should continue to experiment with automated enhancements to augment the recruitment process. As these systems are developed, OPM should do more to promote their use among the various Federal agencies. Training in the ways in which these systems can be modified to support agency needs should also be provided. To the extent possible, enhancements should be developed that can be easily adapted for use by local agency offices.
3. OPM should grant direct-hire authority to agencies for those occupations where there are relatively few applicants or in instances where it can be demonstrated that the centralized referral system based upon the written tests and the IAR is not meeting the needs of the

Government. When these authorities are granted, selection tools of lesser validity such as GPA may have a place as one part of the overall selection process. Across-the-board direct-hire authority should not be granted on the basis of possession of a minimum GPA. The relationship between GPA and job performance is simply too small for it to be used as the sole or even primary selection tool when selection tools having much greater potential utility can be used effectively.

4. OPM should try to streamline the process of rating and ranking the candidates who take the occupationally specific job tests, in order to place qualified individuals on the appropriate register as soon as possible. Where possible, OPM should consider allowing agencies to administer and score both the written occupationally specific job tests and the IAR so that agencies will be able to offer jobs to any applicant scoring above a certain threshold. OPM should also consider proposing legislation that will replace the "rule of three" with an approach which will provide greater flexibility to agencies.
5. OPM should continue to work to refine the IAR so that it can effectively be used to augment the validity of selections made using the scores on the occupationally specific job tests.

Appendix 1

The following departments and independent agencies contributed to this report by responding to MSPB's information requests sent in September 1988:

1. Department of Agriculture
2. Department of Commerce
3. Department of the Air Force
4. Department of the Army
5. Department of the Navy
6. Department of Education
7. Department of Energy
8. Environmental Protection Agency
9. General Services Administration
10. Department of Health and Human Services
11. Department of Housing and Urban Development
12. Department of the Interior
13. Department of Justice
14. Department of Labor
15. National Aeronautics and Space Administration
16. Small Business Administration
17. Department of Transportation
18. Department of the Treasury
19. Department of Veterans Affairs
20. Department of State

Appendix 2

ACWA Occupational Series Listed by Job Grouping

Series	Title	Series	Title
	Group 1--Health and Environment	1101	General Business and Industry
018	Safety and Occupational Health Management	1102	Contracting
023	Outdoor Recreation Planning	1103	Industrial Property Management
028	Environmental Protection Specialist	1104	Property Disposal
673	Hospital Housekeeping Management	1130	Public Utilities Specialist
685	Public Health Program Specialist	1140	Trade Specialist
1715	Vocational Rehabilitation	1145	Agricultural Program Specialist
	Group 2--Writing and Information	1146	Agricultural Marketing
011	Bond Sales Promotion	1149	Wage and Hour Law Administration
1001	General Arts and Information	1150	Industrial Specialist
1035	Public Affairs	1160	Financial Analysis
1082	Writing and Editing	1163	Insurance Examining
1083	Technical Writing and Editing	1165	Loan Specialist
1147	Agricultural Market Reporting	1170	Realty
1412	Technical Information Services	1171	Appraising and Assessing
1421	Archives Specialist	1173	Housing Management
	Group 3--Business and Program Management	1176	Building Management
106	Unemployment Insurance	1910	Quality Assurance
346	Logistics Management	2001	General Supply
		2003	Supply Program Management
		2010	Inventory Management
		2030	Distribution Facilities and Storage Management

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Series	Title	Series	Title
2032	Packaging	501	General Accounting Clerical and Administrative
2050	Supply Cataloging	560	Budget Administration
2101	Transportation Specialist		
2110	Transportation Industry Analysis		
2125	Highway Safety		Group 5--Examining and Adjudicating
2130	Traffic Management	105	Social Insurance Claims Examining
2150	Transportation Operations	120	Food Assistance Program Specialist
		187	Social Services
	Group 4--Human Resources and Administration	526	Tax Technician
142	Manpower Development	950	Paralegal Specialist
201	Personnel Management	962	Contract Specialist
205	Military Personnel Management	965	Land Law Examining
212	Personnel Staffing	967	Passport and Visa Examining
221	Position Classification	987	Tax Law Specialist
222	Occupational Analysis	990	General Claims Examining
223	Salary and Wage Administration	991	Worker's Compensation Claims Examining
230	Labor-Management and Employee Relations	993	Social Insurance Claims Examining
233	Labor Relations	994	Unemployment Compensation Claims Examining
235	Employee Development	996	Veterans Claims Examining
244	Labor Management Relations Examining	997	Civil Service Retirement Claims Examining
246	Contractor Industrial Relations		
301	General Clerical and Administrative		Group 6--Investigation and Inspection
334	Computer Specialist (Trainee)		
341	Administrative Officer	025	Park Ranger
343	Management Analysis	080	Security Administration
345	Program Analysis	132	Intelligence
393	Communication Specialist	249	Wage and Hour Compliance
		570	Financial Institution Examining
		1169	Internal Revenue Officer

Series	Title
1810	General Investigating
1811	Criminal Investigating
1812	Game Law Investigating
1816	Immigration Inspection
1831	Securities Compliance Examining
1854	Alcohol, Tobacco, and Firearms Inspection
1864	Public Health Quarantine Inspec- tion
1889	Import Specialist
1890	Customs Inspection
	Group 7--Minimum Education or Experience Requirements
020	Community Planning
101	Social Science
110	Economist
130	Foreign Affairs
131	International Relations
140	Manpower Research and Analysis
150	Geography
170	History
180	Psychology
184	Sociology
190	General Archeology
193	Archeology
1015	Museum Curator
1420	Archivist
1701	General Education and Training
1720	Education Program

Appendix 3

OPM's Associate Director for Career Entry and Employee Development was given the opportunity to review a draft of this report before it was published. The comments provided by OPM were taken into consideration in the preparation of the final report. The text of the letter received from OPM is shown below.



United States
**Office of
Personnel Management**

Washington, D.C. 20415

DEC 21 1989

In Reply Refer To

Your Reference

Ms. Evangeline W. Swift
Director, Policy and Evaluation
U. S. Merit Systems Protection Board
1120 Vermont Avenue, N.W.
Washington, D. C. 20419

Dear Van:

We are pleased by MSPB's laudatory comments commending the Office of Personnel Management for "its efforts to revitalize the recruitment process."

We also appreciate your support for our use of logic-based measurement examinations and the Individual Achievement Record as part of the Administrative Careers With America Program (formerly the PAC Program). Regarding your concern about the use of the GPA hiring option, that is part of that program, it is true that current data indicate greater technical validity in relating test scores to performance and precisely ranking candidates with those scores. Far more data exist from years of testing experience than from GPA hiring, although we currently know that the college GPA has a level of validity superior to other more traditional nontest selection procedures. We expect our recently initiated workforce quality research to shed more light on the issue of GPA effectiveness, as we shall be examining quality differences across a variety of selection processes.

But we cannot attract the most competitive graduates with both unattractive pay and a glacially slow hiring process built solely upon scheduled tests, central lists, referral to unknown employers and uncertain hiring prospects. Personal campus contacts and quick job offers by a Federal employer who can discuss his or her programs succeed best. Without that, we are left with the satisfaction of having precisely ranked those who will wait.

The National Commission on Public Service and others have strongly recommended that without an effective college recruitment program the Federal Service will be unable to compete for the best and the brightest. The courts have authorized direct hiring based upon GPA as a method of overcoming racial imbalance resulting from the PACE exam. To respond to those compelling needs, we have proposed

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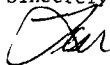
lowering the current court authorized direct hiring of quality graduates from 3.5 to 3.0. We believe the result of that authority will more closely approximate the success agencies have had with the Schedule B hiring authority that increased our minority hiring success from 8 percent (with the PACE exam) to 26 percent.

We hope you will support us in our efforts to permit Federal agencies to compete successfully for the very best talent available.

There have been a number of new developments in the recruiting and staffing areas, as well as the publication of several documents outlining our accomplishments (see attachments). We hope that you will consider including these new programmatic initiatives in your final report to provide a full and complete picture of our work in these important areas. Our discussion of these initiatives is organized in the attached comments, with comments on the MSPB recommendations preceding comments on the report text. This latter section also provides suggestions for alternative wording to correct a few inaccuracies.

Please let us know if you have any questions regarding these materials. We shall be looking forward to the publication of the final report.

Sincerely,



Leonard R. Klein
Acting Associate Director
for Career Entry and
Employee Development

Enclosures