

WRITTEN STATEMENT
BY
ROBERT E. CORSI, JR.
FORMER ASST DEPUTY CHIEF OF STAFF, MANPOWER, PERSONNEL & SERVICES (USAF-RET)
TO
UNITED STATES SENATE
SUBCOMMITTEE ON REGULATORY AFFAIRS AND FEDERAL MANAGEMENT
ON
EMPOWERING MANAGERS: IDEAS FOR A MORE EFFECTIVE FEDERAL WORKFORCE
FEBRUARY 9, 2017

I want to thank the Chairman and Committee members for the opportunity to share my experiences of over 46 years in the Air Force which include my military capacity for 28 years and my 18 years as a member of the Senior Executive Service. I will try to assist the Committee in finding ways to improve the management of the federal workforce. In both my roles, I have had the distinct honor of working with some of the most professional, dedicated, and incredibly humble civilians who ensure that the mission is carried out in spite of all the transitions that occur for both our military and civilian leaders. In my last position before I retired, I was responsible for overseeing all the policies and processes to take care of a Total Force of over 600,000 military and civilians from the time we access them into the Air Force until they leave or retire. I use the phrase that our career civilians are in a marathon while our military and political leaders are in a sprint. The career civilians hold their jobs for years while the military and political leaders hold their positions for two years or less. It is critical that whatever reforms you contemplate will recognize the importance of our career civilian workforce. These workers provide the necessary continuity during periods of high leadership turnover and that we, above all, must hold them in high regard.

Having managed and led civilians at every level in an agency's hierarchy and developed an understanding of other department/agency dynamics, I would be the first to say that the civil service system needs major rework. The system has evolved over many years, but fundamentally has not changed in its approach in many ways since its inception. Several things have changed: a very dynamic budget environment driven by Sequestration, a workforce that is unjustifiably held in disregard, as well as individual Congressional oversight committees that institute reforms that break with past practices of ensuring consistency across the federal workforce. Managers are consumed on a daily basis with budget uncertainty, archaic hiring

practices that don't allow them to compete on a level playing field with the private sector, grievance and complaint processes that drag on for years, and the lack of ability to develop and shape their workforces. My comments will literally address most aspects of managing the civilian workforce as well as offer recommendations to the Committee that can start a process to ensure that managers have the necessary tools and understanding to manage the civilian workforce.

BUDGET PREDICTABILITY

Without Postal, there are approximately 2.1 million civilian full time equivalents (FTEs); at approximately \$100K per person, civilian pay accounts for roughly \$210 billion/year in the federal budget. Budget unknowns driven by Sequestration and continuing resolutions create the most pressing challenge for managers at every level. When funding is received at the mid-year point of the fiscal year, managers are unable to make commitments concerning sizing at every level, hiring managers are in a wait and see mode, recruiting programs are already behind in posturing, civilian training is put on hold, and most importantly, managers don't know what to tell the workforce to calm their anxieties. To achieve efficiencies in the workforce, managers need the assurance that when they implement best practices and adjust their workforce levels they should be able to count on having those levels in the future. The largest disincentive is to drive economies only to create the next baseline for reductions.

RECOMMENDATIONS:

- a. Congress must deliver budgets that are on time with authorities to execute at the start of the fiscal year.**
- b. Congress should consider approving not only civilian employment levels for the budget year, but give the agency a planning level for the next two years so they can make longer term decisions on workforce management.**

SIZING OF THE FEDERAL WORKFORCE

It is very difficult to address any reform initiative without addressing how the federal workforce is sized. There has never been an analytical basis to size the federal workforce, nor has there been a requirement to do so. Manpower requirements should be directly linked to what workload is required to be performed. Across most agencies, if you ask what they need, they will give head counts and communicate their onboard strength as their requirement. And, in most cases, they will have to inquire at the lowest level in their agency to get the numbers. Most organizations do not have an authoritative manpower document that identifies, at the lowest organization level, as to the numbers, grades, and skills of personnel **required** in the organization. Very few agencies have a rigorous process to identify their workforce requirements and manage the inventory to match the requirements. Managers are literally blind, especially at the senior levels, on the management of their workforce. Hence, there is no way to defend an agency's manpower levels in budget drills; and their civilian pay budgets are adjusted without regard to what work is not being accomplished. Without a sound

requirements basis for workforce levels and a budget that reflects those requirements, the churn in the workforce will increase as the hiring freezes and the downward pressure on budgets continue. To its credit, the DOD has spent years on developing a requirements baseline, especially in the Services, to support both its military and civilian requirements and have the authoritative manpower documents to articulate its needs at every level. The Armed Services Committees hold the DOD to a very high standard on workforce management. In an ideal situation, there should be two drivers of workforce reductions: program eliminations and workload decreases. Outside of DOD, I'm unaware of any other Department/Agency who has the professional staff to analytically determine required manpower levels.

Recommendations:

All these recommendations will take time to implement and Congress must be willing to direct the agencies to:

- a. Build an analytical baseline for their manpower requirements that addresses the budget year plus two years to ensure that they are looking to the future for planning purposes. Establish reasonable goals for each year to size portions of their workforce**
- b. Have an authoritative manpower document for every position in the agency that will allow for complete visibility by the agency head.**
- c. Have a professional staff to advise the agency head on all matters concerning the size of their workforce.**
- d. Have complete visibility of all the demographics for their workforce from cradle-to-grave.**

WORKFORCE MANAGEMENT

In literally every aspect of workforce management, managers are consumed on a daily basis in dealing with their workforce challenges. There are huge foundational issues for the civil service system and structural changes need to be considered to posture the workforce to compete in the 21st century. Significant structural changes must occur with the General Schedule (GS) pay system and how OPM uses the Job Classification process.

General Schedule Pay System. Approximately 1.5 million workers are under the GS system which has been in place for over 90 years and whose stated purpose was to maintain parity with the private sector. In addition, longevity is the driver for within-grade pay increases with no emphasis on increased performance. Over time, to attempt to maintain parity, locality pay was introduced and has been greatly expanded. In addition, OPM has had to grant special pay adjustments for unique locations. Even with all of the adjustments, managers struggle to compete with the private sector where the pay gap continues to grow. Two sides of the dialog exist: 1. proponents of the system because it attempts to pay equal pay for equal work; and 2. opponents who state the system does not provide merit based incentives. Over the years, OPM has granted approval for many demonstration pay projects because of the inability of the GS system to meet their critical skill demands to compete with the private sector. That number of

alternative or experimental pay schedules now exceed 10. Examples include the Lab and Acquisition Demo Pay Systems in DOD. All of the demo pay systems are performance based and use a pay banding approach. This allows managers to recognize performance within a pay band and non-competitively raise individual pay within the band. This also gives managers huge flexibility to manage and to incentivize their workforce without the cumbersome GS process of raising pay only by competing for a higher grade. These demo projects have been very successful. Managers applaud their use, yet there is a hesitancy to widely export the benefits because of the resistance to eliminate the GS system. In addition, there would be no need for demo pay systems if they were implemented federal-wide. Furthermore, the new Federal Appraisal System that is being fielded has changed from a pass/fail to a system that now recognizes outstanding performance in addition to meet and fail to meet standards.

RECOMMENDATION:

- a. **Eliminate the GS system with step increases entirely and adopt a pay banding concept across the federal sector. Consider using the 6 pay bands that are used in most demo systems which spread the 15 GS grades over the 6 bands. Implementation should be accomplished within current pay budgets.**
- b. **As part of implementation, agencies will have to work with OPM to comport all position descriptions to the pay banding construct which will provide flexible position descriptions to move workers within a pay band.**

Job Classification System: Managers are mired in a job classification system that consumes their time and creates an adversarial relationship between the manager (who knows best what is required to do the job) versus a personnel staff that sometime uses the job classification system to counter the best judgment of managers. Job classifiers exercise significant authority in enforcing what they believe are rigorous OPM standards. These are called Classification Standards and classifiers use the threat that an agency can lose their certification if the managers did not follow their decision. I've seen organizations at the point of mission failure because classifiers would not recognize a higher grade requirement to be competitive. There are examples of where the discussions between classifiers and managers have gone on for over a year until senior leaders had to intervene because of mission degradation. OPM clearly states: "that the standards should be considered and interpreted as **guides to judgements** made under the classification authority delegated to agencies by title 5 U.S.C." They further state that: "classification standards are intended to be a guide to judgement, not a substitute for it." The pay banding system, if adopted, would go a long way to eliminate the lost productivity of managers as they deal with classification issues.

RECOMMENDATIONS:

- a. Revamp the job classification system to assist managers in deciding appropriate grade structures and to give managers the final decision authority...not the classification authority.**
- b. OPM must educate personnel specialists who perform classification that accountability for mission accomplishment rests with the manager. The personnel specialists are there to assist not dictate.**
- c. OPM needs to convey to classification authorities that management's judgment will never be a basis for decertification.**

Human Capital Strategic Plan. In most non-DOD agencies, personnel accounts for over 70% of their overall budgets, yet many agencies do not have a strategic plan for overall management of their workforces. Day-to-day agencies are reacting and making short term decisions without the benefit of a long-term strategy that factors in the recruiting market place, aging workforce dynamics, training, leadership development, technology insertion, and changing work requirements. Regardless of budget dynamics, a complete understanding of the workforce is absolutely critical in order to make informed decisions and to understand the impact of those decisions on the future workforce.

Recommendations:

- a. As part of budget justifications, Congress should require every agency to have a comprehensive human capital strategic plan that addresses every cycle from accession through retirement which is based on analytics of the entire workforce.**
- b. Congress should require, and OMB should enforce, that every proposed change in workforce level is supported with analytical rigor as part of an agency's budget justification.**
- c. OPM should require agencies to conduct retention and exit surveys to ensure that they understand why the workforce is leaving. Just as important, agencies need to know why the workforce is staying to inform their strategic plan.**

Competing for Talent. We are dealing with a highly competitive job market. Managers should be afforded a wide range of options to compete with the private sector which is not the case now. Only for rare critical skills, approved by OPM, do managers have direct hire authority for college graduates and the ability to make on the spot job offers is limited. There are further limitations on what grades can be offered to new college graduates regardless of whether they have critical skills. Normally, entry grade is a GS-7 with a bachelor's degree and GS-9 if they have a master's degree. Agencies are required to advertise all positions and they have challenges in getting the right person for the job. That process can take over 6 months to get someone onboard while possibly not getting the best talent. That same scenario even exists with the wage grade workforce on their ability to get direct hire authority which only OPM can approve. Agencies know their critical skill requirements and should not have to justify direct

hiring authority to OPM. Clearly, OPM is concerned with maintaining merit system principles by keeping the keys to most hiring practices. At what point do we hold the agency head accountable and give them the authority to use the full range of options, so they can compete in the market place on a level playing field? I say the time is now. In addition, the newly established two-year probationary period in DOD for new hires makes absolute sense. This period of time ensures that new hires are competent based on demonstrated performance; so the probationary period should be mandated federal-wide to stop the job shopping that now occurs between federal agencies based on entry criteria.

Recommendations:

- a. **Direct OPM to expand direct hire authority and let the agency head determine the skills they need for this authority and have them advise OPM.**
- b. **To compete with the private sector for high demand technical expertise, establish a direct hire, highly qualified expert category, across the entire federal sector, on a term appointment and allow maximum pay flexibility to compete with the private sector.**
- c. **For new college hires, allow for a non-competitive direct hire category in high demand skills with competitive bonus authorities. Agencies will advise OPM on what skills they will use this authority.**
- d. **Consider a separate non-competitive direct hiring category for critical skills coming out of college. These would be term appointments for high-tech candidates where an agency needs a continuous flow of very current technical expertise.**
- e. **Expand the two-year probationary period for all new DOD civilians to all federal employees.**

Workforce Development. While OPM has spent an incredible effort on developing competencies to be considered for the SES, little has been done to enable civilians to achieve these competencies in a repeatable and exportable way across the agencies. We need to decide if we want each federal agency to be responsible for its own program without the benefit of defined desired outcomes; or do we mandate the outcomes and allow each agency the flexibility as to how to achieve the outcomes. OPM is the face of the federal workforce and must take ownership communicating consistently to new employees as to what the federal government values and what the government will offer to those aspiring to federal service. Set these criteria as the basic or minimum development opportunities that any agency will provide. Some agencies will go well beyond the minimums and establish well defined leadership paths where members clearly understand what it will take to be competitive for the SES. For example, the talent management program that the DOD uses for its SESs is constantly held up as a model to follow as are the civilian development models that some DOD components use to grow their workforce. Those components clearly communicate to the workforce the importance of both professional and personal considerations should they choose to be competitive for senior leadership opportunities. It is very clear from day one in these

components as to what is offered in the way of leadership development and what it takes to progress. In addition, managers who have a blended workforce of Title 5 (competitive service) and Title 10 (excepted service) civilians have no flexibility to cross-develop personnel without requiring their Title 10 employees to compete for jobs as if they were new federal employees. This requirement significantly limits development opportunities.

To build the next generation of civilian leaders and to retain our talent, nothing is more important than to mentor aspiring leaders in their development. Becoming an SES brings with it a host of new responsibilities, not the least of which is to set the right example and to understand the immense responsibility of grooming the next generation of leaders. Organization heads must take the time to communicate their expectations to new SESs, either directly or indirectly, regarding their new roles that go well beyond their specific job responsibilities. Clearly, new SESs can feel overwhelmed in their jobs which can be expected. But mentoring should not be new to new SESs if the organization embraced its importance and relayed it as a necessary expectation in their careers leading to the SES. Most organizations have no policy at all when it comes to mentoring; others require, to their credit, that not only should new SESs find a mentor, but also require that the new SES becomes a mentor. We expect, and rightfully so, that we are picking the right SESs from the start, that they embrace the value of public service, and more importantly, they acknowledge that “giving back” is incredibly important in the development life cycle. Aspiring leaders need role models. So from day one, they look to their leadership chain to guide them in their development. Just by setting the example day-to-day (call this passive mentoring) SESs can help aspiring leaders formulate informed expectations as to their own development. At some point, where there is no firm ruleset, aspiring leaders need “active” or “deliberate” mentoring and only senior leaders can best determine when that should begin. With strong top leadership support and a great appreciation for a diverse and inclusive workforce, Air Force recently fielded an AF-wide mentoring program called: “MyVector.” Before I retired from the Air Force, they had over 13,000 volunteer mentors, both military and civilian, and over 130,000 members who were seeking mentors.

Recommendations:

- a. Congress should require every federal agency to have a formal civilian development program for its professional workforce that includes leadership development and require OPM to certify their program.**
- b. Congress should require that all agencies have a line item in their budget to fund civilian training and development and those monies cannot be used for other purposes. As a start, levels could be established at .5-1% of civilian salaries. Regardless of authority, Title 5, Title 10, etc., this should be mandated in all authorization and appropriation language.**

- c. **Since job mobility is a critical element to build leadership skills, agency plans must incorporate the funds to move high potential individuals to different locations to build breadth and depth of experience.**
- d. **Agencies that have programs that clearly go beyond the minimums should be rewarded. OPM should work with the Congress to implement these programs in the budget process.**
- e. **Congress should direct OPM to take the lead to develop interchange agreements with agency heads who oversee excepted service employees. These agreements would allow managers to cross-utilize/develop their employees regardless of their appointment status.**
- f. **Require all agencies to offer a mentoring program to their employees as part of their human capital strategy to both retain talented employees and to guide their development.**

Shaping the Workforce. Managers need tools to help them shape their workforce outside the normal downsizing process when evolving work requirements demand a different skill set. Currently, all agencies, other than DOD, are required to get OPM approval and justify why they need early retirement authority. Because of its dynamic workforce, DOD is normally authorized to use the authority which is incorporated in the National Defense Authorization Act. Current use of the authority is linked to showing that an employee is saved from involuntary separation when a retirement is incentivized. Agencies should not be restricted in using the authority only to save a displaced employee. Instead agencies should be given wide latitude to shape their workforce if they have the necessary funds to do so. In addition, the maximum incentive of \$25,000 that was authorized in 1993 is no longer viable as an incentive since it is worth less than \$15,000 in 1993 dollars. DOD has asked to raise the amount to \$47,000 to adjust for inflation and the Senate Armed Services Committee appears to support a lower amount of \$40,000. Subject to funding availability, agency heads should have the approval authority for shaping their workforces.

Recommendations:

- a. **Congress needs OPM to give agency heads the authority to shape their workforce and give them wide latitude on using monetary incentives to incentivize either early retirement or resignation. Agencies should be required to advise OPM when they are using these authorities.**
- b. **Congress should ensure that any authority to raise the incentive amount from \$25,000 for DOD is expanded, federal-wide.**

Leveraging the Private Sector. Currently, there is no program or process that would allow private sector employees to spend short periods of time embedded in the federal workforce to help leverage their talents while remaining private citizens. The federal sector can't keep up with rapidly changing technology and the private sector can be a significant help.

My understanding is that they are willing to do so, but federal rules make it almost impossible to do now.

Recommendation: Congress should task OPM to propose a strategy to get to yes on using private sector technical experts while keeping their company affiliations.

GRIEVANCE/COMPLAINT PROCESS

Managers spend a significant amount of time in dealing with the myriad of dispute resolution processes. Most dispute resolution processes drag on for years consuming both manager and staff time. When disputes cannot be resolved internally within a department or agency, there are many forums that could be involved. These include: Federal Labor Relations Authority, Merit Systems Protection Board, Equal Employment Opportunity Commission, and the Office of Special Counsel. Due process rights and procedures were supposed to ensure effective and efficient management. But most would agree that they are a major impediment to good management. Some agencies choose to settle disputes even though there are no substantiated claims. This is simply because the agencies make value judgments on the costs of manager and staff time to pursue having the claims dismissed. In addition, we have chronic complainants who face no penalty when their claims are not substantiated. In almost all of these processes, management is considered at fault until proven otherwise. This issue is a major reason why managers may be risk adverse on taking action to remedy workplace issues.

Recommendation. Congress should direct a complete review of the federal employment dispute resolution process which could start with a review done in February, 1995, titled: "A Proposal to Streamline Federal Employment Dispute Resolution," prepared by the Performance Management Committee, Coalition for Effective Change. In addition, there should be a requirement to bring all disputes to closure within a year.

FIRING & REHIRING

The federal government has a good process for dealing with employees whose conduct for a myriad of reasons warrants separation from employment. When an agency concludes that the infraction requires firing, employees can sometimes opt to resign in lieu of firing. When they resign, there is no official documentation in their final record (SF-50) to annotate the reason for resigning. The result is that individuals can find employment in another federal agency without the new agency having cognizance of the past behavior that led to dismissal. Additionally, in many settlement cases, the firing agency is not allowed to disclose the reasons for a resignation to future employers. All federal agencies should be completely aware of the past federal history of individuals who want to re-enter the federal workforce. The reasons for removal should not be subject to bargaining during the separation negotiations.

Recommendation. Congress should direct OPM to modify the SF-50 to incorporate reason codes for resigning to ensure that future federal employers are aware of past infractions before they make hiring commitments.

CONCLUSION

In conclusion, there is so much that can be done to improve the management of the federal workforce and at the same time convey to the workforce how valued they are. To provide budget predictability and to ensure that we have an analytical basis for the size of the federal workforce are critical necessities to inform workforce adjustments contemplated by the Administration and the Congress. Locality pay, special pay authority, pay demonstration projects, longevity increases, all these make a compelling case to eliminate the General Schedule Pay System. The time is now to export the lessons learned from the pay demonstration projects and to ensure that we move forward with a pay for performance system. Putting more rigor in how the workforce is managed will ensure that agencies understand what they need not only now, but in the future. In addition, give agencies the tools to be competitive with the private sector to attract talent and to embrace the need for mentoring and leadership development. Use these tools to retain the talent which will help stabilize the workforce. Any changes that will give agency heads more authority to manage their workforce and to empower them with the proper tools will pay great dividends in giving managers more time to be managers. Again, I applaud the Committee for taking on this challenge. I offer my service to do whatever I can to help the Committee bring real positive change to the federal workforce. Our country and our federal employees deserve no less.