

MERIT-SYSTEM STANDARDS IN SOCIAL SECURITY ADMINISTRATION

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With the increase in the area of governmental activity and the complexity of governmental operations, public personnel administration has become of increasing importance. In the last few years there has been a rapid growth of public sentiment for effective administration on a merit basis, evidenced in various polls and in the interest of civic organizations. Much lip service has also been given to merit management of public personnel. This has affected the freshness of the arguments for the merit system but not their logic.

It is as true now as when it was first said, that greater economy and efficiency can be achieved through the employment of the best qualified persons in a career service; that the development of employee morale and effectiveness through sound personnel practices is an essential of good management; that open competition is the most democratic way of obtaining the most competent personnel; that administrative officials are relieved of personal and political pressures and antagonisms through a merit system; that public confidence in the operations of a public agency may be increased by assurance that its personnel has been appointed on the basis of merit; and that decentralization can best be achieved where proper personnel standards prevail at all levels of government.

In a merit system the emphasis should be on merit rather than on system. However, unless definite personnel rules are promulgated, adequate machinery established, and proper procedures installed, the merit principle may not be put into effect. Justice cannot be guaranteed without a legal system, but in administration, as in law, procedures must not usurp the place of purposes. The emphasis in modern personnel administration has come to be placed upon the positive approach—the utilization of scientific techniques in selection, placement, staff development, job classification, and salary standardization as aids to effective management, rather than

merely as negative devices to prevent the intrusion of politics in personnel administration. There is still need, nevertheless, for courage and firmness on the part of administrators in preventing the evils of the spoils system.

From the outset of its activities, the Social Security Board has encouraged the development of personnel administration on a merit basis in the State agencies to which Federal funds are granted for administering unemployment compensation and for public assistance. The Board does not exercise control over the selection, tenure, and compensation of individual employees in the State and local units administering these programs, but it has required the States to observe minimum objective standards necessary to promote efficient administration and safeguard the use of Federal funds. To assist State social security agencies interested in setting up merit systems, a State Technical Advisory Service was established in November 1937 in the Office of the Executive Director. This Service offers the State agencies, through the Board's Bureaus of Public Assistance and Unemployment Compensation, advice and assistance in formulating merit-system rules and regulations, installing a system of personnel administration, and training members of State staffs in personnel work.

The Board has pointed out that under the Social Security Act it is unable to certify Federal grants when conduct of a State program violates any of the specific requirements set forth in the legislation. To withhold Federal funds, however, is, in the statement of the Board in its Third Annual Report, "a drastic step to be taken reluctantly and only as a last resort, since it is likely to work hardship on the needy and the unemployed." In view of this dilemma, the Board suggested, "It would be more effective and certainly more equitable if the Social Security Act were amended so that appropriate corrective action could be taken without injuring beneficiaries." From a number of sources the suggestion has come for the amendment of the act to clarify the provisions relating to administration and to give the Board

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explicit authority to require merit systems for the election of State personnel.

In his message to Congress on social security on January 16, 1939, President Roosevelt declared: "Much of the success of the Social Security Act is due to the fact that all of the programs contained in this Act—with one necessary exception—are administered by the States themselves, but coordinated and partially financed by the Federal Government. This method has given us flexible administration and has enabled us to put these programs into operation quickly. However, in some States incompetent and politically dominated personnel has been distinctly harmful. Therefore, I recommend that the States be required, as a condition for the receipt of Federal funds, to establish and maintain a merit system for the selection of personnel. Such a requirement would represent a protection to the States and citizens thereof rather than an encroachment by the Federal Government, since it would automatically promote efficiency and eliminate the necessity for minute Federal scrutiny of State operations."

In the last session of Congress bills stating such a requirement were introduced, and the report issued in January 1939 by the Special Senate Committee on Unemployment and Relief recommended that it be made a condition of Federal grants to the States that personnel administering unemployment compensation and public assistance be chosen through a merit system. A similar recommendation was included in the special report on proposed changes in the Social Security Act made by the Social Security Board to the President and the Congress in January 1939. In this report it was stated: "In the opinion of the Board it is sound policy for the State unemployment compensation agencies to have entire authority and responsibility for the selection, tenure of office, and compensation of individual employees. But this authority and responsibility should be exercised in accordance with a systematic merit system for the establishment and maintenance of desirable personnel standards."

At the present time 39 State agencies administering unemployment compensation select their personnel on the basis of merit examinations conducted by the State civil-service commission or by a merit system established for the unemployment compensation agency. In the public-assistance

field, where the State agencies often administer other State relief and welfare activities in addition to the Federal-State program, development has been less rapid. Nineteen State public-assistance agencies select their staffs under civil service or under departmental merit systems.

The objective standards which have been found essential as a result of the experience in the States in administration of public assistance and unemployment compensation have been formulated in statements concerning each of these programs, and in a general statement of standards for personnel administration. With respect to public assistance, the Board holds that, since administration is so largely dependent upon the competence of staff, "the personnel procedures and rules and regulations established by the State public-assistance agency are an essential part of a State plan, and . . . the adequacy of the provisions is to be considered in approving such a plan." In this consideration, "examination will be made on the basis of objective criteria of good personnel administration, taking into account the experience and operation of the State agency." With respect to unemployment compensation, the Board certifies grants to cover the total cost of "proper administration," and the Board's statement indicates the necessity for formulating standards in that personnel services are the major expense item in the administrative costs of the program.

The general statement of standards for personnel administration in State unemployment compensation and State public-assistance agencies, adopted by the Board in December 1938, is as follows:

As part of its responsibility for the development of good administration in State social security programs, the Board will from time to time recommend standards for the guidance of State agencies, indicating objective criteria of proper administration. These standards will be formulated with full consideration of the experience and operations of State agencies.

The Board believes that good administration requires clear definition of functions and assignment of responsibilities, the employment of the most competent available personnel, and the development of staff morale and efficiency. These necessitate the establishment of a system of personnel administration on a merit basis under rules and regulations promulgated by the appropriate State agency.

If a State-wide merit system in conformity with the standards set forth below is not in operation, the State agency should formulate and adopt complete or supple-

mentary rules and regulations to put the entire merit system into effect. Such a system should cover all personnel of the social security agency on both State and local levels and should operate in accordance with the following standards:

Classification Plan.—A classification plan based upon observation and analysis of the duties and responsibilities of positions should be established and maintained. The classification plan should include a job description and a statement of minimum requirements of education, experience, and other qualifications for each class of position.

Compensation Plan.—A compensation plan should be established and maintained. Such a plan should provide a salary range for each class of position, adjusted to the responsibility and difficulty of the type of work to be performed, and in line with prevailing rates for comparable positions in other departments of the State. It should include regulations for salary advancement on the basis of periodically evaluated service.

Merit Examinations.—Provision should be made for open competitive examinations administered by a civil-service commission or by a qualified supervisor of merit system under a nonpartisan committee appointed by the State agency from persons of known sympathetic interest in and knowledge of the problems of public personnel administration.

Appointment.—Employees of the agency should be appointed by its administrative head from among a limited number of persons certified by the merit-system supervisor in the order of their standing in the merit examinations. A definite probationary period should be established for all new appointees.

Promotions.—Provision should be made for promotion to higher positions on the basis of performance and qualifications. Candidates for promotion should meet the minimum qualifications established for the class of positions to which they are to be promoted.

Separations.—Job security should be assured satisfactory employees within the limits of the need for staff. Provision should be made for lay-off of surplus employees under an equitable system, and for dismissal of employees for cause with impartial review of such dismissals.

Service Ratings.—A system of periodic service ratings for the evaluation of performance should be established and maintained. The use of such ratings in promotions, salary increases, and separations should be covered by regulation.

Leave.—Provision should be made for granting, on a uniform and equitable basis, vacations, sick leave, and other leave.

Personnel Records.—Adequate employee records should be kept and necessary personnel statistics compiled.

Prohibition of Discrimination.—Political and religious discrimination in merit-system administration should be prohibited. Participation of any employee of the agency in political activity, direct or indirect, should be prohibited, except that an employee should have the right freely to express his views as a citizen and to cast his vote.

Cooperation in Merit-System Administration.—Provision should be made for cooperation with other public agencies in the administration of the merit system, and, where practicable, with due regard to similarity of standards, rules and regulations, and equitable distribution of costs, the establishment of a joint personnel committee and joint administration of examinations.