

# Unifying the Civil Service



## WHAT WE PROPOSE

**Create a unified civil service system for the entire federal enterprise that balances bedrock principles and common policies across the government with agency flexibility to tailor their personnel systems to support their separate missions.**

## THE PROBLEM

The federal civil service system has become increasingly obsolete, with most of its major components last retooled more than six decades ago. As that system has aged, agencies both large and small have broken from its ranks, cutting deals with Congress for agency-specific personnel flexibilities, including separate compensation systems, to further their own unique missions and circumstances. The net result is a balkanized, disjointed system with some agencies exempted from all or part of general civil service rules to create their own more modern agency-specific systems, and other agencies still mired in an antiquated 1949 law. Agencies end up competing not only with the private sector, but also with each other for talent, and those organizations without the personnel flexibilities are placed at a great disadvantage.

## THE SOLUTION

We need to build a civil service system that is far more unified than it is today if the federal government is to act as an integrated enterprise, one that operates under a common core framework, levels the playing field across the federal landscape in the competition for talent, and enables agencies to acquire and leverage that talent to deal with the complex challenges that face our nation. This does not mean creating a system that surrenders to the lowest common denominator, mandates one-size-fits-all rules or forces agencies now operating with their own personnel flexibilities back into the box. Instead, it

means taking advantage of the many lessons learned by those agencies that have broken free from the rigid, outdated system and developing a new civil service system that is up to the challenges of 21st-century government. This system should strike a balance between core principles and common policies that apply to all agencies on the one hand, and provide agency flexibility to configure and even customize those human resources policies on the other.

## HOW IT WOULD WORK

The enterprise human capital system must be anchored by the core values and operating principles that have defined the American civil service since its inception, and have made that system the envy of the world when it comes to steady, incorruptible continuity in the face of partisan turmoil and transition. That core, common to all agencies regardless of mission, funding mechanism or enabling statute, would be composed of such bedrock principles as merit, nonpartisan political neutrality, veterans preference, due process in terminations and other adverse actions, collective bargaining, diversity and the goals of being a model employer and serving the public interest.

These are all ideals to which every agency should aspire, but many of these operating principles and core values largely have become background noise. These ideals should be reaffirmed and firmly grounded in a new civil service system. The same must be true for the current set of prohibited personnel practices that bar discrimination based on race, sex, age, national origin, political affiliation or disability, and that protect whistleblowers from retaliation. They serve as the alter ego to the core civil service values. These core values, both principles and prohibitions, are inviolable and must govern every federal agency. They are the foundation upon which all other aspects of the system are based, and they would serve as the glue that binds all the federal government's agencies together.

# A NEW CIVIL SERVICE SYSTEM ARCHITECTURE

## CORE CIVIL SERVICE PRINCIPLES

Merit-based

Nonpartisan

Veterans preference

Non-discrimination

Due process

### COMMON ENTERPRISE SYSTEM

Job classification and qualification standards

Streamlined appointing authorities

Occupation-specific and market-sensitive salary ranges

Pay-setting process

Performance management

Unified senior executive service

Independent complaint/appeal adjudication

Core benefits (e.g., health insurance, retirement and leave)

### AGENCY-SPECIFIC CONFIGURATION

Recruitment, assessment and selection

Promotion process

Performance appraisals and awards programs

Internal grievance procedures

Special salary rates

### CONDITIONAL/CUSTOM

Earned autonomy for high performing agencies

Customizable except for core principles

OPM certification and review

Subject to bargaining

### **Common, enterprise-wide human capital policies to level the field**

In addition to the core principles, a reformed civil service system must be bounded by a set of government-wide human capital policies and procedures that are common across all agencies—policies and practices that are so fundamental that they must apply regardless of mission or circumstance. This commonality is necessary in part to serve as the connective tissue that binds the federal enterprise and its civil servants together, and in part to level the playing field for today's agencies stuck with the outdated personnel and pay policies that have left them at a competitive disadvantage with the private sector and other federal organizations in the search for talent. This would include those common, core benefits—health insurance, leave and pensions that are best provided at government-wide scale, as well as other fundamental aspects of the employment relationship.

For example, there should be a common classification system, with common job evaluation standards and occupational series, to ensure a measure of internal unity across the federal enterprise, but one that is far simpler and more flexible than exists today. Similarly, there should be a single pay-setting process for the entire federal civil service to ensure an enterprise view and good decision-making, but one that is far more market-sensitive and occupation-based than the current system. A common senior federal executive service should be established (today there as many as seven senior executive and equivalent systems) to foster interagency mobility and the development and deployment of that cadre of elite enterprise executives who can be dispatched to handle major government initiatives and multi-agency missions and functions.

In many cases, the common policies would serve to operational-

ize the system's core principles—like equal pay for substantially equal work—but this is not intended to force agencies to default to a less flexible common denominator. Rather, it would mean institutionalizing for all agencies those flexibilities that have proved effective for those few fortunate enough to have acquired them.

And to ensure that rank-and-file civil servants have a say in the substance of those common policies, the National Council on Federal Labor-Management Relations should be codified in law as the principal platform for consultation between the executive branch and the unions that represent most of its employees. The council, established by an executive order issued early in the Obama administration to facilitate greater cooperation between federal unions and agency leaders, is the latest edition of the original Labor-Management Partnership Council created by a 1993 Clinton administration executive order that was later rescinded by President George W. Bush. The council should be given permanent institutional status and a substantive advisory role to the director of the Office of Personnel Management (OPM), the President's Management Council (PMC) and the president in major government-wide civil service policy decisions—including pay-setting.

### **Earned autonomy for top agencies**

A few exceptions notwithstanding, recent civil service reforms have been incremental and limited to individual agencies or groups of agencies rather than government-wide in nature. Ironically, many of these reforms have been in response to some more general organizational fiasco. The personnel flexibilities afforded financial regulatory agencies in 1989, for example, came about as a result of the savings-and-loan crisis and in 1998 the Internal Revenue

Service received them as a result of allegations of abusing taxpayers. When the Department of Homeland Security was established in 2003 in response to the 9/11 terrorist attacks, it was given personnel flexibilities to design a more modern system. Each case came in response to perceived mission failures on the part of the agencies involved, and the changes were justified as part of the fix for that failure.

The opposite dynamic should be the case, with human capital flexibilities afforded to those agencies that have demonstrated the highest performance, not the lowest. These relatively few departments and agencies—by virtue of their superior performance, high ethical standards and exemplary stewardship of core civil service principles—could earn the autonomy to develop their own customized human capital systems.

The human capital flexibilities available would be much like those already available today via the largely underutilized demonstration project authority authorized by the 1978 Civil Service Reform Act. To earn such autonomy to implement innovative personnel management policies and procedures, an agency would have to meet certain performance-based criteria established by the Office of Management and Budget (OMB) and OPM, with appropriate congressional oversight. And just as that existing authority is subject to collective bargaining if an agency's workforce is unionized, those agencies that earn the opportunity to customize their own human capital system in the future would have to negotiate the details of that system with their resident unions.