

GAO

Testimony

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GAO Observations on  
OPM's June 1988 Initiative to  
Recruit and Hire into  
the Public Service

Statement of  
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Before the  
Subcommittee on Civil Service  
Committee on Post Office and Civil Service  
House of Representatives



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Madam Chairwoman and Members of the Subcommittee:

We are pleased to be here today to discuss the recruitment initiative announced in June 1988 by the Office of Personnel Management (OPM). Let me begin by saying that the government needs the best and brightest talent to help carry out functions critical to the Nation, and it needs a more flexible process to quickly and efficiently recruit and hire these people than it currently has. So the objective behind the proposal in the June OPM announcement is appealing and should be pursued.

OPM's initiative consists of two broad components: a series of attractive recruiting brochures and a proposed new hiring process for federal agencies. While we support OPM's objective of improving the government's recruiting and hiring process, it is difficult to react more specifically to OPM's proposal because the details of how the hiring process will work are still unknown. We understand that OPM plans to work with the government's personnel managers and with the plaintiffs in litigation involving the former Professional and Administrative Career Examination (PACE) to complete the initiative and implement it in the spring of 1989. A key issue concerning OPM's initiative is whether its hiring component will meet merit principles of providing open and fair competition for jobs when the details of implementation are spelled out.

RECRUITING AND  
HIRING OBSTACLES

As the Comptroller General noted in his March 24, 1988, statement to this subcommittee on the need for strong leadership to revitalize the public service, a number of obstacles to attracting and retaining needed talent in the government exist today. Pay is uncompetitive for many occupations because of years of federal salary adjustments at lesser amounts than granted for comparable jobs in the private sector. Federal employment is also held in low esteem because of negative rhetoric and actions directed against public servants. The government's hiring process itself is perceived in some quarters as being too complex, frustrating, and lengthy. Sufficient job information is unavailable to prospective applicants.

About 40 percent of the federal installation managers we surveyed in 1987 reported that their ability to hire the people they need had worsened over the previous 5 years. Almost two-thirds of the personnel officers we surveyed believed that the length of time required to hire someone hindered their ability to acquire qualified staff. They generally wanted a flexible process that would allow them to hire staff more quickly and efficiently.

Much of the current dilemma with the government's hiring process goes back several years. PACE served since 1974 as a nationwide, open, written competitive examination to rate, rank, and hire entry-level applicants for professional and administrative career occupations. In 1979, a nationwide class of blacks and Hispanics filed a lawsuit, charging that PACE discriminated against minorities. The suit became known as Luevano v. Devine. In 1981, the government entered into a court-approved consent decree with the plaintiffs with the abolishment of PACE being one key requirement.

According to OPM, PACE was designed as a single, overall test of candidates' abilities, and anyone who wanted to enter one of 118 professional and administrative occupations in the government was required to take it. In a labor market full of good candidates, it was believed to be an effective and relatively cheap and easy way to identify candidates having the intellectual talent for entry level jobs looking to future management positions. However, in addition to the fact that PACE was challenged as a discriminatory hiring system, it did not provide agencies with any real incentive to recruit specific candidates. Under the PACE everyone was tested. Even if an agency did recruit specific candidates, the agency could not offer them jobs until they had taken the test and their names had come up for selection on a civil service register. Managers could not depend on specific candidates being referred to their agency and the

process was so time consuming that the best candidates often accepted other jobs in the meantime.

The abolishment of PACE in 1982 left the government without a central means to screen and identify qualified candidates for jobs and left many prospective applicants without a way to "register" for federal jobs. After PACE was abolished, OPM began developing tests for individual occupations. Through June 1988, examinations have been developed for 16 of the 118 occupations formerly covered by PACE, accounting for approximately 60 percent of all external hiring in professional and administrative positions.

The remaining 40 percent of professional and administrative external hiring since 1982 has been primarily through the Schedule B appointment authority. This was established as an interim selection device for those former PACE occupations for which OPM had not yet developed competitive job-specific examinations. Agencies hired Schedule B employees directly under excepted appointments which provided limited promotional and mobility opportunities. Questions as to whether use of Schedule B authority meets merit system principles of assuring fair and open competition are currently in litigation before the U.S. Court of Appeals. Under the new OPM initiative, however, all

employees would be given regular career-conditional appointments, and the use of Schedule B for these appointments will be ended.

GAO'S OBSERVATIONS ON  
OPM'S INITIATIVE

From the information we have seen, two primary benefits OPM expects to derive from the initiative are (1) the provision of better federal job information to applicants and (2) the ability to more quickly hire prospective employees into competitive positions, particularly those applicants with demonstrated academic achievement.

On June 23, 1988, OPM introduced a new recruiting package of eight contemporary and colorful brochures that market the federal government as a good place to work, explaining the benefits and opportunities available to students, college graduates, veterans, disabled and other applicants. The new materials appear to be quite good and should be helpful.

At the same time, OPM also announced a proposed hiring program where applicants with a college grade point average of 3.0 - 3.25 or better will be eligible for employment without taking a test. Agencies will be able to recruit and select such candidates directly. Other applicants can qualify for positions by taking a written test in one of a number of major occupational fields,

such as financial and program management. The tests will be job-related, but will also include an evaluation of the candidate's civic virtue and moral character based on an Individual Achievement Record. This is a new technique that OPM says will measure what individuals have been able to accomplish with the opportunities they have been given.

On June 24, 1988, the National Treasury Employees Union filed suit in federal district court alleging that the initiative provides for noncompetitive hiring in violation of the civil service laws. A number of questions exist about the hiring aspects of the initiative that can only be answered as the details are completed and the pending litigation is resolved. For example:

-- How will the proposed direct hiring process comply with merit principles requiring fair and open competition? Will agencies be required to advertise the positions they expect to fill with the top graduates so that students in all institutions can apply? Will students interviewed at an institution be compared with other students that apply? If so, how much time will be saved?

-- How will special emphasis programs requiring hiring preferences for persons, such as veterans and the disabled, be

accommodated, particularly under direct hiring of applicants with demonstrated academic achievement?

-- How many examinations will be required to test prospective employees who do not have a high grade point average? Given OPM's time-consuming experience in developing, validating, and implementing alternative examinations after the abolishment of PACE in 1982 (four of the exams were implemented in the first half of 1987), can the spring 1989 target for implementing the initiative realistically be met?

-- What criteria will be used to evaluate candidates civic virtue and moral character? Will civic virtue and moral character scores be given the same weight as technical ability scores?

-- Even with better information for prospective applicants and a better hiring process, will agencies be able to attract the best candidates without competitive pay?

Along with the new approach to recruiting and hiring, OPM is also initiating a study of the quality of candidates hired to ensure that the approach is meeting expectations of quality and merit, and to make corrections if expectations are missed. This study is described by an OPM official as a new effort to continually monitor the quality of applicants and those hired into the federal service.



We agree that this kind of information is needed. However, the work we are doing at your request on developing an approach to evaluating the quality of the federal workforce indicates the concept of quality is very difficult to assess. Our work is focusing on those recruited into federal positions, current employees, and those leaving federal service. Our results should be available shortly. Also as part of your request that we review OPM actions to develop alternatives to PACE, we are planning a comprehensive review of the government's ability to recruit and hire entry level staff. We expect that this review will help shed light on the specific actions that need to be taken.

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This concludes my prepared statement, Madam Chairwoman. We would be pleased to answer questions.