www.few.org

455 Massachusetts Ave. NW, P.O. Box 306
Washington, DC 20001
Phone: 202/898-0994
Fax: 202/898-1535

This information may be provided to FEW membership via government email

FEW Washington Update
October 15-31, 2020

In Congress

Following months of back and forth negotiations, Congress has so far failed to reach another stimulus deal to help the millions of cash-strapped families, struggling parents and ailing small businesses across the country.

And the chance that anything would pass before the election on Nov. 3 has ended: After confirming Amy Coney Barrett to the Supreme Court, Senate Majority Leader Mitch McConnell announced the Senate would be **recessed until Nov. 9**.

Of the many issues at play, Congressional Democrats and Republicans most disagreed on how much enhanced unemployment insurance to provide to workers who have lost their jobs. House Speaker Nancy Pelosi had been negotiating a relief package worth between $1.8 trillion and $2.2 trillion with the White House, while Majority Leader McConnell insisted on a "skinny" bill worth an estimated $500 billion.

In the meantime, the U.S. is experiencing a third wave of new coronavirus cases, setting a new daily record of new cases on Sunday. Around 23 million people are collecting unemployment benefits.

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Tier I

Federal Civil Service Systems:

A long-serving federal executive and three-year Trump administration appointee is resigning from his post over the president's recent executive order on the career workforce.

Ron Sanders, Chairman of the Federal Salary Council, submitted his resignation Monday to John McEntee, the director of the White House Office of Presidential Personnel.

The executive order [Executive Order 13957] in question, which the President signed last week [on October 21, 2020], reclassifies career federal positions in certain policy-making roles under a new class known as Schedule F. It allows agency heads to hire and fire employees in Schedule F appointments at will.

The administration has said the order will allow agencies to more quickly hold federal employees with significant influence over policy-making decisions accountable.

Career federal employees take an oath to the Constitution, not to a particular political party or president, he said. It's why the careers for many federal employees, like Sanders, often span multiple administrations.

The Trump administration tapped Sanders in 2017 to lead the Federal Salary Council as an independent HR expert. As former chief capital officer for the intelligence community, Sanders said he had experience in moving employees to new personnel systems in the excepted service.

"The practice has always been that employees who lose civil service protections would be given a choice," he said in brief conversation with Federal News Network.

"From a public policy standpoint, there's a reason for having those civil service protections," he added "They allow career employees to speak truth to power. They allow them to give the advice they're paid to give."

Sanders spent his federal career with several agencies, including the Defense Department, IRS and Office of Personnel Management as a human resources director.

Today, he serves as the director of the University of Florida's Cybersecurity Center and remains an active member of the federal community.

Sourced from Federal News Network.

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Office of Personnel Management:

OPM has finalized, with few changes from the version proposed a year ago, a broad-ranging set of rules that will give management greater discretion in carrying out disciplinary actions.

The rules carry out numerous provisions of one of the three 2018 administration executive orders to strengthen management's hand in the federal workplace; the other two involve bargaining policies and procedures.

The final version, in the October 16 Federal Register and effective after 30 days, is largely unchanged from the initial proposal last September. In sum, the rules say that agencies are to provide only the minimum protections guaranteed in law when taking disciplinary actions, in both performance- and conduct-related cases (see related stories).

In addition, the rules:

* Generally limit the period for an employee to respond to a notice of proposed discipline to the 30 days minimum required by law and generally require agencies to issue a final decision within 15 days of that.

* Carry out a 2017 law requiring disciplinary actions against management officials who are found—by the agency head or by an outside authority—to be guilty of whistleblower reprisal. For a first offense penalties can range from a suspension of as little as three days to firing; for a second, firing is required. The officials would have 14 days to reply to the proposed action, which will take effect by default if the agency determines that the response is "insufficient" to disprove retaliation.

* Require agencies to collect and send to OPM for general publication data on annual numbers and types of disciplinary actions taken against employees, including probationary employees, ranging from reprimands to removals.

* Bar agencies from entering settlements with employees who challenge disciplinary actions in which the agency agrees to remove certain conduct- or performance-related information from an official personnel file.

* Require that supervisors be reminded of the pending end of a probationary period for a subordinate three months in advance, and again one month in advance. Supervisors are to make affirmative determinations during the probationary period whether to keep employees or remove them while they still have only minimal appeal rights.

Sourced from FEDWeek.

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Tier III

Global Gender Wage Gap:

Achieving the ideals of stakeholder capitalism requires a comprehensive restructuring of "the way things are." Take, for instance, how companies value their employees—it's not equitable. Must we repeat the tired fact that women earn only 82 cents for every dollar white men earn? And that for women of color, the pay gap is even worse, with Black women earning 62 cents and Latinas earning 54 cents on the white male dollar?

Doing right by all stakeholders' means paying workers equitable wages. And that means business leaders must hardwire equity and inclusion into the value systems they use to determine employee pay. While this change won't happen overnight, pay equity legislation can expedite the path forward. In turn, businesses can look forward to reaping the benefits of a more diverse, equitable, and inclusive workforce, and our economy can look forward to an accelerated recovery.

That's why the U.S. needs to follow in the footsteps of countries such as Iceland, France, and Canada and adopt decisive pay equity legislation. We need infrastructure to bridge the gap between good intentions and tangible progress.

Why public policy matters for pay equity

To learn more about what it takes to build such a bridge, Fortune company, recently spoke on Zoom with Karen Jensen, Canada's first Pay Equity Commissioner. Jensen is responsible for the implementation of the country's first-of-its-kind Pay Equity Act. Passed in 2018, the Pay Equity Act requires federally regulated employers to proactively address their gender wage gaps—including gaps within job categories as well as across job categories that contribute equal value to the business.

Jensen points to several reasons for the necessity of pay equity legislation. First, she says without legislation, "only the largest and most successful firms can make a voluntary commitment to achieving pay equity when their competitors do not."

Second, Jensen reminds us that the sheer scale and size of the gender pay gap "requires significant dedication of time and resources" to close and keep closed. According to Jensen, "Small to medium-sized employers need support from regulatory agencies to implement pay equity. Companies also need to know that everyone in their industry will be subject to the same requirements and that rules will be enforced equally. Otherwise, those who do comply may see themselves at a disadvantage if they are paying more for their labor costs than their competitors."

What effective pay equity policies include

We don't need to start from square one to craft an effective pay equity policy. We already know that a true equal pay law must take the burden of filing a complaint off women's shoulders, says Jensen. Employees should not have to take their employer to court to receive equitable compensation for their work.

Canada's new equal pay law resembles Iceland's in this manner, because it requires employers to prove (and continue proving) they pay equitable wages. Noncompliance results in fines.

In addition to shifting the burden of proof from employee to employer, public policy must take a proactive approach to pay standards.

In the case of Canada's Pay Equity Act, Jensen explains that government-regulated companies above a certain size must create a proactive pay equity plan and identify any pay equity gaps in their workplaces. Then, employers need to prove they are actively working to shrink their pay gaps. This mandate extends to both current gaps and any gaps that may re-emerge in the future.

That last part about re-emerging pay gaps is important. As Salesforce has learned through its groundbreaking efforts to achieve pay equity over the past five years, the pay gap is a moving target. We can invest in closing our pay gaps today, but every new hire, promotion, and merit increase risks re-opening the gap tomorrow.

Another critical feature of Canada's pay equity policy is its focus on equal pay for work of equal value. Jensen explains, "Companies must evaluate their compensation structures and practices to ensure people are being paid fairly according to the value they contribute to the organization, regardless of gender."

Finally, a meaningful pay equity policy must include measures for transparency. Visibility into pay equity practices not only holds employers accountable for change, it also helps our current and future labor base make smart decisions on where to invest their talent. In turn, companies that demonstrate their commitment to matters of equity will come out ahead.

"The most talented individuals prefer to work in companies that foster diversity, and pay equity is a tool to promote diversity, equity, and inclusion in the workplace," says Jensen. "It assists companies to attract top talent, which will in turn assist them to outperform their peers."

Jensen also referenced a study showing that 61 percent of women look at the gender representation of company leadership when deciding where to work. Another report finds 72 percent of women would not apply to work at a company where a gender pay gap exists. And yet another study reveals 80 percent of women would leave their companies if they felt a different company offered greater gender equality.

COVID-19 makes pay equity more urgent

Despite the hardship of 2020, we must move forward with pay equity legislation. We must continue paving the way for stakeholder capitalism to thrive. Earlier this year we saw the U.K. walk back from equity when they suspended gender pay reporting requirements in light of the uncertainty around COVID-19. This came as a relief to the U.K. companies required to submit their gender pay gap figures.

However, the move was short-sighted. By taking care of stakeholders (in this case, employees) via equitable wages, companies move closer to achieving gender equity and unlocking its subsequent financial gains. Original research by my company, Pipeline, across 4,161 companies in 29 countries found that for every 10 percent increase in gender equity, there is a 1 percent to 2 percent increase in revenue. Moreover, gender equity can help companies' weather economic downturns and bounce back faster by increasing their resiliency. Gender equitable companies enjoy better profits, levels of innovation, sales productivity, and ability to attract top talent—to name a few advantages of diversity, equity and inclusion.

The economy benefits, too. Personal wages extend far beyond the household level. They influence everything from retirement savings, access to higher education, criminal justice, entrepreneurship, and the critical 70 percent of our economy driven by consumer spending.

And at a time when women have been hit hardest by the fallout of COVID-19, ensuring equitable wages will lift up the 71 percent of U.S. households with children who rely on a mother's earnings. Lest we forget, the gender pay gap expands to 71 cents on a father's dollar when disaggregated for mothers. For our Black breadwinner moms who support 81 percent of all Black households with children, the gender pay gap jumps to the point where they earn just 44 cents on the white breadwinner dad's dollar.

As Jensen puts it: "Pay inequity is an example of systemic inequity and based on irrelevant factors such as race or gender. Many people are now seeing that we need to correct our worn-out assumptions and biases. We need systems in place to address unconscious thought patterns."

Pay equity legislation is one such system. It is an investment in our economy at a time when we need it most. Now is our opportunity to embrace pay equity fully and lay the foundation for a more prosperous, inclusive version of capitalism.

Sourced from Fortune.

FEW receives information from the following sources and contacts: Federal News Network, Fortune, FedWeek, and CNBC.