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91ST CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 91-823

JOB EVALUATION POLICY ACT OF 1970

FEBRUARY 3, 1970.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HANLEY, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H.R. 13008]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 13008) to improve position classification systems within the executive branch, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

The amendments are as follows:

- Page 1, line 4, strike out "1969" and insert in lieu thereof "1970";
- Page 3, line 19, immediately before the semicolon insert a comma and the words "to the greatest extent practicable";
- Page 6, strike out lines 14 to 17, inclusive, and insert in lieu thereof the following:

(c) The Commission shall submit to the Committees on Post Office and Civil Service of the Senate and House of Representatives once each calendar month, or at such other intervals as may be directed by those committees, or either of them, an interim progress report on the then current status and results of the activities of the Commission under this act, together with the then current findings of the Commission.

EXPLANATION OF AMENDMENTS

The first amendment is a technical amendment changing the title of the act to "The Job Evaluation Policy Act of 1970."

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The second amendment gives flexibility to the Commission in recommending necessary exemptions to the coordinated plan envisaged by the act. As originally written, H.R. 13008 appeared to require a coordinated plan without exemptions. The committee felt that some exemptions may be desirable, though they should be fully justified in the Commission's final report.

The third amendment requires that the Commission report monthly, or as otherwise directed, to the House and Senate Post Office and Civil Service Committees. The intent is to provide these committees with the information necessary to assure the Congress that the development of the recommendations required by H.R. 13008 is carried on in a completely objective manner by the Civil Service Commission.

PURPOSE

It is the purpose of this bill to provide the general framework for the reform of position classification systems throughout the executive branch of the Federal Government. The bill does not change existing classification laws, but establishes the basic guidelines within which the Civil Service Commission shall prepare legislation to be presented to Congress in the future.

H.R. 13008 establishes the intent of Congress that, to the greatest extent possible, there should be a coordinated classification plan applicable to all positions in the executive branch, utilizing various methods of position classification, under the general supervision of the Civil Service Commission. The Commission is given the authority to study all executive branch classification systems, including those not currently under its jurisdiction. The plan will be developed by a separate unit within the Commission and responsible directly to the Commissioners. Provisions are made for effective consultation with Congress, departments and agencies, employee unions, and professional organizations throughout the development of the plan. H.R. 13008 requires that the Commission report to Congress within 2 years after date of enactment, after which the special unit will be abolished.

STATEMENT

General

Position classification is the keystone of sound personnel management. A good position classification program should be far more than a mechanism to set pay for various positions. Ideally, the process by which the duties and responsibilities of a position are determined, and the position is thereby assigned a relative value, should have an important role in such diverse functions as budgeting, manpower allocation, determination of recruitment and training needs, performance evaluation, and many others. Unfortunately, the position classification programs of many departments and agencies are being used almost solely as a pay-setting device.

Job classification is a complex matter which has serious implications both for departments and agencies which must organize work efficiently and to employees whose entire careers can hinge on the classification of their positions. While the public, and many Government officials, do not understand the intricacies of job classification, classification is nonetheless extremely important to the efficient use of a large percentage of our tax dollars.

The classification system which applies to the greatest number of Federal employees was devised more than 40 years ago. While this system has been expanded and improved considerably, major changes are needed so that it can better meet the needs of modern government.

The need for flexibility

In devising the plan mandated by this bill, the Civil Service Commission should carefully evaluate and analyze all methods of position classification. The resulting system, furthermore, should not rely on any one method, but should be so constructed as to utilize all appropriate methods which can then be coordinated with or linked to a general set of classification principles. It is emphatically not the intention of this legislation to force all Federal positions into one monolithic classification mold, but rather to build into a coordinated classification system the flexibility which the general schedule system has heretofore lacked.

No exemptions

H.R. 13008 exempts no agencies or occupational groups from its provisions. Many of the current exemptions to chapter 51 of title 5 date back to the passage of the original Classification Act of 1923. While these, and more recent exemptions, may have been perfectly justified when they were originally proposed, doubts have been expressed as to whether some exemptions should continue to exist even under the present general schedule classification system.

The committee has not taken a stand on which exemptions should be maintained and which are no longer justified. However, development of the new plan should include careful study of all existing exemptions. The report to be submitted to Congress within 2 years after date of enactment should contain the result of these studies as well as complete justification for any exemptions from the coordinated system which the Commission decides to recommend.

Complete objectivity imperative

During the course of the hearings on H.R. 13008, several employee organizations expressed some skepticism as to whether the Civil Service Commission would possess sufficient objectivity to competently carry out its responsibilities under the bill. The committee shares this concern, for on some occasions in the past, the Commission has been notably reluctant to recognize the need for change. The committee, however, feels that there is no practical alternative to lodging this responsibility within the Commission. Therefore, H.R. 13008 establishes an independent unit responsible directly to the Commissioners to develop the recommendations. This unit, it must be emphasized, should have no formal connection with any other bureau within the Commission, nor should there be even informal control or supervision by any other Commission bureau. The new unit should be staffed only by employees who should have no responsibilities other than those assigned by the Director of the unit, and every attempt should be made to draw as much of the staff as possible from outside the Civil Service Commission. It would also be preferable if the Director of the unit himself could be recruited from outside the Commission, and, if possible, from outside the Government. No resource, governmental or nongovernmental, should be overlooked.

In formulating its recommendations, the Commission should take great pains to involve all appropriate departments and agencies, employee unions, and professional organizations in every phase of the program. The Commission should, to the greatest extent possible, establish advisory groups consisting of representatives of departments and agencies to assist it in developing a mode of operation and formulating the plan itself.

Employee organizations

H. R. 13008, as amended, requires that the Civil Service Commission report monthly to the Senate and House Post Office and Civil Service Committees. The committee seriously considered the establishment of an advisory committee consisting of employee unions and professional organizations. However, the committee felt that a small, effective advisory committee would be too restrictive in membership, and a committee consisting of all appropriate organizations would be too unwieldy to be effective.

Therefore, the committee concluded that the most effective way to assure objectivity on the part of the Commission would be to require the Commission to file monthly progress reports with the House and Senate Post Office and Civil Service Committees which would be made available to all interested parties. This committee intends to use this provision as the foundation for monthly hearings on the progress of the Commission's activities. During the course of these regular hearings, all interested organizations would be invited to testify on the development of the Commission's recommendations, and this testimony would be made public. Thus, the House and Senate committees will, in essence, by the advisory group.

Nevertheless, as directed in section 304(d), the Commission is expected to frequently solicit the views of and consult with all appropriate employee organizations. A close working relationship with all employee and professional organizations is essential to the development of the recommendations required by H. R. 13008.

CONCLUSION

Changing the job evaluation and ranking systems of the Federal Government is a delicate and time-consuming task. It raises many questions and doubts in the minds of employees subject to the systems. It breaks patterns of thought and action with which personnel officials have become comfortable—perhaps too comfortable—over the past 47 years. Nevertheless, the task must be begun. H. R. 13008 represents the first legislative step toward much-needed and major reforms in the structure of and concepts behind job evaluation and ranking as it is utilized in the executive branch. The end result will hopefully be a system or systems which will provide greater cross-agency equity and will recognize the need for modern and flexible personnel management in the Federal Government today.

BACKGROUND

Origin of position classification by law

The first Classification Act, passed in 1923, was one of the most significant milestones in the history of Federal personnel management. The Classification Act of 1923 was the culmination of several years

of study by Congress and the executive branch into the chaotic and inconsistent classification and compensation practice extant in the Government at that time.

The catalyst in the move toward a more comprehensible and consistent system was the Congressional Joint Committee on Reclassification of Salaries established in 1919 by section 9, Public Law 65-314. The Commission was "to investigate the rates of compensation paid to civilian employees by the municipal government and the various executive departments and other governmental establishments in the District of Columbia, except the Navy Yard and the postal service, and report by bill or otherwise as soon as practicable what reclassification and readjustment of compensation should be made so as to provide uniform and equitable pay for the same character of employment throughout the District of Columbia in the services enumerated."

The Classification Act of 1923

The Classification Act of 1923 established the basic principles upon which classification is based today: (1) That there should be equal pay for equal work, and (2) that the basic unit for classification and pay should be the position itself, rather than the incumbent of the position. The classification methods developed pursuant to this act are, essentially, the methods still used by the Civil Service Commission.

Originally, the 1923 act applied only to positions in Washington. However, subsequent to that, it was applied sporadically to some field installations. The Classification Act of 1949 provided that all positions subject to it would be treated in the same way whether in the District of Columbia or the field.

Exemptions from the Classification Acts

With the adoption of the Classification Act of 1923 and its subsequent amendments, the Congress and the executive branch extended the same ranking system to a majority of positions in the executive branch. However, at the time of an subsequent to the passage of the act, there were complaints from various departments and agencies that the Classification Act was too rigid, for certain groups of positions, to meet their personnel needs. Exemptions were made to provide more flexibility in assignments and pay for the complaining agencies, and separate ranking systems were authorized. Among the groups for which separate authorizations were provided are the postal field service, the Foreign Service, the Department of Medicine and Surgery in the Veterans' Administration, the Public Health Service, the Atomic Energy Commission, and the Tennessee Valley Authority. Except for the Classification Act (general schedule), the systems are administered by the agencies in which they exist, with no review by the Civil Service Commission. No effective provision has been made for assuring consistency among the various systems in evaluating and ranking positions.

Establishment of the Subcommittee on Position Classification

In 1967, the Post Office and Civil Service Committee established the Subcommittee on Position Classification chaired by the Honorable James M. Hanley of New York. The first activity of this subcommittee was to hold hearings on various bills affecting classification in the Postal Field Service. (See "Reclassification of Certain Positions in

the Postal Field Service," Committee on Post Office and Civil Service, U.S. House of Representatives, serial No. 90-13).

While the hearings centered on the postal field service, it soon became clear that the subcommittee should conduct an extensive investigation of position classification throughout the Federal Government. The Post Office and Civil Service Committee authorized the investigation, which commenced early in 1968.

The "Report on Job Evaluation and Ranking in the Federal Government"

The study was completed and published early in 1969. (See "Report on Job Evaluation and Ranking in the Federal Government," H. Rep. No. 91-28.) It was the first such study conducted by Congress since the enactment of the Classification Act of 1923, and was the most comprehensive study conducted by any group since the enactment of the Classification Act of 1949.

In general, the study pinpointed serious deficiencies in three major areas of classification. (1) It was felt that the structure of the general schedule system was lacking the flexibility necessary to meet the needs of modern government. (2) The existence of a multitude of unrelated classification systems throughout the Federal Government resulted in significant and, in many cases, deleterious inconsistencies in the methods of selection and appointment, promotion, conditions of work, and pay of employees in comparable positions. (3) The administration of classification systems specifically and the conduct of personnel management generally needed to be significantly improved in all departments and agencies.

Hearings

Hearings began on H.R. 13008 on August 5, 1969, and were concluded on December 16, 1969. The Subcommittee on Position Classification heard testimony from 58 witnesses representing 34 employee unions, professional organizations, and departments and agencies. All witnesses agreed on the general intent of H.R. 13008, though there was some relatively minor disagreement on a few specific provisions of the bill.

SECTION-BY-SECTION EXPLANATION OF H.R. 13008, AS AMENDED

Section 101: Outlines the major findings of the "Report of Job Evaluation and Ranking in the Federal Government."

Section 201: Establishes the sense of Congress that—

- (1) The executive branch should operate under a coordinated job evaluation and ranking system for all civilian positions, to the greatest extent practicable,
- (2) Such a system should utilize a variety of job evaluation and ranking methods, and
- (3) The Civil Service Commission shall exercise general supervision and control over such a system.

Section 301: Establishes a separate unit within the Civil Service Commission which shall report directly to the Commission and which shall prepare a comprehensive job evaluation and ranking plan for the executive branch. The section also outlines five elements which must be included in the plan.

Section 302: Requires that the Commission consider all recognized methods of job evaluation and ranking in developing the plan.

Section 303: Authorizes the Commission to secure from any executive agency the information and suggestions necessary to develop the coordinated plan.

Section 304: (a) Requires that the Commission submit to the President and the Congress an interim report of its activities under the act within 1 year after date of enactment.

(b) Requires that the Commission shall complete its activities within 2 years after date of enactment. The Commission's recommendations, including a draft of proposed legislation, shall then be submitted to the President who shall submit the report and his own recommendations to the Congress.

(c) Requires that the Commission report monthly, or as otherwise directed, to the House and Senate Post Office and Civil Service Committees.

(d) Requires that the Commission periodically consult with appropriate employee and professional organizations.

(e) Provides that the organizational unit established by section 301 shall cease to exist upon submission of the Commission's report to Congress.

COST

This legislation will result in no increased cost to the Government.

ADMINISTRATIVE RECOMMENDATIONS

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., August 5, 1969.

HON. JAMES M. HANLEY,
Chairman, Subcommittee on Position Classification, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This will reply to the committee's request for the views of the Bureau of the Budget on H.R. 13008, a bill to improve position classification systems within the executive branch, and for other purposes.

The bill would authorize the Civil Service Commission to develop a comprehensive job evaluation plan for positions in the executive branch.

The Bureau of the Budget concurs in the views expressed in the report which the Civil Service Commission is submitting on H.R. 13008 and accordingly recommends its enactment.

Sincerely yours,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., August 4, 1969.

HON. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Cannon House Office Building

DEAR MR. CHAIRMAN: This is in further response to your request for the views of the U.S. Civil Service Commission on H.R. 13008, a bill to improve position classification systems within the executive branch, and for other purposes.

This bill directs the Civil Service Commission to prepare a comprehensive plan for a coordinated position classification system applicable to all civilian positions of the executive branch. The bill includes a statement of congressional policy as to characteristics of the job evaluation system that should be planned. It also directs all departments and agencies to cooperate fully with the Civil Service Commission, establishes a time schedule for completion of the project, and requires consultation with employee organizations during the preparation of the plan.

The Civil Service Commission favors enactment of H.R. 13008.

No significant updating of the general schedule system has been made since 1949. No substantial changes have been made in the basic structure of the postal field service system since its inception in 1955, although some revisions have been made to specific aspects of the system. No effort has been made to integrate other job evaluation plans in various individual agencies into a coordinated system applicable throughout the executive branch.

The report prepared last year by the Subcommittee on Position Classification revealed the need for adopting a coordinated plan covering all civilian positions. In addition, the Civil Service Commission is constantly confronted with numerous kinds of problems that arise directly from the existence of different systems in different agencies. Identical kinds of jobs are now given different job titles, placed in different grades, and are paid at different rates by different agencies. The processes of recruiting and examining applicants, promoting and transferring employees, evaluating employee experience, planning manpower needs, and even the more mundane task of preparing statistical reports, all are unnecessarily made more difficult by the lack of a coordinated job evaluation plan.

The Commission in general concurs in the objectives set forth in H.R. 13008 for a comprehensive, coordinated position evaluation plan. Meeting these objectives should result in a plan that will eliminate unnecessary discrepancies in the evaluation of jobs from agency to agency. Changes in work technology, occupational characteristics, program needs, labor market conditions occur so frequently and are often of such significance that the coordinated plan should provide flexibility permitting the executive branch to make appropriate adjustments. The objectives leave room for the Civil Service Commission to devise evaluation methods within the coordinated system that will be appropriate for the individual needs of different occupations. Authority to supervise and control the system to be developed must be centralized if effective coordination is to be achieved and maintained.

For some time we have been planning ways and means for updating the various job evaluation plans currently used in the executive branch.

We have concluded that the task of developing a new plan must be assigned to a new unit to be established for this purpose in the Commission's Bureau of Policies and Standards. We plan to staff this new unit with a group of outstanding specialists both from within the Commission's regular staff and others recruited or borrowed for the project. The importance of this area is such that the Commission will keep in direct contact with the work of the group.

The assignment of authority to the Civil Service Commission to obtain information and suggestions from all agencies is highly desirable, particularly with respect to those current systems not now under the Commission's jurisdiction. The time schedule appears reasonable and appropriate. It should be feasible to complete the plan as scheduled if funding problems do not create unforeseen delays. The requirement that the plan be forwarded to the Congress by the President with his recommendations is essential.

In summary, the Commission welcomes the opportunity at this time to develop a coordinated job evaluation plan for the executive branch. It will be possible under H.R. 13008 to prepare a plan that will—

Result in all civilian positions of the executive branch being classified under a coordinated system;

Avoid unnecessary and unjustified differences among agencies in the evaluations of similar jobs;

Take advantage of the best current practice and knowledge in the field of job evaluation;

Give full consideration to the essential differences and needs of the various occupational categories;

Provide adequate flexibility so that the executive branch can make necessary adjustments in the system as conditions and needs change in the future;

Assure fairness and equity in the evaluation of the jobs of all civilian employees;

Facilitate other personnel and management functions.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

By direction of the Commission.

Sincerely yours,

ROBERT E. HAMPTON, *Chairman.*

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