LEADERSHIP FOR AMERICA

REBUILDING THE PUBLIC SERVICE

THE REPORT OF THE NATIONAL COMMISSION ON THE PUBLIC SERVICE

Paul A. Volcker, Chairman
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THE NATIONAL COMMISSION ON THE PUBLIC SERVICE

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IN MEMORIAM

Dr. Charles H. Levine, Distinguished Professor of Government and Public Administration at The American University, served as Deputy Director of the Commission staff until his death on September 23, 1988, at age 49. His own wish was that this report, to which he contributed so heavily, might reflect something of his sense of commitment to the need for a strong and dedicated public service, a commitment best expressed in his own words:

"I believe that in many ways public service is the highest service. And that is because it is the hardest and most necessary for our nation's future.... [The] linkage between public service and nation-building is an old and enduring one in the American context. It is this relationship and the high ideals of our democracy that ought to make public service—and creating conditions under which it survives—a high priority for everyone...."
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Preface

The National Commission on the Public Service was formed in 1987 following a major symposium in Washington, D.C., on “A National Public Service for the Year 2000.” The symposium, jointly sponsored by the Brookings Institution and the American Enterprise Institute, concluded that a private, nonprofit organization should be assembled to prepare action recommendations to the President and the Congress on what the symposium saw as a “quiet crisis” in government.

Simply put, too many of the best of the nation’s senior executives are ready to leave government, and not enough of its most talented young people are willing to join. This erosion in the attractiveness of public service at all levels—most specifically in the federal civil service—undermines the ability of government to respond effectively to the needs and aspirations of the American people, and ultimately damages the democratic process itself.

It was this perception that brought together, in the summer and fall of 1987, 36 members of the Commission under the chairmanship of Paul A. Volcker, former Federal Reserve Board chairman. The Commission includes men and women with broad experience in government and private life, as President and Vice President, Senators, Representatives, cabinet level officers and Ambassadors, corporate executives, university presidents and leaders of national nonprofit organizations.

Individually they reflect a broad spectrum of political views and differ on many questions of public policy. Collectively, however, the Commission members share a conviction that rebuilding an effective, principled, and energetic public service must rank high on the nation’s agenda. They also agree on the main elements of action proposed in this report to strengthen the effectiveness of government, although there may be differences in emphasis or detail.

Although the “quiet crisis” affects all levels of government, the Commission has been particularly concerned about quality and performance
at the senior administrative and professional levels of the federal government. That is where America looks for leadership and where the standards of government service may have their widest influence. For that reason, as well as because of practical limitations in time and resources, the report that follows focuses primarily on these senior federal positions.

The Commission believes, however, that a number of its broad recommendations are also relevant for other parts and levels of government. The Commission hopes that this report, as well as the Commission’s task force reports that are being published separately, will become a catalyst for further efforts by state and local governments, as well as by the federal government, to develop detailed proposals for change.
Acknowledgments

The Commission was aware from the outset of its work that it would need the broadest possible base of understanding of public attitudes, as well as access to the wide range of individuals and organizations with expert and working knowledge of the issues involved. The Commission therefore held public hearings in Washington, D.C., Los Angeles, New York City, Atlanta, Boston, Ann Arbor, and Austin. It conducted its own surveys of the views of current cabinet members, recent college honor graduates, and Presidential Management Interns to determine the extent of interest in public careers. It also relied on research by the General Accounting Office, the Office of Personnel Management, and the Merit Systems Protection Board, as well as by individual scholars and practitioners across the nation, all of whom readily responded when requested to open their files to the Commission.

To develop specific recommendations for action, the Commission divided into five Task Forces. Their reports to the Commission form the basis for much of this report, and have been published separately for those wishing to analyze the issues further.

The Commission also benefited from input by the National Academy of Public Administration, the American Society for Public Administration, the National Association of Schools of Public Affairs and Administration, the Harvard University Public/Private Careers Project, the Center for Excellence in Government, the Public Employees Roundtable, and the Senior Executives Association. Hundreds of concerned citizens, college students, and public servants contacted the Commission on their own initiative. A number of scholars and practitioners commented on earlier stages of the Commission's work during a two-day seminar at Princeton University's Woodrow Wilson School. The Commission owes a debt of gratitude to these groups and individuals.
The Commission's work would not have been possible without the generous financial support of the following foundations and business corporations, members of some of whose boards and staffs also contributed ideas and suggestions as the work progressed:

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Finally the Commission wishes to record its deep appreciation for the dedicated work of the staff of the Commission, including not least the interns from several colleges and universities: Andrew Brownstein, University of Virginia; Ronald L. Coleman, University of Southern California; Sharon Gleason, Johns Hopkins University; John P. Knight, George Washington University; Bruce Meier, American University; Lynn J. Olsen, Syracuse University; Erich Vaden, Georgetown University; and Howard Wilson, Howard University. They not only gave of their energy and enthusiasm for public service, but also reminded all of us that the recommendations of this Commission matter most of all to those they represent—a younger generation that is being called upon to carry forward the great enterprise of American citizenship and the essential work of government.
Summary and Main Conclusions

The central message of this report of the Commission on the Public Service is both simple and profound, both urgent and timeless. In essence, we call for a renewed sense of commitment by all Americans to the highest traditions of the public service—to a public service responsive to the political will of the people and also protective of our constitutional values; to a public service able to cope with complexity and conflict and also able to maintain the highest ethical standards; to a public service attractive to the young and talented from all parts of our society and also capable of earning the respect of all our citizens.

A great nation must demand no less. The multiple challenges thrust upon the Government of the United States as we approach the 21st Century can only reinforce the point. Yet, there is evidence on all sides of an erosion of performance and morale across government in America. Too many of our most talented public servants—those with the skills and dedication that are the hallmarks of an effective career service—are ready to leave. Too few of our brightest young people—those with the imagination and energy that are essential for the future—are willing to join.

Meanwhile, the need for a strong public service is growing, not lessening. Americans have always expected their national government to guarantee their basic freedoms and provide for the common defense. We continue to expect our government to keep the peace with other nations, resolve differences among our own people, pay the bills for needed services, and honor the people’s trust by providing the highest levels of integrity and performance.

At the same time, Americans now live in a stronger, more populous nation, a nation with unprecedented opportunity. But they also live in a
world of enormous complexity and awesome risks. Our economy is infinitely more open to international competition, our currency floats in a worldwide market, and we live with complex technologies beyond the understanding of any single human mind. Our diplomacy is much more complicated, and the wise use of our unparalleled military power more difficult. And for all our scientific achievements, we are assaulted daily by new social, environmental, and health issues almost incomprehensible in scope and impact—issues like drugs, AIDS, and global warming.

Faced with these challenges, the simple idea that Americans must draw upon talented and dedicated individuals to serve us in government is uncontestable. America must have a public service that can both value the lessons of experience and appreciate the requirements for change; a public service that both responds to political leadership and respects the law; a public service with the professional skills and the ethical sensitivity America deserves.

"How well the tasks of government are done affects the quality of the lives of all our people. Moreover, the success of any political leadership in implementing its policies and objectives depends heavily upon the expertise, quality, and commitment of the professional career employees of government."

PRESIDENT GEORGE BUSH, 1989

Surely, there can be no doubt that moral challenge and personal excitement are inherent in the great enterprise of democratic government. There is work to be done of enormous importance. Individuals can make a difference.

But unfortunately there is growing evidence that these basic truths have been clouded by a sense of frustration inside government and a lack of public trust outside. The resulting erosion in the quality of America's public service is difficult to measure; there are still many examples of excellence among those who carry out the nation's business at home and abroad. Nevertheless, it is evident that public service is neither as attractive as it once was nor as effective in meeting perceived needs. No doubt, opposition to specific policies of government has contributed to a lack of respect for the public servants who struggle to make the policies work. This drives away much of our best talent which can only make the situation worse.
One need not search far to see grounds for concern. Crippled nuclear weapons plants, defense procurement scandals, leaking hazardous waste dumps, near-misses in air traffic control, and the costly collapse of so many savings and loans have multiple causes. But each such story carries some similar refrains about government's inability to recruit and retain a talented work force: the Department of Defense is losing its top procurement specialists to contractors who can pay much more; the Federal Aviation Administration is unable to hold skilled traffic controllers because of stress and working conditions; the Environmental Protection Agency is unable to fill key engineering jobs because the brightest students simply are not interested; the Federal Savings and Loan Insurance Corporation (FSLIC) simply cannot hire and pay able executives.

“Is ‘ok’ enough for those who direct the next shuttle mission? After Three-Mile Island and Chernobyl, what level of competence do we want inspecting our nuclear plants? The next time you take an air flight, do you tell your family not to worry, the controllers aren’t the best but they are ok?”

WALTER MONDALE, 1987

This erosion has been gradual, almost imperceptible, year by year. But it has occurred nonetheless. Consider the following evidence compiled by the Commission's five task forces on the growing recruitment problem:

- Only 13 percent of the senior executives recently interviewed by the General Accounting Office would recommend that young people start their careers in government, while several recent surveys show that less than half the senior career civil servants would recommend a job in government to their own children.

- Of the 610 engineering students who received bachelors, masters, and doctoral degrees at the Massachusetts Institute of Technology and Stanford University in 1986, and the 600 who graduated from Rensselaer Polytechnic Institute in 1987, only 29 took jobs in government at any level.
• Half the respondents to a recent survey of federal personnel officers said recruitment of quality personnel had become more difficult over the past five years.

• Three-quarters of the respondents to the Commission’s survey of recent Presidential Management Interns—a prestigious program for recruiting the top graduates of America’s schools of public affairs—said they would leave government within 10 years.

If these trends continue, America will soon be left with a government of the mediocre, locked into careers of last resort or waiting for a chance to move on to other jobs.

But this need not and should not be. By the choices we make today, we can enter the 21st century with a public service fully equipped to meet the challenges of intense competition abroad and growing complexity at home. The strongest wish of the Commission is that this report can be a step in that process, pointing toward necessary changes, while serving as a catalyst for national debate and further efforts at all levels of government.

“For all the glories of Adam Smith, somebody has to set the rules and adjudicate disputes. Somebody has to defend the country and to explore space. Somebody has to keep the air clean and the environment safe for the next generation. Somebody has to respond to those more mundane, but nonetheless sometimes quite challenging, assignments of keeping government working effectively and efficiently if self government is to work at all.”

Paul A. Volcker, 1986

America should and can act now to restore the leadership, talent, and performance essential to the strong public service the future demands. To those ends, the Commission believes:

• First, the President and Congress must provide the essential environment for effective leadership and public support.
Second, educational institutions and the agencies of government must work to enlarge the base of talent available for, and committed to, public service.

Third, the American people should demand first-class performance and the highest ethical standards, and, by the same token, must be willing to provide what is necessary to attract and retain needed talent.

These three themes—leadership, talent and performance—shape this report. They are both wide-ranging and interrelated. They also provide a framework for a concrete agenda for action, directed toward a series of basic goals discussed in further detail in the report that follows. Specifically, to strengthen executive leadership, we call upon the President and Congress to:

• Take action now by word and deed to rebuild public trust in government;

• Clear away obstacles to the ability of the President to attract talented appointees from all parts of society;

• Make more room at senior levels of departments and agencies for career executives;

• Provide a framework within which those federal departments and agencies can exercise greater flexibility in managing programs and personnel; and

• Encourage a stronger partnership between presidential appointees and career executives.

To broaden the government's talent base, we call upon educational institutions and government to:

• Develop more student awareness of, and educational training for, the challenges of government and public service;

• Develop new channels for spreading the word about government jobs and the rewards of public service;

• Enhance the efforts to recruit top college graduates and those with specific professional skills for government jobs;

• Simplify the hiring process; and
• Increase the representation of minorities in public careers.

To place a greater emphasis on quality and performance throughout government, we ask for the public and its leaders to:

• Build a pay system that is both fair and competitive;

• Rebuild the government's chief personnel agency to give it the strength and mandate it needs;

• Set higher goals for government performance and productivity;

• Provide more effective training and executive development; and

• Improve government working conditions.

To further these basic goals, the Commission makes a series of specific recommendations throughout the report (see Appendix I). Twelve key proposals deserve mention here:

First, Presidents, their chief lieutenants, and Congress must articulate early and often the necessary and honorable role that public servants play in the democratic process, at the same time making clear they will demand the highest standards of ethics and performance possible from those who hold the public trust. Members of Congress and their staffs should be covered by similar standards. Codes of conduct to convey such standards should be simple and straightforward, and should focus on the affirmative values that must guide public servants in the exercise of their responsibilities.

Second, within program guidelines from the President, cabinet officers and agency heads should be given greater flexibility to administer their organizations, including greater freedom to hire and fire personnel, provided there are appropriate review procedures within the Administration and oversight from Congress.

Third, the President should highlight the important role of the Office of Personnel Management (OPM) by establishing and maintaining contact with its Director and by ensuring participation by the Director in cabinet level discussions on human resource management issues. The Commission further recommends decentralization of a portion of OPM's operating responsibilities to maximize its role of personnel policy guidance to federal departments and agencies.
Fourth, the growth in recent years in the number of presidential appointees, whether those subject to Senate confirmation, noncareer senior executives, or personal and confidential assistants, should be curtailed. Although a reduction in the total number of presidential appointees must be based on a position-by-position assessment, the Commission is confident that a substantial cut is possible, and believes a cut from the current 3,000 to no more than 2,000 is a reasonable target. Every President must have politically and philosophically compatible officials to implement his Administration’s program. At the same time, however, experience suggests that excessive numbers of political appointees serving relatively brief periods may undermine the President’s ability to govern, insulating the Administration from needed dispassionate advice and institutional memory. The mere size of the political turnover almost guarantees management gaps and discontinuities, while the best of the career professionals will leave government if they do not have challenging opportunities at the sub-cabinet level.

Fifth, the President and Congress must ensure that federal managers receive the added training they will need to perform effectively. The education of public servants must not end upon appointment to the civil service. Government must invest more in its executive development programs and develop stronger partnerships with America’s colleges and universities.

Sixth, the nation should recognize the importance of civic education as a part of social studies and history in the nation’s primary and secondary school curricula. Starting with a comprehensive review of current programs, the nation’s educators and parents should work toward new curricula and livelier textbooks designed to enhance student understanding of America’s civic institutions, relate formal learning about those institutions to the problems students care about, and link classroom learning to extracurricular practice.

Seventh, America should take advantage of the natural idealism of its youth by expanding and encouraging national volunteer service, whether through existing programs like ACTION, the Peace Corps, and VISTA, or experiments with initiatives like President Bush’s Youth Engaged in Service (YES), and some of the ideas contained in the Democratic Leadership Council’s citizen corps proposal.

Eighth, the President and Congress should establish a Presidential Public Service Scholarship Program targeted to 1,000 college or col-
lege-bound students each year, with careful attention to the recruitment of minority students. Admission to the program might be modeled on appointment to the military service academies—that is, through nomination by members of Congress—and should include tuition and other costs, in return for a commitment to a determined number of years of government service.

Ninth, the President should work with Congress to give high priority to restoring the depleted purchasing power of executive, judicial, and legislative salaries by the beginning of a new Congress in 1991, starting with an immediate increase of 25 percent. At the same time, the Commission recommends that Congress enact legislation eliminating speaking honoraria and other income related to their public responsibilities.

Tenth, if Congress is unable to act on its own salaries, the Commission recommends that the President make separate recommendations for judges and top level executives and that the Congress promptly act upon them. Needed pay raises for presidential appointees, senior career executives, and judges should no longer be dependent on the ability of Congress to raise its own pay.

Eleventh, the President and Congress should give a higher budget priority to civil service pay in the General Schedule pay system. In determining the appropriate increase, the Commission concludes that the current goal of national comparability between public and private pay is simplistic and unworkable, and is neither fair to the civil service nor to the public it serves. The Commission therefore recommends a new civil service pay-setting process that recognizes the objective fact that pay differs by occupation and by localities characterized by widely different living costs and labor market pressures.

Twelfth, the President and Congress should establish a permanent independent advisory council, composed of members from the public and private sector, both to monitor the ongoing state of the public service and to make such recommendations for improvements as they think desirable. The Commission applauds President Bush's pledge of leadership of the public service. Indeed, his recent statements reflect the spirit and concerns that led to the creation of the Commission. However, the problems that make up this "quiet crisis" are many and complex, and have been long in the making. Corrective action will not only require presidential leadership and congressional support, but must be part of a coherent and sustained long term strategy. The proposed independent advisory council
is designed to ensure that the state of the public service remains high on the national agenda.

This report speaks directly to a number of audiences: to the American people about the importance to their civic institutions of talented men and women; to young people about the challenges and satisfactions they can find in serving their government; to candidates for elective office about the long-term costs of "bureaucrat bashing;" to the media about the need not only to hold public servants to high standards but also to recognize those who serve successfully; to university schools of public affairs about developing curricula for the training of a new generation of government managers; and to business leaders about the importance of quality government support to the private sector.

Finally, the report speaks to the civil service about its obligations to the highest standards of performance. The Commission fully supports the need for better pay and working conditions in much of government. But the Commission also recognizes that public support for those improvements is dependent on a commitment by the civil servants themselves to efficiency, responsiveness, and integrity.

"Let the public service be a proud and lively career. And let every man and woman who works in any area of our national government, in any branch, at any level, be able to say with pride and with honor in future years: 'I served the United States government in that hour of our nation's need.'"

PRESIDENT JOHN F. KENNEDY, 1963
CHAPTER 1

Leadership for Governance

Measured by assets or employees or financial liabilities, the federal government dwarfs any other business in America. But far more significant than any statistical measures are the intangible purposes of government: to ensure the “life, liberty, and the pursuit of happiness” of our citizens.

We as a people focus enormous responsibility on one person—the President of the United States. And indeed, he or she alone can do much to set the tone of government and with Congress set out the main lines of policy. Presidential leadership is both indispensable and an enormous asset. Moreover, positive Presidential leadership is the sine qua non of a strong public service.

“W hat I think it all boils down to is leadership. Leadership in the White House and leadership in the United States Congress. Don’t blame those that make a lifetime of service to the government; give them the kind of leadership they need, and they’ll follow and get the job done.”

PRESIDENT GEORGE BUSH, 1989

But no President can be effective alone. He or she must rely upon a sizeable number of top officials—leaders in their own right—to ensure
the quality and effectiveness of government. These men and women—
presidential appointees, senior career executives, and personal and con-
fidential assistants—implement the President’s agenda, hire and promote
the key staff, draft the budget, enforce the laws, try to anticipate problems
and get the facts, and motivate the civil service. In doing so, a President
sets a powerful example for a 2.2 million non-postal civilian work force,
and for the nation as a whole. To the extent presidential and career ex-
cutives are committed to the highest levels of integrity and performance,
and work in full partnership to secure faithful execution of the laws, pub-
lic respect will also follow.

Unfortunately, there is growing evidence that the supply of talented
managers, political and career, in government is dwindling. Among presi-
dential appointees, who are directly responsible for developing and ex-
cuting the President’s agenda, turnover rates have become a serious prob-
lem. From 1964–1984, according to research by the National Academy of
Public Administration, 42 percent of cabinet secretaries, 62 percent of
deputy secretaries, and 46 percent of under secretaries left their jobs after
two years or less. Among career senior executives, who provide the essen-
tial reservoir of institutional knowledge and professional skills for im-
plementing the President’s program, over half say that if a suitable job out-
side government became available, they would take it.

Perhaps most important, years of campaign “bureaucrat bashing”
by candidates for elective office, reinforced by too many instances of ethical
lapse, have eroded the sense of pride that once came with government ser-
vice. Careers that were once seen as proud and lively are increasingly viewed
as modest and dull—even demeaning. Today, sadly, fewer than half the
government’s most senior and most successful executives are willing to
recommend a career in public life to their children.

“Tf I as a CEO were to say that I have loafers, laggards and

 petty thieves working for me, one could hardly expect my

 people to perform. Nor would such talk inspire customer

 confidence; indeed they would wonder about us as a company

 and about me as a CEO.”

FRANK CARLUCCI, Secretary of Defense, 1988
GOAL ONE:

REBUILD THE PUBLIC'S TRUST

Restoring a sense of pride in public service rests in large measure on the public's willingness to trust their own government. Unfortunately, despite a slight turnaround in recent years, nearly half the American public feel that average people have no say in government, while three of four say that politics and government are too complicated to understand.

Some of this distrust arises from a skepticism toward big government rooted in American history; some from opposition to specific policies. Those concerns are natural, and they are often healthy, in a pluralistic society committed to federalism and free speech.

The Commission's focus lies elsewhere, on public perceptions of corruption, waste, and ineffectiveness in doing what government sets out to do. Some of this distrust comes from scandals like Watergate and Pentagon procurement; some from wasteful government programs; some from past campaign rhetoric. Such distrust, if continued, may undermine the democratic process itself. It most certainly acts as a disincentive to potential recruits who too often associate public life with frustration or breaches of integrity. Two pieces of evidence cited by the Commission's Task Force on Public Perceptions illustrate the potential impact of negative attitudes on recruitment:

- A recent survey by the U.S. General Accounting Office (GAO) found that almost 60 percent of federal personnel officers believed that the poor public image of federal employees was hindering their ability to recruit the people their agencies need.

- A 1987 Merit Systems Protection Board survey of college deans and placement officers at the nation's top colleges and universities found that the image of the federal civil service was a primary reason why their public administration graduates were not attracted to government.

Public trust will not be restored unless and until Americans are reassured that those in charge at the top of government will honor their trust and those in the civil service below will commit themselves to the highest levels of service. Toward those ends, the Commission makes the following recommendations:

First, Presidents, their chief lieutenants and Congress must articulate early and often the necessary and honorable role that public servants play in the democratic process, while at the same time making clear that they will demand the highest performance from those who hold the public trust.
Second, Presidents must set the highest standards of ethical conduct for those who hold the public trust, and act quickly and firmly to remove those who violate that trust. Members of Congress and their staffs should be covered by similar standards. Codes of conduct to convey such standards should be simple and straightforward, and should focus on the affirmative values that must guide public servants in the exercise of their responsibilities.

“...I t’s not really very complicated. It’s a question of knowing right from wrong, avoiding conflicts of interest, bending over backwards to see that there’s not even a perception of conflict of interest."  

PRESIDENT GEORGE BUSH, 1989

The Commission is encouraged by the early steps President Bush has taken to underscore the critical importance of ethical standards in government, including his appointment of a presidential Commission on Federal Ethics Law Reform. That Commission’s recommendations deserve urgent consideration, particularly those dealing with the need for an updated and revised executive order governing ethics in government and for a clear and comprehensive ethics manual issued by the Office of Government Ethics.

Despite this important first step, the Commission notes that the problems of the public service will not yield quickly to even the most thoughtful presidential leadership. It has taken time for the erosion of talent to become a cause of deep concern. It will take a sustained, bipartisan commitment to reverse that erosion. The Commission believes that the condition of the public service must remain high on the national agenda in coming years.

Third, the President and Congress should establish an independent advisory council, composed of members from the public and private sectors, to monitor the ongoing state of the career public service and make a bi-annual report to the President. In turn, the President should forward the report to Congress with his own comments and responses, including any recommendations for change that he may have.
GOAL TWO:

IMPROVE THE PRESIDENTIAL APPOINTMENTS PROCESS

The problems new Presidents face in filling the top jobs in government are daunting. First, even if they start planning their transitions during the presidential campaign—as did Presidents Carter, Reagan, and Bush—it is difficult to find several thousand well-qualified appointees in fewer than six months.

Second, even if new Presidents can find the talent, the current system makes it increasingly difficult to bring these candidates into government. Some of the problems are inherent in the process. Men and women are reluctant to interrupt promising careers and uproot families to move to one of the most expensive areas in the country. But some of the obstacles are unnecessary. Nominees are exposed to an array of complex and overlapping disclosure forms, most of which become public. Nominees are asked to make immediate divestiture, whatever the cost and tax burden, of any financial holdings that might constitute a conflict of interest. And they are often given little or no orientation about their new responsibilities, in large measure because those doing the recruiting may know little about the substantive demands of the jobs.

Third, even after new appointees get past the nomination and confirmation process, far too many leave early. The average length of service for presidential appointees has dropped by almost half since the 1950s, unnecessarily complicating a President's task of maintaining the energy and competence of an Administration.

A more effective approach is needed. Presidents must be able to bring qualified people into office more quickly, and keep them in office as long as needed. Toward that end, the Commission commends the National Academy of Public Administration, the Harvard Public/Private Careers Project, and the Center for Excellence in Government for both identifying the particular problems of presidential appointments and proposing a range of viable solutions. Consistent with these earlier efforts of other groups, the Commission emphasizes the following recommendations:

First, the White House Office of Presidential Personnel should be given the resources and mandate to perform as an active recruiting agency for the President. The Office should neither confine itself to unsolicited resumes nor restrict its search to those who have been politically active in the President's campaign. To assist in this process, the President should direct the Office to build on the work of the Center for Excellence in Government by developing qualification statements for all positions, and make appointments based on those merits.
Second, the financial disclosure process, while a key protection against conflicts of interest, should be streamlined to ease the burdens on potential appointees. Here, the Commission endorses recommendations by the National Academy of Public Administration and Harvard University's Public/Private Careers Project to simplify the government's financial disclosure form by compressing the current income and property reporting categories. Further, as recommended by the Administrative Conference of the United States, the Commission encourages Congress to consider legislation to limit the tax penalties of divestiture for those who accept presidential appointments.

Third, at the end of their service, presidential appointees should be granted up to three months of severance pay with full benefits as a bridge to outside employment. Severance pay would act to discourage appointee job-hunting during the last months in office.

GOAL THREE:

MAKE MORE ROOM NEAR THE TOP FOR CAREER EXECUTIVES

From George Washington to the present, Presidents have appointed party leaders, political allies, and compatible personalities to their cabinets and to sub-cabinet jobs in government. That is as it should be. Not only do presidential appointees bring fresh ideas and important experience from the private sector into an Administration; they also help ensure that government is responsive to changing needs. Indeed, many members of the Commission entered government precisely because they wished to support a particular Administration, and because a President asked them to join.

"All public bureaucracies are politicized to some extent—political control of administration is fundamental to a democratic society. The question is, how much politicization is enough—and how should it be brought to bear?"

Task Force on the Senior Executive Service, Governor Charles Robb, chairman, 1987
There is growing evidence, however, that excessive numbers of presidential appointees may actually undermine effective presidential control of the executive branch. Presidents today are further away from the top career layers of government with 3,000 appointees—approximately 573 presidential appointees subject to Senate confirmation, 670 non-career members of the Senior Executive Service, 110 presidential appointees not subject to Senate confirmation, and approximately 1,700 personal and confidential assistants (Schedule C)—than was Franklin Roosevelt 50 years ago with barely 200. The national agenda is undoubtedly more complex now, and there has been an expansion in the number of federal departments and agencies. But it is also true that federal civilian employment has held remarkably steady over the past three decades, even as the number of presidential appointees has doubled, then doubled again.

From 1933 to 1965, during a period of profound expansion in government responsibilities, the number of cabinet and sub-cabinet officers appointed by the President and confirmed by the Senate doubled from 73 to 152. From 1965 to the present, a span when total employment and programs were more stable, that number more than tripled to 573.

Typically, the increase in presidential appointments has been justified as a way to prod or control reluctant bureaucrats, and to speed implementation of the President's agenda. Thus the operative question is not whether the current number of appointees is large or small, in absolute terms or compared to the total number of civilian employees. The real question is whether the proliferation has in fact made government more effective and more responsive to presidential leadership. The Commission concludes that the answer is “no.”

"But a White House personnel assistant sees the position of deputy assistant secretary as a fourth-echelon slot. In his eyes that makes it an ideal reward for a fourth-echelon political type—a campaign advance man, or a regional political organizer. For a senior civil servant, it's irksome to see a position one has spent 20 or 30 years preparing for preempted by an outsider who doesn't know the difference between an audit exception and an authorizing bill."

ELLIO T L. RICHARDS ON, 1987
First, large numbers of presidential appointees that are beyond the ability of any President or White House to directly oversee, many with plausible claims to their own political constituencies, may actually dilute the President’s ability to develop and enforce a coherent, coordinated program and to hold cabinet secretaries accountable. This is particularly true if subordinate appointees are imposed on a department head.

Second, short-term appointees, several ranks deep, can also distance the President and his principal officials from those with the most relevant experience. Career bureaucracies need to be leavened with fresh ideas from outside and need to be responsive to presidential leadership. But they can also be a vast resource of knowledge and impartial judgement. A large number of political positions also takes more time to fill, creating unnecessary delays in the critical first months of an Administration and other unnecessary distractions thereafter.

Finally, layers of temporary presidential appointees between the President and the career professionals who deliver government services year after year inevitably discourage talented men and women from remaining in the career service, or entering in the first place. The ultimate risk is reduced competence among careerists and political appointees alike.

In recommending a reduction in the total number of presidential appointees, the Commission notes that new governments in Britain, France, or Germany operate with fewer than 100 new appointees, yet often implement more sweeping policy changes than in the United States. The United States does not have a parliamentary system, and has many more built-in checks and balances. However, the Commission concludes that a substantial reduction in presidential appointees would be entirely consistent with the President’s ability to lead the executive branch, and that indeed a stronger career service would over time enhance his or her effectiveness. Thus, the Commission makes the following recommendations for change in the number and mix of top appointments:

First, the growth in recent years in the number of presidential appointees, whether those subject to Senate confirmation, noncareer senior executives, or personal and confidential assistants, should be curtailed. Although a reduction in the total number of presidential appointees must be based on a position-by-position assessment, the Commission is confident that a substantial cut is possible, and believes that a cut from the current 3,000 to no more than 2,000 is a reasonable target.

Second, the President should more frequently consider career officials for sub-cabinet appointments, taking advantage of a prime source of professionalism and experience to his or her Adminis-
These executives must nonetheless bring unquestioned loyalty to the purposes and agenda of the Administration they serve.

Third, the President and Congress should set a lower limit on the number of noncareer senior executives allowed within a particular department or agency. Current law permits up to 25 percent of an agency’s senior executives to be noncareer appointees, thereby crowding out opportunities for career officers.

GOAL FOUR:

DECENTRALIZE GOVERNMENT MANAGEMENT

Just as Presidents must be able to appoint philosophically and politically compatible individuals to the top jobs in government, Presidents must also develop adequate mechanisms for overseeing decisionmaking and for implementation of those decisions. Given the complexity of the federal budget and the potential for cross-cutting issues, jurisdictional overlap and disputes among departments and agencies in policy development are inevitable and often constructive. But a President, with the help of the White House staff, needs to control the agenda and to set the basic policy direction.

Once presidential choices are made, however, the decisions should be implemented in the federal departments and agencies where the President’s own appointees and government’s top career managers must have both authority and responsibility. The jobs will be done well or poorly depending on their competence, morale, and commitment, not on the rules and reporting requirements imposed by the White House staff, Office of Management and Budget (OMB), and Office of Personnel Management (OPM).

Pressure to centralize the key policy choices, understandable as it is, is too easily extended to many administrative decisions once made at the Cabinet and sub-Cabinet level. Not only does centralization rob federal departments and agencies of the flexibility and initiative they need to implement the President’s agenda, but it often slows the administrative process, creating even greater pressure for centralization. Essential management and regulatory decisions, for example, are now engulfed in red tape and paperwork to the point that the process often drives the decisions, not vice versa.

The desire to impose close political control and avoid mistakes often forces decisions upward through a seemingly endless chain of command, stifling the very initiative the President needs for successful implementation of policy. Demands for administrative consistency, in the name of equity or White House control, have made it virtually impossible to adapt flexibly to changing circumstances.
A new balance must be created—a balance that returns administrative authority to the federal departments and agencies while retaining necessary elements of oversight with the President and Congress. Toward that end, the Commission makes the following recommendations for decentralizing administrative responsibility to the managers:

First, provided they receive appropriate program guidance from the President and oversight from Congress, cabinet officers and agency heads should be given greater flexibility to administer their organizations, including greater freedom to hire and fire personnel. The Commission sees great opportunity for experimentation in this regard, including the kind of flexibilities in pay-setting attempted at the China Lake Naval Weapons Center in California.

Second, in decentralizing administrative authority and flexibility, the President and Congress must ensure that senior managers receive the executive training to exercise their responsibilities effectively. The Commission notes the need to strengthen executive development programs at the nation’s colleges and universities as one way to provide the broader knowledge and management and professional skills required for greater executive responsibility. (This need for expanded training and greater leadership by OPM is addressed in more detail later in this report.)

GOAL FIVE:

STRENGTHEN THE PRESIDENTIAL/CAREER PARTNERSHIP

Presidential and career executives are partners in the business of government and must work from a relationship of trust. That necessary partnership is too often clouded by mutual suspicion, particularly at the start of a new Administration. Moreover, there is disconcerting evidence that dissatisfaction with presidential appointees has become a major reason why senior career executives leave government. This may be one reason

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The career Senior Executive Service is the institutional memory; it knows how to grease the wheels of government and make them turn.”

SENIOR JOHNSON, 1987
why, according to a survey by the National Academy of Public Administration, the number of presidential appointees who rate their career employees competent and responsive dropped roughly 15 points from 1964 to 1984. The drop may be small, but it has been steady from one administration to the next.

At the same time, it is encouraging that the Commission's own survey of recent cabinet officers shows that confidence in the career-service tends to build in the course of an Administration. Career executives want strong presidential leadership—they are demoralized by vacancies, policy vacuums, and a lack of direction. At the same time, the good presidential appointees want strong career support—careerists who know how their institutions work and know how to work their institutions.

The Commission believes that a strong presidential/career partnership involves give-and-take from both. If presidential appointees want the full confidence and support of career officers, they must be willing to listen and invite them into policy discussions. By the same token, once policy choices are made, career executives must be willing to follow and to do so without prolonging public debate. They must be willing to implement the laws faithfully and with full energy. That commitment must be part of the ethic of service for all government executives, career or political.

"One of the great mistakes people make in coming in is developing a we/they attitude toward their own staff.... Big mistake. There are a lot of potential teammates out there, and you have to find them. And the faster you do, the better."

JOHN GARDNER

The Commission believes its earlier recommendations regarding the number and mix of senior executives will strengthen this key partnership by making more room for career executives to participate. In addition it makes the following recommendations:

_First_, **all presidential appointees must receive adequate orientation to office.** Such orientation should be provided during the hiatus between nomination and confirmation, focusing on the substantive policy and administrative responsibilities each appointee faces, the
ethical conduct expected of a public official, and the positive role that career officers can play.

Second, Cabinet secretaries and agency heads should be given greater opportunity to participate in the choice of their sub-cabinet officers, particularly where the Office of Presidential Personnel and a cabinet secretary disagree on a specific appointee. Forcing unwanted staff onto a reluctant secretary not only creates potential tension among presidential executives within an agency, but engenders confusion among career executives who simply do not know whom to follow.

"I had always felt that government people were not motivated, because in industry you have various incentives where you can motivate people, and that perhaps government people didn't work so hard because they weren't so highly motivated. Well, I was dead wrong. I find that in this department there are a tremendous cadre of professionals, highly motivated not by financial rewards but to serve their country. It's as simple as that."

C. WILLIAM VERITY, JR., Secretary of Commerce, 1989
CHAPTER II

Enriching the Talent Pool

The supply of future career federal executives in large measure depends on the ability of government to build interest in public life among the nation's most talented young people. Although recent trends suggest there will be greater mid-career movement in and out of government, the greatest competition is likely to be at the entry level. Gone are the days when the brightest students would line up for a chance at a government job. Gone, too, is the buyer's market that came with the huge baby boom generation.

"For years, many Federal agencies have been able to hire and retain highly educated, highly skilled work forces, even though their wages, incentives, and working conditions have not been fully competitive with those offered by private employers. But as labor markets become tighter during the early 1990s, hiring qualified workers will become much more difficult."

CIVIL SERVICE 2000,
The Hudson Institute, 1988

The competition for talented young people will continue far into the future. As the growth in the labor force declines to barely 1 percent
a year in the 1990s and early 2000s, government will have to draw from a much smaller talent pool. Government will also have a much stronger incentive to recruit women and minorities. Indeed, two-thirds of new government workers between now and the year 2000 will be women. These new demographic realities will demand a recruiting strategy more heavily directed toward two-earner couples, minorities, and single mothers. The pressure for flex-time, day-care, and more creative strategies for tapping the minority talent pool will only increase.

GOAL SIX:

REBUILD STUDENT INTEREST

Young Americans have always been a source of creative energy for government. Their natural enthusiasm and willingness to question the status quo are important counterweights to the inertia that can set in as an agency and its work force ages.

Although government still has some advantages in attracting young people—the most significant of which is the exhilaration of working on big issues—it also faces an erosion of student interest in public life. The evidence compiled by the Commission’s Task Forces on Education and Training and on Recruitment and Retention suggests hard times ahead for government recruiters in attracting students into public careers:

- According to surveys by the University of California at Los Angeles and the American Council on Education, the percentage of college freshmen who said that it is “important to be well-off financially” rose from 41 percent in 1966 to 76 percent in 1987, while the number who said that the most important reason to go to college was to “make more money” jumped from 50 percent in 1971 to 71 percent in 1987.

- The average starting salary for careers in private-sector consulting and research has gone up 15 percent in real terms over the past decade, while pay for careers in banking, finance, and insurance has jumped 18 percent. During the same period, the real average starting salary for a career in the federal government has fallen 20 percent, and now trails the private sector on average by almost $6,000.

- President Derek Bok of Harvard, in a commencement address in 1988, noted that only 7 percent of Harvard’s seniors had expressed an interest in government and that far fewer would actually make a career in government.
Not all the news is bad, however. The number of college freshmen who see helping others as an essential or very important objective in life has remained steady at almost 60 percent over the past 20 years, while the recent increase in campus volunteerism suggests a growing commitment to community service. That flame is a hopeful sign for the future.

"There is a debt of service due from every man to his country, proportioned to the bounty which nature and fortune have measured to him."

THOMAS JEFFERSON

Yet, surveys also show that many students simply do not know enough about government to be interested in careers in government. Even those who take social studies or history courses may not learn the right lessons about how they can make a difference. A majority of a sample of recent high-school graduates could not explain the importance of Brown v. Topeka Board of Education, and two-thirds of a sample of college freshmen in 1987 could not describe the freedoms guaranteed by the Bill of Rights.

The Commission believes that an informed citizenry is essential to America's political system, and that a broad sense of civic duty among America's young people is a necessary precursor to a strong public service. The Commission therefore makes the following recommendations designed to rebuild student interest in public life:

First, the nation must elevate the importance of civic education as a part of social studies and history in the nation's primary and secondary school curricula. Starting with a comprehensive review of current programs, the nation's educators and parents should work toward new civics curricula designed to enliven textbooks, enhance student understanding of America's civic institutions, relate formal learning about those institutions to the problems students care about, and link classroom learning to extracurricular practice.

Second, America's communities should increase the opportunity for young people to practice their citizenship skills. As budget realities have forced many public schools to eliminate extracurricular activities that once served as a training ground for future citizens, the need for alternative sponsors has grown. The Commission urges
local businesses, nonprofit organizations, civic groups, and governments to work together in sponsoring more of the citizenship activities that students deserve.

*Third,* America should take advantage of the natural idealism of young people by expanding and encouraging national volunteer service, whether through existing programs like ACTION, the Peace Corps, and VISTA, or experiments with initiatives like President Bush's Youth Engaged in Service (YES) and some of the ideas contained in the Democratic Leadership Council's citizen corps proposal.

**GOAL SEVEN:**

**RECRUIT THE VERY BEST GRADUATES**

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

The Commission's own survey of top graduates in the class of 1988 illustrates the problem. According to the Commission's sample of honor society students, the public service is not perceived as a place where talented people can get ahead. Few of the top graduates feel the federal government can offer good pay and recognition for performance. Fewer still say a federal job can be challenging and intellectually stimulating. Public service is too often seen as a career of last resort. Consider the following results from the survey:

- More than 70 percent said the federal government does not offer a good chance for responsibility early on in one's career.

- Eighty-six percent said a federal job would not allow them to use their abilities to the fullest.

- Roughly half said that most federal jobs are routine and monotonous.

- Eighty percent said federal civil servants do not have the power and opportunity to influence government outcomes.

- Fewer than 3 percent said that a person with ability who joins the federal civil service has a high probability of ending up in one of the top government jobs.
Many of the recommendations presented elsewhere in this report are designed to change these attitudes by setting higher standards for performance and creating more challenging jobs. Government must send a strong signal to America's youth that it is interested in the very best. Toward that end, the Commission makes the following additional recommendations:

First, the President and Congress should establish a Presidential Public Service Scholarship Program targeted to 1,000 college or college-bound students each year. Admission to the program should parallel appointment to the military service academies—that is, through nomination by members of Congress—and include tuition and other costs, in return for a commitment to a determined number of years of government service.

Second, the President and Congress should expand and strengthen the government's current programs for recruiting college graduates into public careers. Specifically, the Presidential Management Internship program should be expanded from 400 positions per year to 1,000.

GOAL EIGHT:

OPEN NEW CHANNELS OF COMMUNICATION

That there is a growing competition for talented students is clear. However, while American corporations visit the campuses, provide high-paying summer jobs, advertise their positions in accessible publications, and make it easy for students to accept job offers, most government departments and agencies wait until the last minute to make their first contacts.

“When I talk with students, I tell them that what you do in government at any given level matters more than what business people at a comparable level do. What they do is good for the management and the stockholders, and sometimes, if they’re lucky, for all the customers as well. What you do affects the well-being, the survival even, of millions.”

ELLIO T L. RICHARDSON, 1987
With several notable exceptions, such as the General Accounting Office, the Office of Management and Budget, and the Central Intelligence Agency, most federal agencies have little experience with on-campus recruiting. Nor do most recognize their role in educating young Americans about the value of public life and the intrinsic rewards of government service. Students are left to work their way through the federal hiring process on their own.

If the public sector is to compete effectively for a new generation of video-conscious, computer-literate students, it must also become more adept at communication. The Commission welcomes recent efforts by the Office of Personnel Management (OPM) to bring federal advertising into the 1980s with a positive message on public careers and accessible brochures describing “Career America.” More must be done. The Commission makes the following recommendations:

First, the government’s executives, both senior and mid-level, political and career, should serve as ambassadors of the public service on America’s college campuses. These leaders must be willing to spend more time with America’s young people on college campuses both before and after the key recruiting periods. In this regard, the Commission applauds the effort by the Center for Excellence in Government to inform students of the rewards of public careers by co-sponsoring, with The Ford Foundation and selected colleges, visits to campuses by persons from the private sector who have previously served in government.

Second, to describe and celebrate public careers, government should open new channels of communication with America’s college students—at job fairs, and through electronic bulletin boards, computer software, and/or video cassettes.

Third, OPM should establish a unified federal job bank to help students find openings in the public sector, accessible for student “browsing” through 800-line personal computer hook-ups.

GOAL NINE:

SIMPLIFY THE RECRUITING PROCESS

Even when the public sector finds outstanding candidates, the complexity of the hiring process often drives all but the most dedicated away. Perceptions of public service as a lackluster career are compounded by the belief among potential candidates that getting a government job is an exercise in frustration. For example, only a third of the honor students
surveyed by the Commission said they would know how to obtain a government job even if they wanted one, and only 3 percent actively sought federal employment.

The Commission itself received dozens of unsolicited letters from young people asking how they might go about applying for a government position, and even more describing the disheartening process of months and months of waiting for a call following a job application or for a final decision. For the most talented students, of course, those waits provide ample opportunity to consider private-sector employment.

"The current system is slow; it is legally trammelled and intellectually confused; it is impossible to explain to potential candidates. It is almost certainly not fulfilling the spirit of our mandate to hire the most meritorious candidates."

CONSTANCE HORNER
Director, Office of Personnel Management, 1988

In moving toward a more effective hiring system, the Commission welcomes recent efforts by OPM to remove some of the obstacles in the process. The Commission makes the following recommendations to further enhance OPM's agenda for change:

**First**, OPM should continue to deregulate the hiring process by giving departments and agencies broad, but conditional, authority to set their own rules, as well as through aggressive use and expansion of existing authority to experiment and continued use of advisory and clearing-house mechanisms to share information across government.

**Second**, OPM should experiment with a variety of new recruitment incentives for hard-to-recruit professions—for example, more flexible compensation systems that address the costs of starting a new job.

**Third**, OPM should continue its experiments with on-the-spot hiring of both undergraduate and graduate students to minimize paperwork and delay.
GOAL TEN:
INCREASE THE REPRESENTATION OF MINORITIES

If the public sector is to reach the nation's talented students, it must become more effective in recruiting minorities. As Civil Service 2000 envisages, blacks will make up 17 percent of the growth in the labor force between 1988 and the year 2000, while Hispanics will account for an even greater share at 29 percent.

Despite this opportunity for greater minority representation in the public sector, the prospects for placement are mixed. According to a recent Ford Foundation study, the problem appears to be much more one of raising the number of those from minority groups ready to enter the public service than it is one of finding the needed jobs.

If the number of minority students who graduate from high school and college stays constant, the public, private, and nonprofit sectors will continue to compete for a painfully small pool of graduates. Thus, the goal must be to encourage more from minority groups capable of and interested in entering the public policy profession. Toward that end, the Commission makes the following recommendations:

First, America's educators and community leaders must help more minority students stay in school through high school and college to help build the talent pool. Without an increase in graduation rates, there will not be enough minorities to fill the available jobs. Although specific recommendations in this respect are beyond the scope of this report, the Commission believes that the current figures are unacceptable if minorities are to play an increasing and important role in the public sector. If graduation rates do not increase, the Commission recommends that government provide needed training, including high school course work, for blacks and Hispanics upon entry into their government careers.

Second, America's graduate schools of public affairs should reach across traditional academic boundaries to interest minority students in public life through cooperative relationships with historically black and Hispanic colleges and universities. The cooperation must involve (1) a strengthening of the public affairs/public policy/political science curricula at the undergraduate schools to challenge students for graduate training, (2) greater efforts at minority recruitment into schools of public affairs, and (3) an enrichment of the curricula at the graduate schools to create a greater understanding of issues of race in public policy and administration.
The Commission believes these efforts will have a positive impact on minority representation in public life, particularly when coupled with the strengthened civics curricula, scholarship programs, and more effective hiring processes recommended elsewhere in this report. Because of the importance of minorities to the future effectiveness of government, the Commission also recommends that a specific number of Presidential Public Service Scholarships recommended elsewhere in this report be targeted for minorities.

Without a visible commitment at the highest levels of government, however, minority interest in public careers will remain low. From the White House to the state house, the nation's leaders must make a sustained effort to bring blacks, Hispanics, and other minorities into the top positions of government, not solely to reflect the diversity of the American people, but also as role models and mentors for the next generation of public leaders.
CHAPTER III

A Culture of Performance

The desire to perform at full potential is the most important asset any employee can offer. In the private sector, this commitment to performance creates profits. In the government, it creates public value. Although the commitment to excellence is surely necessary in both sectors, it is the very least civil servants must provide to the people they serve.

"We know the human talent is there. We need to find good people, pay them competitive salaries, hold them accountable, and let them produce. Given leadership and motivation, they will do the job."

CHARLES BOWSHER
Comptroller General of the United States, 1988

The commitment to performance cannot long survive, however, unless the government provides adequate pay, recognition for jobs done well, accessible training, and decent working conditions. Quality service must be recognized, rewarded, and constantly reinforced. It is not enough to exhort the work force to do better—government must provide tangible signals that performance matters.
GOAL ELEVEN:

PROVIDE COMPETITIVE PAY AND DEMAND COMPETITIVE PERFORMANCE

The federal government will never be able to pay its employees more than the private sector, nor should it try. However, if government is to recruit from among outstanding college graduates, and build a high-performance workforce, it must be willing to pay reasonably competitive salaries. Government does not have to match private pay dollar-for-dollar in every position, particularly at the higher levels. But if it is to remain a credible career choice, government simply cannot permit the purchasing power of federal pay to decline year after year and the gap between public and private pay for comparable jobs to widen.

"Over the last decade, [the National Institutes of Health] have not been able to recruit a single senior research scientist from the private or academic sectors to engage in the independent conduct of a clinical or basic biomedical research program."

ANTHONY FAUCI
Director, National Institutes of Health, 1988

The impact of lost purchasing power and the widening pay gap is clear. Consider the evidence compiled by the Commission's Task Force on Pay and Compensation:

- Half the federal government's personnel officers say that inadequate compensation has become a significant hindrance in attracting the people they need.

- Almost 40 percent of the senior federal executives who left government service in 1985 said their frustrations with proposed and actual changes in compensation were of great or very great importance in their decisions.

- Only 17 percent of the honor society graduates surveyed by the Commission felt the federal government could compete in salary with the private sector.
The Director of Placement at the Massachusetts Institute of Technology said there could be little doubt why so few of MIT's students take government jobs, noting that for bachelor degree students in engineering, the discrepancy in starting salaries between government and the private sector is as much as $6,000.

Senior public servants have customarily been willing to moderate their salary expectations—a kind of "public service differential"—in return for challenging work, job security, and the opportunity to make a difference. However, according to the most recent salary data, the gap between what government and the private sector pays has grown far beyond the point where government can hope to recruit and retain qualified staff, even as the federal benefits package has become less attractive.

PAY AT THE TOP

Political appointees, judges, and members of Congress have never been paid as much as those in the private sector with comparable responsibilities, and most accept financial sacrifice as part of their public responsibility. Yet, even starting from these relatively lower levels, the senior positions in government continue to lose ground to inflation. Between 1969, when a special effort was made to bring top government salaries into a reasonable relationship with the private sector, and 1988, the purchasing power of executive, judicial, and legislative salaries fell by 35 percent.

"The current salary levels of our government threaten our ability to generate and attract the most talented, creative, and able individuals of our citizenry to governmental service. We must not continue to rely on a system that attracts to public service those who by family sacrifice or preexisting wealth harken to the call to contribute to the democratic good. We of course must have the idealistic, but we also need the experienced, the able, and the wise."

GRAFFIN BELL
U.S. Attorney General, 1988
The Commission believes the case for restoring this lost purchasing power is strong, particularly if linked to a reduction in the total number of political appointees in the executive branch and a renewed commitment to the highest standards of integrity and performance. The Commission recommends action to raise executive, judicial, and legislative salaries to 1969 levels of purchasing power.

The Commission recognizes that while such an increase may be relatively small in total dollars—$300 million in a budget of $1.16 trillion—it will still be perceived by the American people as excessive, especially if Congress does not act to prohibit such outside income as speaking honoraria. Not only does such income create lingering doubts about the need for an across-the-board increase, but it also undermines public trust in national institutions.

Therefore, just as judges and political appointees have fixed incomes, governed by strict rules against outside earnings, the Commission recommends that Congress adopt a clearly enforceable ban on speaking honoraria and other income related to their public responsibilities. If executive, judicial, and legislative salaries are to rise together or not at all, all three branches should be covered by the same rules on outside income and honoraria.

"Failure to raise the pay of members of Congress, the Judiciary and senior Administration officials is irresponsible. We will lose good members in Congress—the young members trying to raise a family, educate their kids and maintain two residences. We will lose good judges. We will lose good people who administer programs affecting the lives of millions of people. The quality of work performed by all three branches of government will suffer because we don’t have the guts to say what we’re worth."

REP. DAN Rostenkowski, 1989

The current pay-setting process for these salaries (the Quadrennial Commission) provides for pay adjustments only once every four years. This being the case, even catching up with inflation is seen as excessive by the public, particularly at a time of budget difficulties. For this reason, the Commission recommends that the needed restoration of purchasing power in
senior salaries be extended more evenly over time; e.g., 25 percent now and the balance by the beginning of a new Congress in 1991. Once purchasing power is restored to 1969 levels, the Commission recommends development of a process that will trigger needed increases in a more timely fashion.

These changes should help members of Congress explain the case for pay increases to their constituents. However, if Congress remains unable to act on its own salaries, even with limits on honoraria and a phased-in approach to compensation increases, the Commission recommends that the President make separate recommendations for judges and top-level senior executives along the lines proposed and that Congress promptly act upon these recommendations.

PAY IN THE SENIOR EXECUTIVE SERVICE

Failure to increase the top salaries in government also undermines the government's ability to recruit and retain the scientists, cancer researchers, computer engineers, and other senior career executives who manage the essential services of government. These men and women simply should not be asked to absorb further cuts from inflation. They have families to support, children to educate, and mortgages to meet—and, like political appointees and judges, are prohibited from earning outside income or speaking fees related to their employment. They, too, are on fixed incomes, capped by the salaries of political appointees just above.

Given the critical importance of these positions, the urgency of salary increases at the senior career level may be even more pressing than at the political level. Consequently, if for some reason there is delay in implementing salary increases at the political level, the Commission recommends prompt action by the President and Congress to raise the cap on the Senior Executive Service, even if this means that their pay in some instances could exceed that being received by the political appointees above them.

PAY IN THE GENERAL SCHEDULE

The case for a "public service differential" becomes increasingly weak further down into the civil service. Among the white-collar, nonpostal members of the civil service covered by the General Schedule pay system, financial sacrifice as a price of a government job is both difficult to absorb and to justify. More important, if government is to fill these key civil service jobs—whether at air traffic control, Social Security processing centers, or cancer research labs—with qualified employees, it must stay at or close to at least average levels of pay offered by other employers.

Unfortunately, after a decade of budget cuts and pay freezes, salaries of most federal employees are clearly lagging behind the private sector.
According to the most recent survey conducted by the Bureau of Labor Statistics, the gap, on average, nationwide is 22 percent. Whether or not that figure accurately captures the differential for particular jobs and areas, there is no doubt that the pay gap has become a disincentive in both recruiting and retaining a high-performance work force. Many young Americans feel they can no longer afford to take a government job, while many civil servants can no longer ignore the call of private pay. If this trend continues, the result could be mediocrity in carrying out the essential tasks of government.

The Commission believes the President and Congress must give a higher budget priority to civil service pay. It is important to recognize, however, that it is no longer appropriate or workable to use a national average to establish an appropriate level of pay. The world of work has changed too much to use such a broad approach. The pay rate for a government secretary working in Phoenix, for example, is much closer to that of the private sector than is the pay of a physician at the National Institutes of Health or an engineer at the Marshall Space Flight Center. Indeed, some wage surveys show that geographic differences can exceed 30 percent for similar jobs.

These locality and occupational differences seriously undermine the fairness of the current civil service pay process, especially when all federal employees receive the same pay whether they work in low-cost areas such as Kansas City or Norfolk, Virginia, or high-cost areas such as San Francisco or Boston. Thus, even if the President and Congress found the $13 billion needed to provide an immediate 22 percent raise across the board, many would still lag behind their counterparts in the private sector, while some would actually be ahead. That is neither fair to the civil service of government nor to the public it serves.

The Commission concludes that the current goal of national pay comparability is unworkable. It recommends instead a pay-setting system that recognizes the fact that public employees live and work in localities characterized by widely different living costs and labor market pressures, and adjusts compensation upward accordingly. Under such a system, federal employees would continue to receive the same base pay for the same job, but in large areas of the country many would also receive an allowance designed to compensate for higher living costs and labor competition. In addition, the Commission believes that the present ability to pay special pay rates for occupations where there are shortages or strong competitive pressure from the private sector should be extended and broadened.

MEETING THE COST OF PAY

The Commission recognizes that with the nonpostal, civilian federal payroll at $71 billion per year, any meaningful pay reforms will unavoid-
ably involve substantial sums. However, we believe the proposed approach is more efficient and equitable than an immediate across-the-board increase to close the gap based on a nationwide average. This is also why the Commission supports some phasing-in of the cost. The fundamental need is to begin building a more competitive pay system at all levels of government, and to act now to recognize the disparity in the current pay-setting process.

The Commission is of the view that these changes, including a substantial and prompt narrowing of the gap between public and private pay on a locality-by-locality basis, will create the opportunity for higher performance and productivity within the civil service. Thus, while urging that civil service pay be given a higher budget priority, the Commission believes that a substantial portion of the cost can and should be absorbed through existing personnel accounts, whether through targeted reductions in employment or the elimination of programs that no longer serve essential public need.

Agencies with increasing workloads and essential missions cannot be expected to absorb all of the cost. They must be protected from across-the-board cuts that might undermine vital missions, but all can improve productivity. Toward this end, the Commission encourages the President and Congress to use their respective budget and oversight authorities to monitor closely progress toward improving standards of employee performance, while eliminating duplication of services and unnecessary layers of government through restructuring both within and across departments and agencies. Not only would such restructuring create significant budgetary savings, but it would also produce more challenging jobs for the future.

GOAL TWELVE:

STRENGTHEN THE GOVERNMENT'S PERSONNEL AGENCY

Building a culture of performance involves day-to-day leadership and guidance from the government’s chief personnel agency. Just as the President must articulate the important role that civil servants play in government, the Office of Personnel Management must translate the broad message into specific policies for successful human resource management.

Unfortunately, there has been a sense that OPM may have become more of an obstacle to effective personnel management than a leader. When the government’s 1,300 department and agency personnel officers were recently asked by GAO what barriers greatly hindered their agency’s ability to hire the people it needed in a reasonable amount of time, over 40 percent said they were frustrated by OPM’s lack of a clear recruiting strategy.
for attracting talented potential employees, half pointed to OPM's cumbersome rules and regulations, and two-thirds cited the length of time required to complete the application process.

The OPM is undoubtedly often blamed for problems beyond its control. Its mission would stretch the capabilities of the strongest agency. Its clientele is huge, and its staff and funding limited. Most important, it continues to be encumbered by operating responsibilities that limit its ability to set policy; not only does OPM operate an extensive federal training program, but it must also approve countless personnel decisions that could easily be decentralized to the departments and agencies.

Moreover, turnover at the top of the agency has been excessive, budget cuts have been deep, and career morale has fallen. Indeed, according to a 1988 GAO survey of OPM's own senior staff, 44 percent said morale in their unit was low or very low, two-thirds said turnover of experienced staff had affected their unit's ability to accomplish its goals, and a significant number indicated problems communicating with the presidential appointees at the top of the agency.

The OPM was created in 1978 to provide efficient, responsive personnel leadership on behalf of the President. Although OPM has never fully realized this potential, the need for such an agency remains. The Commission is encouraged by steps taken by the most recent Director to strengthen its effectiveness. The Commission believes that the President and Congress should take additional steps to restructure OPM, first by strengthening its technical expertise, then by decentralizing unnecessary operating responsibilities and revitalizing its staff. Toward this end, the Commission makes the following recommendations:

First, the President should highlight the important role of OPM by sustained contact with its Director and by ensuring participation by the Director in cabinet-level discussions on human resource management issues. The Commission further recommends that OPM's current operating responsibilities—e.g., specialized training and approval of routine personnel decisions—should be decentralized to the federal departments and agencies, thereby allowing it to concentrate on five major duties: (1) providing policy guidance on personnel standards and practices, (2) overseeing implementation of those standards and practices by departments and agencies, (3) providing technical support for departments and agencies that need help, (4) undertaking research on ways to enhance government productivity and performance, and (5) anticipating future trends in the government work force.

Second, the number of politically appointed managers inside OPM should be significantly reduced. By its example, OPM would send
a powerful signal to other agencies about the need for partnership between presidential and career executives, and on the importance of room at the top for both.

GOAL THIRTEEN:

INCREASE GOVERNMENT PRODUCTIVITY

Federal productivity can and must improve. Because the federal work force is unlikely to grow in coming years, as the budget pressure remains intense, the federal government will have to do even more with less.

If productivity is to rise—and the American public deserves no less—two obstacles must be addressed. First, as noted by the Commission’s Task Force on Recruitment and Retention, the performance appraisal process itself must be strengthened. Seventy percent of the senior executives at the Internal Revenue Service recently said their bonus system did not provide an incentive to meet job objectives, 69 percent said the system is not administered fairly, and 76 percent said there was no direct linkage between their performance and the likelihood of receiving a bonus. Similar perceptions appear to exist across government.

"The lack of measurable goals and objectives makes it difficult to know whether important programs and initiatives are succeeding. Lack of a consensus on how to judge success tends to exacerbate political differences. Rather than focusing on ways to improve the situation, too much effort is spent defining, defending, or attacking positions."

GENERAL ACCOUNTING OFFICE, The Public Service, a Report to Congress, 1988

Second, there must be greater technical support and guidance from OPM. Some of the current performance appraisal systems are so complicated and time-consuming that federal departments and agencies simply cannot comply with their requirements. Indeed, 57 percent of the federal personnel officers interviewed by GAO in 1987 said they have trouble developing clear, measurable, and objective performance standards, while 54 percent say the process is too cumbersome and time-consuming.
What appears to be needed most for motivating higher productivity is a consistent, understandable performance recognition system, and technical support from the government's chief personnel agency. Toward these ends, the Commission makes the following recommendations:

First, in conjunction with the pay increases recommended above, the number of senior executives currently eligible for annual bonuses should be reduced by half to ensure that performance bonuses are only used as bonuses, not as hidden salary increases, and to concentrate scarce budget resources on the highest performers. It is critical to remember that both the bonus system and adequate pay must send the same message—that performance matters.

Second, OPM must take a stronger leadership role in providing assistance to departments and agencies on performance appraisal and productivity improvement. There is ample evidence that agencies want the help. Such measures would improve both presidential and congressional oversight by creating meaningful targets for government performance.

Third, OPM should continue past experiments with "gain-sharing" in agencies. Such experiments allow agencies, employees, and the taxpayer to split the savings that accrue from higher performance and productivity. In continuing these experiments, labor and management must work together to develop a fair public test of this private-sector concept.

This effort to increase government productivity can be extended through further government experiments in collective bargaining. The Commission believes that such experiments can be designed to harness a spirit of cooperation between labor and management in improving government performance, thereby avoiding the confrontational practices which have characterized some private-sector union-management relationships.

**GOAL FOURTEEN:**

**Provide the Training to Succeed**

In any given year, roughly 60,000 to 70,000 white-collar employees join the federal civil service. What is most surprising, according to the Commission's Task Force on Education and Training, is how few of these employees had specific training to be government executives. Most were hired because of specific skills, not because they were generalist managers. Only
808, or 2.7 percent, of the new professional employees hired in 1987 had
degrees in public administration or political science, while 23 percent had
degrees in engineering and 24 percent in business and accounting.

Not only will most of these new employees need training if they are
to move into management positions, but even the relatively small number
who enter with appropriate preparation must be given the skills to keep
up with a rapidly changing world. As such, training is best viewed as a long-
run investment in effective government.

Yet, most federal training is short-term in its focus, duration, and
effects. Consider the following conclusions presented by the Commission’s
Task Force on Education and Training:

• The recent increase in training activity in government appears to
  have been achieved by reducing the length of programs, eliminat-
ing most long-term courses, and spreading the limited dollars so thinly
that the effects are of limited value.

• The government spends about three-quarters of 1 percent of its pay-
  roll dollars on civilian training, compared with 3 to 5 percent in
the most effective private firms.

• With a few exceptions, most federal training is voluntary, individu-
  ally focused, and job-specific and bears little discernible relation to
major agency objectives and missions. Nor is training tied to any
performance goals, leaving agencies unable to justify costs in an era
of tight budgets.

In addition, according to the Commission’s Task Force on Recruiting
and Retention, federal training is suffering from an identity crisis.
Agencies are not sure what they should train for (short-term or long-term),
who should get the lion’s share of resources (entry level or senior level),
when employees need additional education (once a year or more often),
and whether mid-career education is of value.

Although the federal government does a reasonably good job of dealing
with specific training needs, such as helping employees learn how to
use personal computers, its executive development programs are weak.
Career paths are poorly designed, executive succession is accidental and
unplanned, and real-time training for pressured managers is virtually nonex-
istent. At both the career and presidential level, training is all-too-often
ad hoc and self-initiated.

The Commission believes that training must receive a higher priority in coming years, both to ensure that talented public servants are al-
lowed to grow and to address the changing public agenda. This means an
aggressive training program aimed at all levels of the work force. In pursuit
of this goal, the Commission makes the following recommendations:
First, OPM and the nation’s schools of public affairs should work together to define the skills needed by today’s public executives. If the public sector is to continue its movement toward “third-party government,” for example, where public managers are increasingly contract managers using private or nonprofit delivery mechanisms, training regimens for senior executives must change. In addition, to recognize the importance of management as a distinctive skill, the President should create a separate track within the Senior Executive Service for generalist managers.

Second, OPM should help departments and agencies design clear career paths for advancement to senior executive positions, and provide guidance on the kinds of executive development curricula and succession planning appropriate to future success. Unlike the private sector, where managers are groomed for succession upward through careful advancement and education, career public servants often become managers more by fiat and automatic promotion than by experience and skills. In addition, OPM should encourage management training for government specialists—for example, scientists and engineers—before they enter supervisory or executive positions.

Third, as part of the overall decentralization of responsibility recommended by the Commission, OPM should encourage departments and agencies to develop their own programs, to contract for training with other comparable government agencies, or to look outside government for the training needed for their specialized missions. In short, OPM should get out of the specialized training business, allowing departments and agencies to take more responsibility for their own training programs.

Fourth, schools of public affairs should enrich their teaching through a greater appreciation of the role of practical experience. Toward this end, the National Association of Schools of Public Affairs and Administration and its representatives should work toward the establishment of a Public Service Fellows Program, modeled on the prestigious White House, Congressional, and Judicial Fellows programs, designed to bring teachers of public affairs into government for a year of hands-on experience at the federal and state levels.

GOAL FIFTEEN:

**IMPROVE THE GOVERNMENT WORK PLACE**

Few things detract more from an employee's desire to achieve than coming to work in a cramped office in a dangerous building in an unsafe
neighborhood. Yet this is what happens when government devotes only passing attention to violations of safety regulations that would not be tolerated in the private sector.

Few things undercut motivation more than coming to work in an organization that tolerates sexual harassment. Yet according to a 1988 Merit Systems Protection Board survey, this is what 42 percent of women employees say they faced at work last year, at a cost of $130 million a year in sick leave, absenteeism, and turnover.

Few things reduce commitment more than yet another struggle with the suffocating bureaucracy within an agency. Yet this is precisely what happens when the nation’s workers are engulfed in the mass of red-tape that government imposes on itself. No one wants to reduce bureaucracy more than America’s public servants themselves.

"We need a renewed commitment to provide Federal workers with the tools to accomplish their tasks.... Further, we need to provide workers with modern, quality facilities that are located convenient to mass transportation. The work place should be comfortable, include amenities such as access to child development facilities and gyms, and generally compare favorably with first-class office spaces provided by private-sector employers."

TERENCE GOLDEN
Director, General Services Administration, 1988

Finally, few things undermine dedication more than seeing fraud, waste, or abuse, and being scared to report it. In the most recent Merit Systems Protection Board survey on the issue, of the 25 percent of federal employees who saw an instance of such abuse in their agencies, 7 out of 10 did not report it.

The Commission believes that changes in government working conditions can be as important for recruitment and retention as a challenging job and decent pay. Therefore, the Commission encourages the President and Congress to consider ways of improving government working conditions, including initiatives on the growing problems of “electronic sweatshops,” on further government-wide campaigns to eliminate sexual harassment in the work place, and on ways to protect those who “blow the whistle”
on fraud, waste, and abuse in government. Improving the conditions of work is essential to improving service to the public.

Government must also become more user-friendly. All too often, the public dreads the thought of making contact with government. Images of dreary buildings, endless lines, hassled officials, and strictly enforced office hours even haunt public servants themselves.

If government is to be for the people, it must go where the people are. Government must go to the shopping malls and the branch libraries, even if that means occasionally contracting out to "franchisees" who deliver services. Instead of making the people fit government schedules and government locales, government must fit the people's schedule and needs. Government must abandon the old notion of a Monday to Friday government and 9 to 5 business hours. That is part of improving the conditions of government work for all Americans, government employees as well as the public they serve.
Looking Ahead

If government is to be both responsive to the people's will, and capable of meeting the challenges of the twenty-first century, it must have a public service of talent, of commitment, of dedication to the highest ethical standards. A strong cadre of skilled and committed men and women, working in a partnership of trust with able political leaders, must provide the essential underpinning for the great American venture of self government.

"The government of the United States is the largest and most difficult task undertaken by the American people, and at the same time the most important and the noblest. Our Government does more for more men, women, and children than any other institution; it employs more persons in work than any other employer. It covers a wider range of aims and activities than any other enterprise; it sustains the frame of our national and our community life, our economic system, our individual rights and liberties."

The President's Committee on Administrative Management (The Brownlow Committee), 1937

This report is dedicated to that purpose. It sets out a broad agenda for action. It includes specific proposals to encourage the strong leadership,
the able talent, and the high performance required to meet the needs of
the future. The nation should demand no less.

At the same time, the members of the Commission are convinced
that this report, or any report, can be no more than a beginning—a step
in a process. What we need—and need urgently—is both national debate
and concrete steps.

We are convinced that sustained attention by the President and the
Congress will be required.

We will call upon the nation’s educational and other public institu-
tions to support the needed effort.

And, not least, we remind the public servants themselves that pub-
lic trust and support will, in the end, depend upon their own ability to
perform and maintain high standards.
Listing of the Recommendations

I. Leadership for Governance

GOAL ONE:

REBUILD THE PUBLIC'S TRUST

1. Presidents, their chief lieutenants and Congress must articulate early and often the necessary and honorable role that public servants play in the democratic process, while at the same time making clear that they will demand the highest performance from those who hold the public trust (page 13).

2. Presidents must set the highest standards of ethical conduct for those who hold the public trust, and act quickly and firmly to remove those who violate that trust. Members of Congress and their staffs should be covered by similar standards. Codes of conduct to convey such standards should be simple and straightforward, and should focus on the affirmative values that must guide public servants in the exercise of their responsibilities (page 14).

3. The President and Congress should establish an independent advisory council, composed of members from the public and private sectors, to monitor the ongoing state of the career public service and make a bi-annual report to the President. In turn, the President should forward the report to Congress with his own comments and responses, including any recommendations for change that he may have (page 14).
GOAL TWO:

IMPROVE THE PRESIDENTIAL APPOINTMENTS PROCESS

1. The White House Office of Presidential Personnel should be given the resources and mandate to perform as an active recruiting agency for the President. To assist in this process, the President should direct the Office to develop qualification statements for all top positions, and make appointments based on those merits (page 15).

2. The financial disclosure process, while a key protection against conflicts of interest, should be streamlined to ease the burdens on potential appointees. The Commission encourages Congress to consider legislation to limit the tax penalties of divestiture for those who accept presidential appointments (page 16).

3. At the end of their service, presidential appointees should be granted up to three months of severance pay with full benefits as a bridge to outside employment (page 16).

GOAL THREE:

MAKE MORE ROOM NEAR THE TOP FOR CAREER EXECUTIVES

1. The growth in recent years in the number of presidential appointees, whether those subject to Senate confirmation, noncareer senior executives, or personal and confidential assistants, should be curtailed. Although a reduction in the total number of presidential appointees must be based on a position-by-position assessment, the Commission is confident that a substantial cut is possible, and believes that a cut from the current 3,000 to no more than 2,000 is a reasonable target (page 18).

2. The President should more frequently consider career officials for sub-cabinet appointments, taking advantage of a prime source of professionalism and experience to his or her Administration (page 18).

3. The President and Congress should set a lower limit on the number of noncareer senior executives allowed within a particular department or agency. Current law permits up to 25 percent of an agency's senior executives to be noncareer appointees, thereby crowding out opportunities for career officers (page 19).

GOAL FOUR:

DECENTRALIZE GOVERNMENT MANAGEMENT

1. Provided they receive appropriate program guidance from the President and oversight from Congress, cabinet officers and agency heads should be given greater flexi-
bility to administer their organizations, including greater freedom to hire and fire personnel (page 20).

2. In decentralizing administrative authority and flexibility, the President and Congress must ensure that senior managers receive the executive training to exercise their responsibilities effectively (page 20).

GOAL FIVE:

STRENGTHEN THE PRESIDENTIAL/CAREER PARTNERSHIP

1. All presidential appointees must receive adequate orientation to office. Such orientation should be provided during the hiatus between nomination and confirmation, focusing on the substantive policy and administrative responsibilities each appointee faces, the ethical conduct expected of a public official, and the positive role that career officers can play (page 21).

2. Cabinet secretaries and agency heads should be given greater opportunity to participate in the choice of their sub-cabinet officers, particularly where the Office of Presidential Personnel and a cabinet secretary disagree on a specific appointee (page 22).

II. Enriching the Talent Pool

GOAL SIX:

REBUILD STUDENT INTEREST

1. The nation must elevate the importance of civic education as a part of social studies and history in the nation's primary and secondary school curricula (page 25).

2. America's communities should increase the opportunity for young people to practice their citizenship skills. The Commission urges local businesses, nonprofit organizations, civic groups, and governments to work together in sponsoring more of the citizenship activities that students deserve (page 25).

3. America should take advantage of the natural idealism of young people by expanding and encouraging national volunteer service, whether through existing programs like ACTION, the Peace Corps, and VISTA, or experiments with initiatives like President Bush's Youth Engaged in Service (YES) and some of the ideas contained in the Democratic Leadership Council's citizen corps proposal (page 26).
GOAL SEVEN:

RECRUIT THE VERY BEST GRADUATES

1. The President and Congress should establish a Presidential Public Service Scholarship Program targeted to 1,000 college or college-bound students each year (page 27).

2. The President and Congress should expand and strengthen the government’s current programs for recruiting college graduates into public careers. Specifically, the Presidential Management Internship program should be expanded from 400 positions per year to 1,000 (page 27).

GOAL EIGHT:

OPEN NEW CHANNELS OF COMMUNICATION

1. The government’s executives, both senior and mid-level, political and career, should serve as ambassadors of the public service on America’s college campuses (page 28).

2. To describe and celebrate public careers, government should open new channels of communication with America’s college students—at job fairs, and through electronic bulletin boards, computer software, and/or video cassettes (page 28).

3. The OPM should establish a unified federal job bank to help students find openings in the public sector, accessible for student “browsing” through 800-line personal computer hook-ups (page 28).

GOAL NINE:

SIMPLIFY THE RECRUITING PROCESS

1. The OPM should continue to deregulate the hiring process by giving departments and agencies broad, but conditional, authority to set their own rules, as well as through aggressive use and expansion of existing authority to experiment, and continued use of advisory and clearing-house mechanisms to share information across government (page 29).

2. The OPM should experiment with a variety of new recruitment incentives for hard-to-recruit professions—for example, more flexible compensation systems that address the costs of starting a new job (page 29).

3. The OPM should continue its experiments with on-the-spot hiring of both undergraduate and graduate students to minimize paperwork and delay (page 29).
GOAL TEN:
INCREASE THE REPRESENTATION OF MINORITIES

1. America’s educators and community leaders must help more minority students stay in school through high school and college to help build the talent pool. The Commission recommends that government provide needed training, including high school course work, for blacks and Hispanics upon entry into their government careers (page 30).

2. America’s graduate schools of public affairs should reach across traditional academic boundaries to interest minority students in public life through cooperative relationships with historically black and Hispanic colleges and universities (page 30).

III. A Culture of Performance

GOAL ELEVEN:
PROVIDE COMPETITIVE PAY AND DEMAND COMPETITIVE PERFORMANCE

PAY AT THE TOP

1. The Commission recommends action to raise executive, judicial, and legislative salaries to 1969 levels of purchasing power (page 36).

2. It recommends further that the needed restoration of purchasing power in senior salaries be extended more evenly over time; e.g., 25 percent now and the balance by the beginning of a new Congress in 1991 (page 36).

3. To build public support for such an increase, the Commission recommends that Congress adopt a clearly enforceable ban on speaking honoraria and other income related to their public responsibilities (page 36).

4. Once purchasing power is restored to 1969 levels, the Commission recommends development of a process that will trigger needed increases in a more timely fashion (page 37).

5. If Congress is still unable to act on its own salaries, the Commission recommends that the President make separate recommendations for judges and top-level senior executives along the lines proposed and that the Congress act promptly upon these recommendations (page 37).

PAY IN THE SENIOR EXECUTIVE SERVICE

6. If for some reason there is delay in implementing salary increases at the political level, the Commission recommends prompt action by the President and Congress to raise the
cap on the Senior Executive Service, even if this means that their pay in some is could exceed that being received by the political appointees above them (pa

PAY IN THE GENERAL SCHEDULE

7. The President and Congress must give a higher budget priority to civil servi The Commission recommends a new pay-setting system that recognizes the fo public employees live and work in localities characterized by widely different costs and labor market pressures, and adjusts compensation upward accor (page 38).

MEETING THE COST OF PAY

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INCREASE GOVERNMENT PRODUCTIVITY

1. In conjunction with the pay increases recommended above, the number of senior executives currently eligible for annual bonuses should be reduced by half to ensure that performance bonuses are only used as bonuses, not as hidden salary increases, and to concentrate scarce budget resources on the highest performers (page 42).

2. The OPM must take a stronger leadership role in providing assistance to departments and agencies on performance appraisal and productivity improvement (page 42).

3. The OPM should continue past experiments with “gain-sharing” in agencies (page 42).

GOAL FOURTEEN:
PROVIDE THE TRAINING TO SUCCEED

1. The OPM and the nation’s schools of public affairs should work together to define the skills needed by today’s public executives. In addition, to recognize the importance of management as a distinctive skill, the President should create a separate track within the Senior Executive Service for generalist managers (page 44).

2. The OPM should help departments and agencies design clear career paths for advancement to senior executive positions, and provide guidance on the kinds of executive development curricula and succession planning appropriate to future success (page 44).

3. As part of the overall decentralization of responsibility recommended by the Commission, OPM should encourage departments and agencies to develop their own programs, to contract with other comparable agencies, or to look outside government for the training needed for their specialized missions (page 44).

4. Schools of public affairs should enrich their teaching through a greater appreciation of the role of practical experience. Toward this end, the National Association of Schools of Public Affairs and Administration and its representatives should work toward the establishment of a Public Service Fellows Program, modelled on the prestigious White House, Congressional, and Judicial Fellows programs, designed to bring teachers of public affairs into government for a year of hands-on experience at the federal and state levels (page 44).

GOAL FIFTEEN:
IMPROVE THE GOVERNMENT WORK PLACE

1. The Commission makes no formal recommendations in this regard, but notes the importance of working conditions to the ultimate quality and performance of government (page 45).
Biographies of Commission Members

Anne Armstrong is Chairman of the President's Foreign Intelligence Advisory Board. She has a long history of public service, including serving as Counsellor to Presidents Nixon and Ford, a member of Cabinet and Ambassador to Great Britain. She is a Director of General Motors, American Express, Boise Cascade, and Halliburton. She is also Chairman of the Board of the Center for Strategic and International Studies and a Regent of the Smithsonian. Ms. Armstrong graduated Phi Beta Kappa from Vassar College.

Derek Bok is President of Harvard University. He has also served as Dean and Professor of Law at Harvard Law School. He is currently a member, fellow, or on the Board of Directors of the Institute of Medicine, the American Philosophical Society, the American Academy of Arts and Sciences, the National Association of Independent Colleges and Universities, and the Business-Higher Education Forum Human Capital Task Force. Mr. Bok received an A.B. from Stanford University, a J.D. from Harvard Law School, and an A.M. in economics from George Washington University. He was also a Fulbright Scholar in the Institute of Political Science at the University of Paris.

John Brademas is President of New York University. He served as United States Representative in Congress from Indiana for 22 years. He serves on the Boards of Directors of Columbia Pictures Entertainment, Inc., Loews, Scholastic, Inc., Texaco, Inc., Alexander S. Onassis Public Benefit Foundation, Rockefeller Foundation, Wheatland Foundation, and the American Council for the Arts and the
University of Notre Dame. He is Chairman of the New York State Council on Fiscal and Economic Priorities; member, Carnegie Commission on Science, Technology and Government; and member, the Consultant Panel of the Comptroller General of the United States. Dr. Brademas graduated with a B.A., magna cum laude, from Harvard University. He studied as a Rhodes Scholar at Oxford University, from which he received a Ph.D. in Social Studies in 1954.

James E. Burke has been Chairman of the Board and Chief Executive Officer of Johnson & Johnson since 1976. Active in civic affairs, Mr. Burke among other things is a member of the President's Commission on Executive Exchange, the Advisory Committee for Trade Negotiations, and the Board of Directors of the United Negro College Fund and Vice Chairman of the Corporate Fund of the John F. Kennedy Center for Performing Arts. He serves on the Boards of Directors of the International Business Machines Corporation and Prudential Insurance Company and is a member of the Planning and Policy Committees and Chairman of the Human Resource Task Force of the Business Roundtable. He is also a member of the Business Council. Mr. Burke graduated from Holy Cross College in 1947 and received an M.B.A. from Harvard Business School in 1949.

Yvonne Brathwaite Burke is a partner in the law firm of Jones, Day, Reavis & Pogue. She also currently serves as a member of the Board of Regents of the University of California, the Board of Trustees of the Amateur Athletic Foundation (formerly the Los Angeles Olympic Organizing Committee), the Board of Trustees for The Ford Foundation, and the Educational Testing Service. She was elected by the Board of Governors as Director of the Los Angeles Branch of the Federal Reserve Bank of San Francisco. She served six years as California Assemblywoman and six years in the U.S. House of Representatives. Mrs. Burke received a B.A. degree in political science from the University of California at Los Angeles and a J.D. degree from the University of Southern California School of Law.

Dr. Robert A. Charpie served as Chief Executive Officer of Cabot Corporation from 1969 to 1988. He is now a Special Partner of Ampersand Ventures. He serves on the Board of Directors of Champion International Corporations, Northwest Airlines, Inc., and Ashland Coal, Inc. He is a Trustee of Carnegie-Mellon University and a member of the Massachusetts Institute of Technology Corporation. He is a member of the National Academy of Engineering and a Fellow of the American Physical Society, the American Nuclear Society, and the American Academy of Arts and Sciences. He has served on the National Science Board, the Commerce Technical Advisory Board, and a variety of panels of the National Academy of Engineering and the National Research Council. Dr. Charpie, a graduate of Carnegie Institute of Technology, received a B.S. in 1948, an M.S. in 1949, and a D.Sc. in Theoretical Physics in 1950.

William T. Coleman, Jr., is senior partner in the law firm of O'Melveny & Meyers. He served as Secretary of the U.S. Department of Transportation in the Ford Administration and has served in advisory or consultant positions to five other Presidents. Mr. Coleman is a graduate of the University of Pennsylvania and the Harvard Law School.
Richard A. Debs is Chairman of R.A. Debs & Co., an advisory firm founded following his retirement as President of Morgan Stanley International Incorporated in 1987. He became President in 1976, after having been First Vice President and Chief Administrative Officer of the Federal Reserve Bank of New York, where he served for 16 years. He is a Director or Trustee of several corporate and non-profit boards. He received a B.A., summa cum laude, from Colgate, an M.A. and Ph.D. from Princeton, and an LL.B. from Harvard Law School and is a graduate of the A.M.P. program at the Harvard Business School.

James L. Ferguson is Chairman of the Executive Committee of General Foods Corporation. He has been Chairman and Chief Executive Officer of General Foods Corporation as well as past Chairman of Council for Aid to Education, a member of the Business Roundtable, the Business Council, International Councillor, Center for Strategic and International Studies and a member of the Council on Foreign Relations. Mr. Ferguson received an A.B. from Hamilton College and an M.B.A. from the Harvard Business School.

Gerald R. Ford served as President of the United States from 1974 to 1977. He is currently a member, Trustee, or on the Board of Directors of several national firms, associations, and councils. Prior to becoming President, he represented Michigan in the U.S. House of Representatives for 25 years. President Ford graduated from the University of Michigan and went on to Yale to earn a degree in law. He has received Honorary Doctor of Law Degrees from 27 colleges and universities.

Douglas A. Fraser is a Professor of Labor Studies at Wayne State University. He is a past President of the United Auto Workers. He served on many governmental commissions, including the Arms Control and Disarmament Advisory Committee from 1978–81.

John W. Gardner is involved in a five-year program of leadership studies under the sponsorship of Independent Sector. He served as Secretary of Health, Education, and Welfare from 1965 to 1968. He has been Chairman of the National Urban Coalition and he founded Common Cause in 1970. He is the author of Self Renewal (Rev. Ed. 1981) and Excellence (Rev. Ed. 1984) and was the editor of President Kennedy's book, To Turn the Tide.

General Andrew J. Goodpaster, U.S. Army (Ret.) is a former NATO Supreme Commander in Europe and Superintendent of the U.S. Military Academy at West Point. He served as White House Staff Secretary under President Eisenhower and as Assistant to the Chairman of the Joint Chiefs of Staff, in addition to a wide range of military command and staff assignments. A 1939 graduate of West Point, he later received an M.A., an M.S.E. and a Ph.D. in International Relations from Princeton University.

Walter A. Haas, Jr., is Honorary Chairman of the Board of Levi Strauss & Co. He is a former member of the Executive Committee and past Regional Chairman for the National Alliance of Businessmen. He was a member of the Trilateral Commission and the Presidential Task Force on International Development. He co-chaired the Business Steering Committee for the National Cambodia Crisis Com-
mittee and was a member of the Citizens Commission on Private Philanthropy. Mr. Haas is a 1937 graduate of the University of California, Berkeley, and received an M.B.A. from Harvard Business School in 1939.

Rev. Theodore M. Hesburgh, C.S.C., is President Emeritus of the University of Notre Dame. He has served 6 Presidents on 12 Presidential Commissions and has been Chairman of the Commission on Civil Rights as well as the Select Commission for Immigration and Refugee Reform. President Carter named him Ambassador for the U.N. Conference on Science and Technology for Development. Father Hesburgh studied philosophy at the Gregorian University in Rome and theology there and at the Catholic University of America, where he received the doctor's degree in 1945.

Vernon E. Jordan, Jr. is a partner in the law firm of Akin, Gump, Strauss, Hauer and Feld. His public service career includes serving as President of the National Urban League, Inc., Executive Director of the United Negro College Fund, and Director of the Voter Education Project, Southern Regional Council. Mr. Jordan received a B.A. degree from DePauw University and a J.D. from Howard University Law School, and was a Fellow in the Institute of Politics at the John F. Kennedy School of Government, Harvard University.

Donald Kennedy is President of Stanford University. He has been a senior consultant to the Office of Science and Technology Policy, Executive Office of the President, Commissioner of the United States Food and Drug Administration, and a founding director of Health Effects Institute and of Clean Sites, Inc. He is a member of the California Commission on Campaign Financing and the Carnegie Commission on Science, Technology and Government. Mr. Kennedy received a Ph.D in Biology from Harvard in 1956.

Leonard H. Marks is Chairman of the Executive Committee of the Foreign Policy Association. Mr. Marks was formerly Director of the USIA and has served as Ambassador to the International Telecommunications Union. He has also served as Chairman of the Reform Observation Panel for UNESCO and is currently Chairman of the Advisory Committee on International Communications and Information Policy at the Department of State. Mr. Marks received a B.A. and LL.B. from the University of Pittsburgh. He was a member of the faculty at the University of Pittsburgh Law School and at the National University Law School of Washington, D.C.

Charles McC. Mathias, Jr., is a partner in the international law firm of Jones, Day, Reavis & Pogue. He is also the Milton S. Eisenhower Distinguished Visiting Professor of Public Policy at Johns Hopkins University. He served as U.S. Senator from Maryland from 1969 to 1987. During his last Senate term, Sen. Mathias was Chairman of the International Economic Policy Subcommittee of the Senate Foreign Relations Committee, of the Rules and Administration Committee, and of the Subcommittee on Patents, Copyrights, and Trademarks of the Judiciary Committee. Sen. Mathias attended Yale University and received a B.A. degree from Haverford College and a law degree from the University of Maryland Law School.

Robert S. McNamara is the former Secretary of Defense (under Presidents Kennedy and Johnson) and the former President of the World Bank, having retired in June.
1981. In addition, Mr. McNamara has served in the United States Army, taught as a Professor at Harvard University, and served as an executive, and ultimately President, of the Ford Motor Company. Mr. McNamara graduated from the University of California, where he was elected to Phi Beta Kappa, and received an M.B.A. degree from the Harvard Graduate School of Business Administration.

G. G. Michelson is Senior Vice President of External Affairs for R.H. Macy & Co., Inc. She served on the National Manpower Commission, New York Financial Control Board, and the Mayor’s Committee on Appointments. Mrs. Michelson is a graduate of Pennsylvania State University and recipient of an LL.B. from Columbia Law School.

Walter F. Mondale is a partner at the law firm of Dorsey and Whitney in Minneapolis. He was the Democratic Nominee for President in 1984. He served as Vice President of the United States with President Carter from 1977 to 1981 and as Senator from Minnesota from 1964 to 1976. He chairs the National Democratic Institute. Mr. Mondale graduated from the University of Minnesota Law School in 1956.

Edmund Sixtus Muskie is a senior partner with Chadbourne & Parke, an international law firm. He served in the United States Senate for 22 years and as Secretary of State under President Carter. Prior to his election to the Senate he served as Governor of Maine. He is the Chairman of the Institute for the Study of Diplomacy at Georgetown University and Chairman of the Center for National Policy. He serves on the Board of Directors of the American Academy of Diplomacy and the Committee for a Responsible Federal Budget. Mr. Muskie graduated cum laude from Bates College, where he was a Phi Beta Kappa, and from the Cornell University Law School.

Nancy M. Neuman is President of the League of Women Voters. She was recently appointed to the Judicial Review and Inquiry Board of Pennsylvania. She has served on a number of Boards of Directors, including the Pennsylvania Housing Finance Agency, Federal Home Loan Bank of Pittsburgh, and Disciplinary Board of the Supreme Court of Pennsylvania. Ms. Neuman received a B.A. from Pomona College and an M.A. from the University of California at Berkeley.

Paul H. O'Neill is Chairman and Chief Executive Officer of the Aluminum Company of America, Pittsburgh. Mr. O'Neill's career includes 16 years of public service that began in 1961 with the Veterans Administration and concluded in 1977 at the Office of Management and Budget, where in 1974 he was appointed Deputy Director. He has spent the past 12 years in the private sector. He serves as a Director or Trustee of numerous organizations involved in governmental, educational, business, health care, and charitable affairs. Mr. O'Neill received a B.A. degree in economics from Fresno State College and a masters degree in public administration from Indiana University. He also participated in graduate studies at Claremont Graduate School and George Washington University.

Norman J. Ornstein is a Resident Scholar at the American Enterprise Institute for Public Policy Research; political contributor to the MacNeil/Lehrer NewsHour; and election analyst for CBS News. In addition, Dr. Ornstein is co-director, with
Andrew Kohut, President of the Gallup Organization, of The People, Press & Politics, a Times-Mirror Company study of the American electorate. He is one of the founders of the National Commission on the Public Service and serves on its Board of Directors. Dr. Ornstein received a B.A., magna cum laude, from the University of Minnesota, and an M.A. and Ph.D. from the University of Michigan.

Elliot L. Richardson is a senior partner in the Washington office of Milbank, Tweed, Hadley & McCloy. His extensive public service career includes serving as Secretary of Commerce, Secretary of Defense, Secretary of Health, Education, and Welfare, and Attorney General of the United States. A founder and Director of the National Commission on the Public Service, his other activities include the United Nations Association of the USA, the Council on Ocean Law, the Citizens Network for Foreign Affairs, and the Inter-American Dialogue. Mr. Richardson received an A.B. from Harvard College and an LL.B. from Harvard Law School.

Charles S. Robb is a U.S. Senator from Virginia and served previously as Governor of Virginia. His extensive public service record includes chairing the Southern Governors' Association, the Democratic Governors' Association, the Education Commission on the States, the Democratic Leadership Council, the Twentieth Century Fund's Task Force on the Senior Executive Service, and Jobs for America's Graduates, Inc.; co-chairing the Committee on Federalism and the National Purpose; and serving as President of the Council of State Governments. Senator Robb received a B.B.A. from the University of Wisconsin and a law degree from the University of Virginia.

Donald Rumsfeld is an Advisor to Mason Best Company, a merchant banking firm, and a Senior Advisor to William Blair & Co. He is a member of the Boards of Directors of Kellogg Co. and Sears, Roebuck & Co. A former four-term Congressman, he served as U.S. Ambassador to NATO, White House Chief of Staff, Secretary of Defense, and Presidential Envoy for the Middle East. He also served as Chief Executive Officer of G.D. Searle & Co. He currently is Chairman of the Eisenhower Exchange Program. Mr. Rumsfeld received a B.A. from Princeton University.

J. Robert Schaezler is President of the American Council for Jean Monnet Studies, Inc. and of the Council on U.S. International Trade Policy, as well as being a writer and consultant. He was a career officer in the federal government. He has served in the Budget Bureau, the State Department, and as Ambassador to the European Community. Mr. Schaezler received a B.A. and LL.B. from Pomona College and did graduate work at the University of Mexico and Harvard University.

Donna E. Shalala is the first woman to serve as Chancellor of the University of Wisconsin-Madison, the nation's fourth-largest university. In her first year at her post, she and colleagues have launched the Madison Plan, an ambitious agenda for strengthening opportunities for women and minorities at the university. She spent two years in the Peace Corps in Iran, teaching English and working in community development and, while a professor at Columbia University, served as Director and Treasurer of the Municipal Assistance Corporation for the City of New York. She is Vice President of the Children's Defense Fund and, as a trustee of the Committee for Economic Development, was Vice Chair of the committee.
that, in late 1987, issued the report "Children In Need: Investment Strategies for the Educationally Disadvantaged." Dr. Shalala received a B.A. from Western College for Women and a Ph.D. from Syracuse University, and has been awarded more than a dozen honorary degrees.

Rocco C. Siciliano is retired Chairman and Chief Executive of Ticor, a national concern in the field of financial services. His government posts include Under Secretary, U.S. Department of Commerce, Assistant Secretary, U.S. Department of Labor, and Special Assistant to President Eisenhower for Personnel Management. He served on the Federal Pay Board, and also chaired the Center for Economic Development's report, *Improving Management of the Public Workforce*. Mr. Siciliano is an honors graduate from the University of Utah and received a law degree from Georgetown University Law School.

Elmer B. Staats, retired, served more than 20 years in the Bureau of the Budget (now Office of Management and Budget), 11 of them as Deputy Director under Presidents Truman, Eisenhower, Kennedy, and Johnson. From 1953 to 1958, he served as Executive Officer of the Operations Coordinating Board of the National Security Council. He was appointed Comptroller General of the United States by President Johnson and completed his 15-year term in 1981. Since then he has served on a number of corporate boards and commissions as well as several non-profit organizations. He is a founding member of the National Academy of Public Administration and the American Society for Public Administration. Mr. Staats received a B.A. from McPherson College, an M.A. from the University of Kansas, and a Ph.D. in political science, economics, and business administration from the University of Minnesota.

Alexander B. Trowbridge, President, National Association of Manufacturers, served as Vice Chairman of Allied Chemical Corporation and as President of the Conference Board. In 1967 and 1968, Mr. Trowbridge was Secretary of Commerce, having served as Assistant Secretary of Commerce for Domestic and International Business from 1965 to 1967. He was appointed by President Reagan to the White House Task Force on Private Sector Initiatives, the National Commission on Social Security Reform in 1982–83, the Commission on Executive, Legislative and Judicial Salaries in 1985, and the President's Board of Advisors on Private Sector Initiatives in 1986. Mr. Trowbridge graduated *cum laude* from Princeton University's School of Public and International Affairs.

Carolyn Warner is a nationally recognized lecturer and educational leader. Her firm, Carolyn Warner and Associates, serves as consultant to numerous public and private partnerships. Warner was elected to three consecutive terms as Arizona State Superintendent of Public Instruction and was her party's nominee for Governor in 1986. She serves on the Executive Committee of the Arizona Economic Council, as well as a number of other corporate and public-service boards. Ms. Warner attended the University of Oklahoma and holds a degree in communications from Stephens College.

Paul A. Volcker is the Chairman of the National Commission on the Public Service. He is also the Chairman of James D. Wolfensohn, Inc., and the Frederick H.
Schultz Professor of International Economic Policy at Princeton University. From 1979 to 1987, he was the Chairman of the Board of Governors of the Federal Reserve System. He has served five Presidents and his responsibilities have included Under Secretary of the Treasury for Monetary Affairs. Previous to becoming Chairman of the Federal Reserve, he served as President of the Federal Reserve Bank of New York. Mr. Volcker is associated as a Trustee, member of the Board of Directors, or on the Executive Committee of the Trilateral Commission, the Council on Foreign Relations, the Japan Society, the American Council on Germany, and the Mayo Foundation. He is Chairman of the Advisory Board of the Center of Strategic and International Studies. Mr. Volcker earned a B.A. at Princeton University, and an M.A. in political economy and government at the Harvard University Graduate School of Public Administration, and attended the London School of Economics as a postgraduate student.