

**Sally P. Smith
Commissioner**



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**Sally P. Smith
Commissioner of Department of Civic Responsibility
6000 Cherry Blossom Ave
Washington, DC 21235-0001**

Subject: A Proposal for a New Human Resource System for DCR

Dear Commissioner Smith,

This proposal is a blueprint for a new “flexible and contemporary” human resource system for the Department of Civic Responsibility. If we want to continue providing American’s with the highest quality service we will need to implement a new personnel system that values the agency’s most important asset-the employees of DCR. Many agencies, including DCR are facing workforce shortages. This means DCR will compete with other agencies, as well as the private sector in recruiting and hiring a highly diverse and skilled workforce.

To strengthen DCR’s commitment to providing an outstanding workforce that will serve the public, this proposal offers recommendations for improving our current human resource functions. As such this report will focus on six areas of reform: classification, compensation, recruitment and hiring, performance appraisal, employee relations, and labor-management relations.

Mission

DCR’s mission is “to promote and advance citizen’s civic responsibility toward its nation. The Department of Civic Responsibility has a staff of over 48,000 employees.

These employees are a mixture of professional and blue collared workers. The organization is centrally managed by a Commissioner and is decentralized with 8 regional offices and over 900 field offices. In 2005, DCR provided services for more than 23 million Americans.

External environment

The major external factors that DCR should be concerned with are: workforce trends, shifting demographics, technological advancements, and improvements in health care.

Workforce Trend: Research has shown that the growth of the labor force has slowed down over the past twenty years because baby boomers are retiring (Karoly and Panis xv-xvi) DCR estimates that during this decade over 12,000 of its federal employees will retire.

Implications: The retirement of DCR employees has tremendous implications for the agency because it will result in a loss of mission-critical knowledge.

Shifting Demographics: A demographic shift is occurring in the workforce with increased participation by women and people of color into the labor force

Implications: The shifting demographics of the labor force presents DCR with the unique challenge of recruiting and retaining a diverse workforce population.

Technological advancements: Technology has improved and more people are the using the Internet.

Implications: The increased usage of the Internet gives the DCR added opportunities to deliver fast and efficient services to the public.

Improvements in health care: Advances in technology provide people with disabilities a greater opportunity to participate in work. Research has shown that “fewer than one in three working-age individuals with disabilities are currently in the workforce, leaving around 12 million people with disabilities out of the workforce” (Karoly and Panis xix).

Implications: DCR needs to take advantage of tapping into the underutilized labor force of individuals with disabilities.

Internal environment

The major internal factors that DCR should be concerned with are: an adaptable and highly skilled workforce, and maintaining a diverse workforce.

Adaptable and Highly Skilled workforce: Technological advancements will change the way DCR's business is done internally. DCR will need an adaptable and highly skilled workforce capable of handling the new technology.

Implications: This means that training and retraining DCR employees on rapidly changing technology must be continuous and a priority.

Diverse workforce: Public administration experts have stated that "workplace policies that had worked well when the workforce was largely young, white, and male, may no longer be effective as women and people of color become a larger share of the labor force" (Shafritz 424).

Implications: DCR will need to implement human resource policies that reflect sensitivity toward the diversity of its staff.

Legal Requirements

In response to workforce trends, shifting demographics, technological advancements, and improvements in health care DCR complies with all laws that prohibit discrimination against individuals based upon race, color, religion, sexual orientation, disability or age. These laws include *Title VII of the Civil Rights Act of 1964* and *American Disability Act (ADA)*.

Strengths and Weaknesses of DCR's Current HR System

The programs administered by DCR for the last thirty years have had a tremendous impact on its citizens. DCR provides vital services by helping citizens engage in civic responsibility toward their nation including park restoration, building schools, and helping the elderly. In the past the agency has had a sufficient workforce capable of carrying out DCR's mission of serving the American people with a high-quality service. If DCR expects to continue meeting the needs of the public it will need to make improvements to our current human resource system. This does not mean that our

entire human resource system has to be changed. Some of DCR's policies like classification and employee relations will only need minor reforms. While compensation, recruitment and hiring, employee relations, and labor-management relations will need significant improvements.

Classification

Current System

Currently, DCR utilizes a traditional classification system in which we organize jobs according to the qualifications needed to carry them out, place them into groups (classes) and assign levels of pay (pay grades). In recent years the classification system has come under fire for overly emphasizing hierarchy, curtailing an agency's ability to offer competitive salaries, and creating narrow and rigid boundaries between jobs (Naff, 13). Alternative systems like pay banding have been offered as a solution to position classification because it offers broader job titles and pay ranges. Although, pay banding may be a tempting alternative, this system will ultimately undermine the principles that classification systems were created for in the first place. This classification system was created because of the government's inequality in hiring and paying their employees. DCR's position classification system has done an excellent job in preserving the merit system of making sure DCR employees receive equal pay for equal work. Moreover, traditional classification systems with their hierarchy offer stability and structure to employees who desire a position in government rather than the economic uncertainty of the private sector. Consequently, if the DCR makes a few modifications to the classification system and other areas in our human resource policies we can neutralize some of the drawbacks of the classification system.

Recommendations

“The difficulty of effectively administering a classification plan grows exponentially with the number of classifications”(Civil Service Reform, 2005). Currently the DCR has 2, 345 classifications. I recommend that DCR reduce its classifications through consolidation and elimination by 15% by the end the fiscal year for 2006. It should also be noted that a classification system does not negate an employer being able to offer competitive salaries. Traditional classification systems “provide to the employees and manager a common understanding of what a job entails, what acceptable performance of that job requires, and the value of that job to the government” (Naff 12). The upshot of managers being able to narrowly define individual’s job requirements is the ability to have comprehensive and fair performance appraisals.

Compensation

Current System

The DCR uses a traditional graded system to pay its employees with fixed pay rates. Pay rates are determined by state and local jurisdictions due to differences in cost of living in geographical areas regional. Most of DCR job classes have ten pay steps with 2% increments. Employees move up one step every year until they reach the maximum salary. Step progression is automatic for all classes and at the end of ten years the salary will have increased by 20%. DCR’s compensation policy has some major shortcomings including rewarding mediocrity in certain employees. Not all employees, but certainly a substantial number of employees become complacent in their jobs because they know that they will automatically move to the next step each year. These employees are oftentimes not motivated to perform to best of their ability.

Recommendations

The limitation of our compensation policies does not necessitate scraping the whole system. We need to strengthen our compensation system by giving employees pay for performance. Pay for performance will be awarded to individuals, teams, or divisions and determined by performance appraisals. The pay will be given in lump sums and based upon current salary and will not exceed 2% per individual employee.

We should also continue building upon our current compensation system that rewards longevity by increasing the increments of pay for steps into brackets of five years. New employees who are in the first five years of employment and more likely to leave the organization will receive 3% increments each step they move up. Our goal is to encourage employees to work for a long time to ensure that mission critical knowledge remains in the agency. We will reward employees who have stayed more than five years with 4% increments each step they move up. Under this new system a person at the end of ten years will have increased their salary by 35% instead of 20% with the old system.

Recruitment and Hiring

Current System

Like many other federal agencies, DCR experiences problems with recruitment and hiring. Hiring takes too long and many applicants are unwillingly to wait six to twelve months to be hired when they have other opportunities. Recruitment is also a problem. Our primary tool for recruiting is the Internet via OPM or America's Job Bank. Research has shown that "internet postings, phone hotlines, and formal job announcements are often not compelling as recruitment tools" (Civil Service Reform, 20). Relying on Internet job posting also poses a barrier to recruiting a workforce from diverse population groups because of access to technology. The "digital divide precludes

some individuals and population subgroups from fully exploiting the transition to the information age” in job searches. (Thompson and Mastracci 217).

Recommendations

This is a critical juncture for DCR in its recruitment and hiring procedures. DCR must actively recruit employees to replace all the workers who will be retiring in the next decade. We must reduce the time it takes to hire employees to 2-4 months. More importantly, we must take advantage of the trends occurring in the labor force by actively recruiting and hiring more women, minorities, and people with disabilities. To accomplish this goal we must focus on broader recruitment efforts such as connecting with diverse professional organizations that serve women, people of color, and people with disabilities. To tap into the 12 million people with disabilities who are currently not working we will offer a disability preference. The most significant improvement we can make to our recruitment and hiring is implementing policies that cater to desires of the current generation like day care at work, parental leave, flexible benefits, health and wellness programs, and alternative work schedules.

Performance Appraisals

Current System

DCR currently evaluates their employees performance on an annually basis. Employees are automatically promoted to the next step because we have a traditional classification system. Our current performance evaluation system is problematic because managers do not have the power to award high performing employees. DCR’s performance evaluation system is also lacking in immediacy that employees receive feedback on their performance.

Recommendations

Performance appraisals should be increased so employees can have more regular feedback on their performance. DCR will require two informal and one formal evaluation be done on every employee every year. DCR will allow managers to use incentives such as salary increases and bonuses to encourage high performance by individuals, groups, or Departments. In order to ensure that managers are equipped with the knowledge and skills need to evaluate employees they will be required to attend management training.

Employee relations

Current System

DCR has worked diligently over the last decade to create a work environment that promotes the security and well-being of every employee. Our current system has policies on sexual harassment, workplace violence, and discrimination. Any issues or a grievance that might require formal adjudication is handled with an alternative dispute resolution (ADR). DCR allows the decentralized regions to select their own form of ADR, which could include mediation, counseling, conciliation, or arbitration. All employees are afforded the rights guaranteed by the Fifth and Fourteenth Amendment that state no person can be deprived of life, liberty, or property without “due process” of the law.

Recommendations

DCR would like to continue strengthening is employee relations by expanding our employee assistance programs (EAPs). We recognize that employees have families and over the next three years on-site day cares will open in all regions. DCR values your health and will provide discount memberships to the fitness/wellness center located in your geographical area. Counseling services will also be made available for all employees by the end of 2006.

Labor-management relations

Current System

DCR recognizes and is respectful of the right that employees have to join unions. Almost 1/3 of the employees at DCR are members of the American Federation of Government Employees (AFGE). DCR falls under the “no strike” jurisdiction for public agencies because of the services we provide to the American people are essential and cannot be interrupted. In the early history of the agency there were significant disputes that resulted in costly mediation. During the eighties important changes were made to the system including adding fact finding and arbitration as tools for resolution. Throughout the last two decades the agency has not made any significant changes to its labor-management relations.

Recommendations

DCR wants a labor-management system that values respect, cooperation, and trust. DCR will require all regional offices by the end of 2006 to implement an independent labor management advisory council. The council’s goal is to increase cooperation between labor and management. The number of advisors on the council will be determined by the discretion of the regional office. The guidelines that govern these independent advisory councils are the following: 1). Employees must have input on all issues brought up in the council meetings 2). Final decisions must be consensus.

Conclusion

DCR must adopt this proposal for a “flexible and contemporary” human resource system if we want to continue providing Americans with the highest quality of service. DCR faces a critical challenge over the next decade with many of our employees retiring. DCR must be prepared to replace the workers retiring. Women, minorities, and people

with disabilities are an underutilized labor force. DCR must tap into this potential workforce by creating policies that will attract these potential employees. We need to think outside the box in certain areas such as recruitment, performance appraisals, and family-friendly work policies. At the same time we need to preserve some of our traditional systems such as classification and compensation because they advance the idea that employees can be treated fairly with structured systems. As DCR looks toward the future it must continue to be forward thinking with its human resource policies, but at the same time cognizant of the fact that we are a governmental agency and not the private sector. The majority of people who work for government are not motivated by pay, but service. DCR wants employees that embrace our mission “to promote and advance citizen’s civic responsibility toward its nation”.