

# NTEU 207 News

**Special Edition**

**Friday, October 15, 2004**

**No CSA for Non-Bargaining Unit**

Many employees have contacted the Chapter since receiving the message from the Chairman announcing a new compensation program, the “Contribution-based Compensation” program, for non-bargaining unit employees that is replacing the CSA program for 2005.

At first glance, this program seems to be an improvement over the CSA but the Chapter would like to point out some comparisons. Employees who pass their performance appraisal receive the following base pay increase for each plan:

Percent of Employees	CSA Base Pay Increase	CBC Base Pay Increase	CBC Lump Sum Payment	CBC Total Increase
10	6.2%	5.5%	2%	7.5%
90		4.5%	1.5%	5.5%
80		3.5%	1%	4.5%
75				
70				
66 2/3	3.2%	3.2%	0%	3.2%
60				
50				
40				
30				
20				
10	0%	0%	0%	0%
5				

In a side-by-side comparison, top performing employees in the CSA program receive a higher base pay raise, 6.2% instead of 5.5%. The amount in the CBC Lump Sum column represents the lump sum payment that would be equivalent to a yearly bonus. This amount would not count toward base salary in subsequent years.

The most egregious aspect of the CBC is that 5% of employees who “meet expectations” on their performance appraisal receive no raise, not even the cost of living adjustment. The net effect of this is that the employee receives a lower rate of compensation since the cost of living has gone up. Although the gross salary remains the same the employee has less purchasing power due to inflation.

Also, employees in career ladder positions will not receive any percentage increase until they reach the top of the career ladder. These employees receive only lump sum payments based on their category, which also stipulates zero dollars for employees in category 5.

Management will be faced with some major questions on how they base their decision about who is placed in which category? How will employees be ranked from the ‘best’ employee all the way down to the ‘worst employee’ in the division? How will lines be drawn to make meaningful distinctions between employees in the different categories? How can management compare the ‘individual contribution’ of a secretary to that of a section chief? This program does not solve the glaring problem that exists with CSAs—the arbitrary manner in which the awards are distributed. It just alters how the money is divided.

A similar proposal was submitted to NTEU for consideration earlier this year when management and NTEU came to the agreement that the CSA program was not successful. That plan was

rejected by NTEU, represented by NTEU National Negotiator Steve Keller and 5 Chapter Presidents including Chapter 207 President Betty Coll. One major reason for rejecting that plan was that management refused to offer you the same courtesy that was offered to non-bargaining unit employees, which is the opportunity to vote on which plan you preferred. NTEU stated that they could not agree to a change in the Compensation Agreement in which the CSA program was implemented without presenting the change to membership for a vote.

Most importantly, this Chapter wants to assure you that we do not consider the CSA to be a good, successful program that supports and properly rewards employees. It is a tool that can too easily be arbitrarily applied to reward favorites and cronies. And it has been terrible for employee morale. Unfortunately, the new CBC program for non-bargaining unit employees is simply a refined tool that is just as arbitrary in its reward or punishment. While management claims that these programs reward good performance, that statement simply can't be justified so long as a real performance evaluation with defined achievable measures is not part of the process.

The current Compensation Agreement ends in 2005, and NTEU and management will be entering negotiations for a new compensation agreement mid-year 2005. We do not expect the CSA program to continue after 2005 as neither management nor the Union believe that this is a successful program. We will keep you apprised of proposed changes to this program or its proposed replacement and be seeking feedback from you on those proposals.

### **Results of Exit Interviews**

What information is actually collected in Exit Interviews? One question that is being asked by departing FDIC employees is "Why are you leaving?" Departing employees comments were highly critical of management. In an analysis being done of the collected information, it shows that half of all the employees who left in 2001 and 2002 that responded to the survey thought that (1) advancement opportunities were not accessible to all employees; (more in the 40-54 year age range thought this); (2) open and honest communication was not encouraged in the workplace; and (3) employees' ideas were not actively sought and acted upon.

Some might say that "it's like that at every workplace." Not true. The results from FDIC were consistently worse than those typical among the total working population, workers in the financial industry, and other government employees, according to FDIC's contractor, Aon Consulting. The top six reasons people gave for leaving in 2001 and 2002 were that (1) employees felt there was little opportunity for advancement, (2) unfair or inequitable treatment of employees with regard to promotions, pay, or career opportunities, (3) the work was not satisfying, (4) employees were unappreciated/unsupported, and lastly, (5) employees were dissatisfied with their supervisors. Results for employees leaving in 2003 weren't much better, with departing employees also reporting that supervisors did not recognize employees for work done well (over one-third felt this way), the job was so stressful that they felt burned out (almost one-half felt this way), and that the FDIC employees they worked with went above and beyond what was expected of them (almost three-fourths felt this way).