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TESTIMONY

Of

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SENIOR EXECUTIVES ASSOCIATION

Before the

SUBCOMMITTEE ON REGULATORY AFFAIRS AND FEDERAL MANAGEMENT
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
U.S. SENATE

On

“EMPOWERING MANAGERS: IDEAS FOR A MORE EFFECTIVE FEDERAL WORKFORCE”

February 9, 2017

Chairman Lankford, Ranking Member Heitkamp, and Members of the Subcommittee:

Thank you for the opportunity to testify before the Subcommittee on Regulatory Affairs and Federal Management's hearing "Empowering Managers: Ideas for a More Effective Federal Workforce." I appreciate the Subcommittee's focus on identifying common sense federal government and workforce reforms that will enable career executives and managers to better lead their organizations to fulfil their agencies' congressionally authorized missions for the taxpaying American public.

I became President of the Senior Executives Association (SEA) in September 2016. SEA is a nonprofit professional membership association that formed in 1980, shortly after the passage of the Civil Service Reform Act of 1978 (P.L. 95-454). Since that time SEA has represented the interests and perspective of aspiring, current, and former career federal executives in government, including those in Senior Executive Service (SES) and equivalent positions, such as Senior Level (SL) and Scientific and Professional (ST) positions. SEA has long promoted policies to ensure an efficient and effective government; in doing so, SEA has advocated for the critical importance of a strong and empowered senior career leadership corps.

The challenges facing government today are well studied and well known. In 1989 the National Commission on the Public Service warned of a "quiet crisis" in the federal public service.¹ The Commission issued another report in 2003, then calling the matter "urgent business for America"² on similar issues that had been allowed to fester largely unaddressed. Reports published by the Government Accountability Office (GAO), Merit Systems Protection Board (MSPB), agency Offices of Inspector General (OIG) and others highlight with frequency deficiencies and opportunities for improvement. In a nutshell, the government needs an overhaul of its personnel systems and management philosophy to ensure it can attract and retain the talent needed to accomplish agency missions in the 21st century.

To accomplish a successful transformation, government needs to invest in the development and continuous education of its federal workforce. With the 40th anniversary of the CSRA upcoming, now is an opportune time for Congress and stakeholders to act boldly to reform the federal enterprise and the public service for the 21st century. All federal employees share the desire to have a better functioning government. Our SES, SL, ST and senior GS members are dedicated leaders in delivering agency missions and know firsthand what works and what may need to be changed. SEA and its members stand ready to provide advice and perspective to inform this critical transformation, and to carry the torch leading this transformation in the years ahead.

¹ The Report of the National Commission on the Public Service. (1989). *Leadership for America: Rebuilding the Public Service*. Washington, DC. http://www.washingtonpost.com/wp-srv/opinions/documents/Leadership_for_America_Rebuilding_the_Public_Service.pdf.

² The Report of the National Commission on the Public Service. (2003). *Urgent Business for America: Revitalizing the Federal Government for the 21st Century*. Washington, DC. <https://www.brookings.edu/wp-content/uploads/2016/06/01governance.pdf>.

Brief Discussion of Challenges

For any solutions pursued by or for federal leaders to be most effective, Congress will need to play a role in fostering an environment that is conducive to good management. Two areas in particular call for attention. The first is chronic budget uncertainty. The second is the treatment and respect afforded to federal public servants.

According to the Congressional Research Service (CRS), in only four years since 1977 has Congress passed all appropriations bills on time.³ The resulting reliance on continuing resolutions (CRs), is relevant to a discussion regarding the efficiency and effectiveness of the federal workforce because, according to a GAO analysis,⁴ budget uncertainty negatively effects agency operations, hinders planning and investment, and results in suboptimal allocations of resources.

At a time of ballooning national deficit when Congress is attempting to curtail wasteful government spending, a goal SEA lauds, the act of relying on CRs in-and-of-itself is creating waste. Because of the uncertainty, agency staff must dedicate inordinate amounts of time to budgeting and re-budgeting for multiple scenarios and contingencies. These resources could be better utilized implementing the laws and programs which Congress has authorized, and developing the agency workforce to meet current and future requirements.⁵ Ongoing discussions in Congress about reforming the current budget process are welcomed. SEA supports efforts to bring this conversation to thoughtful conclusion in the near term, for example through approval of bipartisan proposals for biennial budgeting (S. 306; H.R. 1065).

As the board of directors for the federal government, it is important that Congress fulfill its fiduciary responsibilities to timely provide agencies with budgets. Not only does this uncertainty directly impact vital mission functions, it adversely impacts the process of strategic human capital planning and talent management. GAO's research⁶ has "consistently shown the direct link between effective strategic human capital management and successful organizational performance." Not being sure whether your organization will be fully funded from year to year compounds the incapacity to build a strategic workforce plan with defined talent management processes, because agencies are unsure they will be able to strategically fill vacancies. It would be helpful to agencies if Congress could provide general targets for future year budgets to aid workforce planning.

As an employer, the inability of the government to provide predictable employment opportunities and to expeditiously fill vacancies also challenges the ability of agencies to meet

³ Congressional Research Service, (2012). *Continuing Resolutions: Overview of Components and Recent Practices*, R42647. Washington, DC: James Saturno and Jessica Tollestrup. <https://www.fas.org/sgp/crs/misc/R42647.pdf>.

⁴ Government Accountability Office. (2013). *Effects of Budget Uncertainty from Continuing Resolutions on Agency Operations*, GAO-13-464T. Washington, DC. <http://www.gao.gov/products/GAO-13-464T>.

⁵ Samuelsohn, Darren. (2015, October 21). Welcome to CR Hell. *POLITICO*. <http://www.politico.com/agenda/story/2015/10/congress-federal-budget-continuing-resolution-000270>.

⁶ Government Accountability Office. (2015). *Update on Strategic Management Challenges for the 21st Century*, GAO-15-619T. Washington, DC. <http://www.gao.gov/products/GAO-15-619T>.

their mission. Compounding this challenge is the uncertainty around the viability and nobility of federal employment and public service careers. SEA believes it is critical that Congress not engage in a race to the bottom in terms of compensation and benefits the government would be able to offer prospective employees. Promises made to current employees and annuitants should be kept. It is also important to point out that over a third of new hires in recent years, and nearly a third of the entire federal workforce, are veterans who have honorably served our nation and want to continue their service to the nation in federal employment.⁷

The predominant focus by Congress in recent years on negative and punitive legislative proposals relating to the federal workforce – scaling back or eliminating due process protections that guard against politically motivated personnel actions, setting higher contributions from employees for their pensions and health benefits absent increases in benefits, clawing back earned pay and benefits, discussing eliminating public service loan forgiveness programs, reducing the number of agency employees absent a business case for doing so, proposing across-the-board attrition-based restrictions on hiring, to name a few – coupled with negative congressional rhetoric about the workforce has created an environment in which many talented recent graduates and other citizens are not considering the federal government for employment. In 2014, only 7 percent of new hires to the federal government were under the age of 25, compared to 23 percent in the private sector, according to the Partnership for Public Service.⁸

Furthermore, punitive legislative proposals that have been approved, such as the Veterans Access, Choice and Accountability Act of 2014 (P.L. 113-146) that made it easier to terminate or discipline VA senior executives for misconduct or performance have not resulted in improved management of agency personnel or operations. In fact, the VA is struggling to attract and retain the best senior leaders to lead VA Medical Centers – many of these roles are still filled with interim or acting directors – and high-caliber GS-14 and 15 employees are hesitant or unwilling to enter the executive ranks at VA. As Congress considers more “accountability” proposals targeting the VA workforce,⁹ and the workforce in general, it should heed the lessons discovered in a SEA survey of VA executives in early 2016.¹⁰ A 2015 SEA survey of career leaders found the “gotcha” mentality presently surrounding the federal workforce was challenging the government’s ability to recruit and retain the most qualified leaders.¹¹

⁷ Office of Personnel Management. (2016). *Employment of Veterans in the Federal Executive Branch, Fiscal Year 2015*. Washington, DC. <https://www.fedshirevets.gov/hire/hrp/reports/EmploymentOfVets-FY15.pdf>.

⁸ Partnership for Public Service. (2014). *Fed Figures*. Washington, DC. <http://ourpublicservice.org/publications/download.php?id=350>

⁹ Katz, Eric. (2017, February 23). VA Secretary Says Department is Working Closely with Congress on Firing Bill. *Government Executive*. <http://www.govexec.com/management/2017/02/va-secretary-says-its-working-closely-congress-firing-bill/135674/>.

¹⁰ Senior Executives Association. (2016). *Senior Executives at the Department of Veterans Affairs – A Survey of VA Leaders on the Proposal to Move Career Executives from Title 5 to Title 38*. Washington, DC. https://seniorexecs.org/images/VA_SESSurveyReportTitle5toTitle38.pdf.

¹¹ Senior Executives Association. (2015). *Recruiting Qualified Career Senior Leadership: How Are We Doing?* Washington, DC. <https://seniorexecs.org/images/RecruitingQualifiedCareerSeniorLeadership-HowAreWeDoing.pdf>.

Beyond harming recruitment and retention, negative rhetoric about the workforce also has a direct cost through decreased employee engagement. Gallup research estimated a cost to the government of \$18 billion in 2014 due to employee disengagement.¹² That cost could be eliminated if we respect and invest in the federal workforce and we encourage and empower employees from the front lines to the C-suite to work together to identify inefficiencies and collaboratively improve agency operations. This occurred at the Portsmouth Naval Shipyard, where management and labor came together to craft a “Declaration of Excellence,” that has aligned all employees behind a common vision and which has increased morale, productivity and efficiency.¹³

An environment must be created in which serving the public in federal service is seen as a realistic and attractive career option, even if not for a lifetime career. SEA strives to restore the notion of honor and pride around public service that President Kennedy harkened to in his 1961 inaugural address when he said citizens should “ask not what your country can do for you — ask what you can do for your country,” but we need help from Members of Congress.

Examining Potential Solutions to Issues Affecting Each Stage of the Employee Lifecycle

The following sections contain perspective and proposals on issues affecting each stage of the employee lifecycle. This structure was chosen because it provides a menu of options to address specific issues related to the workforce, but also conveys the interrelatedness of these options in forming an employee’s career experience. Just fixing one thing or tinkering around the edges won’t necessarily make the whole system work better. The current system is too complex and unwieldy and needs to be streamlined and updated to provide a modern foundation for a 21st century government. That is why SEA supports comprehensive civil service and government reform legislation.

Recruitment

The government is failing to compete in the global war for talent. Agencies need better tools and processes to recruit and hire. Few agencies have a defined talent acquisition and talent management process for all employees at all levels. According to a 2015 Vanderbilt University survey, 42% of senior executives said they could not recruit top job candidates.¹⁴ Agencies and managers need better recruiting tools, and improved recruiting resources, beyond the posting of jobs on USAJobs.

Agencies need more direct hiring authority and the ability to offer competitive compensation to recent graduates, particularly those with mission critical skills. For example, last summer DHS

¹² Ander, Steve & Swift, Art. (2014, December 16). U.S. Federal Employees Less Engaged Than the Rest. *Gallup*. <http://www.gallup.com/poll/180206/federal-employees-less-engaged-rest.aspx>.

¹³ McDermott, Deborah. (2014, April 20). Revolution in the works at shipyard. *SeaCoastOnline.com*. <http://www.seacoastonline.com/article/20140420/NEWS/404200344>.

¹⁴ Patterson, Jim. (2015, July 16). Vanderbilt researcher: It's time for civil service reform. *Research News at Vanderbilt*. Vanderbilt University. <https://news.vanderbilt.edu/2015/07/16/vanderbilt-researcher-it%E2%80%99s-time-for-civil-service-reform/>.

was able to hire 370 new cyber security and technology professionals with on-the-spot job offers during a two-day summer job fair. Recent authorities granted by Congress for hiring individuals with cybersecurity expertise at DOD and DHS can serve as a model for government-wide hiring reform. Authorities to allow individuals to more easily come into and out of government service, and to benefit from added experience upon reentering the government, should also be pursued. The best employees and those with in-demand skills are not waiting 80-100 days for a job offer from the government. They might not work for a career in government but they might for a few years. The government needs fresh thinking constantly being injected into the workforce.

Agencies also need to do more to cultivate and develop their HR talent, and to transform those professionals and their role within organizations from largely transactional and process oriented to being strategic partners for management. Jeff Neal, a former Department of Homeland Security (DHS) Chief Human Capital Officer (CHCO), has written extensively on the need to retool federal HR for the 21st century.^{15 16}

Hiring

A 2015 MSPB report found that the principle of fair and open competition for federal jobs is being challenged by a proliferation of hiring authorities, overuse of restrictive hiring authorities and practices, potential abuse of hiring authorities by some managers, and some HR staff prioritizing internal processes over providing efficient customer service to job applicants.¹⁷ While agencies are unique, the sprawling morass of numerous authorities causes confusion for hiring managers and HR specialists and inhibits effective oversight.¹⁸ Congress can make it easier for both applicants and agencies alike to understand and better be able to navigate the hiring process. To understand lessons learned, Congress may also consider an evaluation of the effectiveness of OPM's recent [Hiring Excellence](#) campaign which sought to better educate managers and HR professionals about the hiring tools agencies already have available and how to best use them.

Congress should explore the role of competitive examining in federal hiring, and which authorities need to be streamlined and consolidated legislatively versus which can be accomplished administratively by OPM and agencies. When it comes to hiring authorities and flexibilities, Congress needs to answer whether departments and agencies should be considered as constituting a single federal enterprise or as many separate entities.

¹⁵ Neal, Jeff. (2016, April 28). Fixing Federal HR Begins with Staffing. *ChiefHRO*.

<https://chiefhro.com/2016/09/01/fixing-federal-hr-begins-with-staffing/>.

¹⁶ Neal, Jeff. (2016, September 1). Federal HR is Mission Critical. Is It Mission Capable? *ChiefHRO*.

<https://chiefhro.com/2016/04/28/can-we-fix-hr/>.

¹⁷ Merit Systems Protection Board. (2015). The Impact of Recruitment Strategy on Fair and Open Competition for Federal Jobs. Washington, DC.

<http://www.mspb.gov/netsearch/viewdocs.aspx?docnumber=1118751&version=1123213>.

¹⁸ Government Accountability Office. (2016). Federal Hiring: OPM Needs to Improve Management and Oversight of Hiring Authorities. Washington, DC. <http://www.gao.gov/products/GAO-16-521>.

One tool that managers will benefit from is implementation of the Competitive Service Act (P.L. 114-137). Hiring managers will greatly benefit from the ability to review vetted job candidates who have clearly expressed an interest in federal employment for similar positions. Congress should encourage agencies to operationalize this new authority in a common sense way that adds value. Managers should not have to wait for multiple years for guiding regulation, as they did following the passage of phased retirement authority.

Congress should continue examining current federal recruitment and hiring practices. Concerns have been raised in recent years by many about the USAJobs platform, the state of the Presidential Management Fellows (PMF) program¹⁹, the Pathways Program that eliminated old internship and recent graduate programs²⁰, and the time it takes between applying for a job and receiving a decision, to name a few. The varied ways agencies handle security and suitability adjudication also can slow down the hiring process, and opportunities to have common forms or processes should be further explored. All of these areas are ripe for improvement.

Onboarding New Employees

Agency processes for onboarding and orienting new employees to the organization need to be strengthened. Usually the selected employee gets an orientation/onboarding of a few days to a few weeks and that mostly focuses on process not on how to succeed in the agency's culture. New employees often need someone with institutional knowledge to help guide their career decisions. Managers can play a key role by developing coaching and mentor/protégé relationships with subordinates and superiors. Such relationships are commonly required in successful private sector organizations, as they facilitate and encourage personal growth and continuous professional improvement. Some agencies already have successful mentoring programs in place. In 2016 OPM rolled out an improved model for SES onboarding that could serve as a model to improve government employee onboarding in general.²¹

Probationary Period

Across the government, most employees are subject to a one-year probationary period upon starting their jobs. During this time they are in an "at-will" status and can be released by the government from employment. SEA supports legislation extending the probationary period for positions that require extensive training.

For example, air traffic controllers and some positions with the Social Security Administration (SSA) and Internal Revenue Service (IRS) have extended training periods, significant portions of

¹⁹ Fox, Tom. (2014, November 17). Critiques of the Presidential Management Fellows Program. *The Washington Post*. <http://www.washingtonpost.com/blogs/on-leadership/wp/2014/11/17/critiques-of-the-presidential-management-fellows-program/>.

²⁰ FEDmanager. (2015, March 11). SSA Managers Group Suggests Improvements for Pathways Program. *FEDmanager*. <http://www.fedmanager.com/news/2079-ssa-improvements-for-pathways-program>.

²¹ Office of Personnel Management. (2014). SES Onboarding Enhanced Framework. Washington, DC. https://www.opm.gov/wiki/uploads/docs/Wiki/OPM/training/SES%20Onboarding%20Pilot/SES%20Onboarding%20Enhanced%20Framework_webv1.pdf.

which occur outside of the employee's home office, before achieving journeyman status. Since managers often do not work extensively with those employees during the first year and cannot fully assess their on the job performance, it is reasonable and most fair to both the employee and the manager to extend the probationary period or begin it upon completion of training. Furthermore, managers should have to proactively certify that an employee has cleared the probationary period, and should be held accountable for doing so.

To the extent that it is not being fully utilized, and research by GAO and MSPB demonstrate that the probationary period is not being used to its full potential^{22,23} – for both new hires as well as new managers and executives – that is an issue of training and understanding how to use the probationary period.²⁴ Managers must be held accountable for properly using the tools they have at their disposal.

Employee Training and Development

No successful major employer neglects developing its workforce. Yet the reality in government, especially in nearly every non-defense civilian agency, resources for training and travel are often the first to be slashed when budgets are tight, denying members of the workforce critical opportunities to refresh skills and keep them current. To be successful in the long term, agency budgets must dedicate training and professional development funds that cannot be transferred. Training and development should be linked to employee performance and the agency's talent management strategy. Because they often cannot accomplish all the mission requirements and provide adequate training within their budgets, agencies are unable to cultivate a workforce with necessary skills and expeditiously close skills gaps. This can have dramatic future impacts as the learning deficit only gets deeper.

Development should also include experiential learning such as rotations and details which help employees grow and improve, especially in the area of leadership.²⁵ It is imperative that the prevailing perspective be that investment in federal civilian employees be seen as not purely a cost, but rather as an investment, such as the development of members of the armed services is understood to be.

²² Government Accountability Office. (2015). Improved Supervision and Better Use of Probationary Periods Are Needed to Address Substandard Employee Performance. Washington, DC. <http://www.gao.gov/assets/670/668339.pdf>.

²³ Merit Systems Protection Board. (2015). Adverse Actions: The Rules and the Reality. Washington, DC: Office of Policy and Evaluation. <http://www.mspb.gov/MSPBSEARCH/viewdocs.aspx?docnumber=1205509&version=1210224&application=ACROBAT>.

²⁴ Merit Systems Protection Board. (2005). The Probationary Period: A Critical Assessment Opportunity. Washington, DC. <http://www.mspb.gov/MSPBSEARCH/viewdocs.aspx?docnumber=224555&version=224774&application=ACROBAT>.

²⁵ Derler, Andrea, Abbatiello, Anthony & Garr, Stacia. (2017, January 23). Bigger pond, Bigger fish: Five ways to nurture developing leaders in an ecosystem for growth. Deloitte University Press. <https://dupress.deloitte.com/dup-us-en/deloitte-review/issue-20/developing-leaders-networks-of-opportunities.html>.

Talent Management

A recent survey of federal leaders identified gaps in agencies talent management strategies.²⁶ As missions of federal agencies evolve and technology involved in performing functions changes, there is a critical need to equip organizations within the government with meaningful data (demographic, attrition, skills inventories, retirement trends, training needs assessments, etc.), effective methods (succession management plans, critical skills forecasts, workforce planning assessments, etc.) and to develop training for agency officials on how to routinely and successfully utilize such data and methods to manage their workforces just as they do their budgets and other resources.

This is an area where OPM and OMB need to exert leadership, and in consultation with professional associations (such as SEA), good government groups and agency CHCOs, CFOs, etc. develop tools, templates and best practices to aid agencies in what is likely to be an era of tight resources and competing national priorities. Once the tools are developed agencies could use the tools to produce workforce management plans that are tied to budget requests and are set up on a scorecard type basis (a potential model is the stoplight Management Scorecard used by the President George W. Bush's administration) and given broad visibility and use in allocating federal resources and in developing recruitment, hiring, assignment, training, succession and mobility plans within agencies. This is a function performed by manpower offices in the armed services, covering both active duty and civilians, yet no comparable analog exists in most civilian federal agencies. Absent statutory directive and authorization, it is unlikely all agencies will invest resources in establishing robust talent management systems, although some agencies do have such systems. GAO has listed human capital management as a high risk issue since 2001.

The general lack of robust capability in this area across federal agencies may make it difficult for OPM and OMB to develop within 90 days a data-driven attrition plan for the workforce, pursuant to President Trump's memorandum enacting a hiring freeze.²⁷ GAO's duplication report may provide a useful proxy for OPM, OMB, and agencies in identifying smart areas to apply attrition and consolidation across the federal enterprise. That the President's hiring freeze is temporary in nature to provide time for development of the workforce plan is a positive sign, as GAO's research found that government-wide hiring freezes proved ineffective in managing federal employment.²⁸

²⁶ Management Concepts. (2017). Unleveraged Talent: Exploring Gaps in Federal Workforce Management. <http://learn.managementconcepts.com/TalentGaps>.

²⁷ The White House, (2017). Presidential Memorandum Regarding the Hiring Freeze. Washington, DC. <https://www.whitehouse.gov/the-press-office/2017/01/23/presidential-memorandum-regarding-hiring-freeze>.

²⁸ Government Accountability Office. (1982). Recent Government-Wide Hiring Freezes Prove Ineffective in Managing Federal Employment, FPCD-82-21. Washington, DC. <http://www.gao.gov/products/FPCD-82-21>.

Regarding the hiring freeze itself, the guidance memo, M-17-18²⁹, issued by OMB and OPM, has been helpful to agencies in interpreting the original Presidential Memorandum. However, even if temporary, SEA has concerns that the freeze, coupled with negative views of federal workers in recent years in Congress and the press, will have a chilling effect on the ability of the federal government to attract and recruit talent it needs, particularly from veterans, millennials including students graduating college this spring, and to fill mission critical skills gaps.

Compounding this concern is the uncertainty around the viability and nobility of federal employment and public service careers. Rhetoric from Members that federal employees “become where they are career bureaucrats who soak of the lifeblood of the American people,” will not help the government’s recruitment or retention efforts.³⁰

Supervisor Selection, Training, and Development

Supervisors are the critical link between management and employees. For this reason, the supervisor’s proficiency in both technical and leadership skills is important for agency success. Effective supervisors increase employee motivation, communicate expectations, and ultimately increase organizational performance. The MSPB highlighted the importance of first-level supervisors in a 2010 report.³¹

The manner in which the government selects which employees to take on supervisory roles is in dire need of an update. Under the General Schedule, an employee often must take on supervisory duties in order to ascend the ranks. Yet there is no assessment of whether that employee, who may be an excellent technician or subject matter expert (SME), has the capacity to serve as a supervisor and leader. Federal employees require career ladders that let them chose whether they prefer to remain a SME or whether they want to manage, and both options should present opportunities for career advancement and growth. This also applies to determining whether a senior employee should be SES, SL/ST, or equivalent.

Research published by Gallup³² highlights the importance of selecting the correct employee for supervisory and managerial duties in the first place. One in ten employees have the unique combination of skills and perspective to be a manager, while an additional two in ten can be taught to be a great manager. That means seven out of ten employees, who may be great SMEs, are likely not cut out for supervising employees. Ensuring the government develops and

²⁹ Office of Management and Budget and Office of Personnel Management. (2017). Federal Civilian Hiring Freeze Guidance, M-17-18. Washington, DC. <https://www.chcoc.gov/content/federal-civilian-hiring-freeze-guidance>.

³⁰ Katz, Eric. (2017, February 2). Congressman: Career Feds 'Soak Off the Lifeblood of the American People. *Government Executive*. <http://www.govexec.com/federal-news/fedblog/2017/02/congressman-career-feds-soak-lifeblood-american-people/135115/>.

³¹ “Merit Systems Protection Board. (2010). A Call to Action: Improving First-Level Supervision of Federal Employees. Washington, DC. <http://www.mspb.gov/netsearch/viewdocs.aspx?docnumber=516534&version=517986&application=ACROBAT>.

³² Beck, Randall & Harter, Jim. (2014, March 25). Why Great Managers Are So Rare. *Gallup*. <http://www.gallup.com/businessjournal/167975/why-great-managers-rare.aspx>.

selects the appropriate individuals for supervisory roles will produce an improved management talent pipeline, with the most adept of those leaders eventually rising to the SES ranks.

Meanwhile, more must be done to ensure that supervisors, managers, and executives are provided the training and development necessary to oversee the workforce. A 2015 MSPB report highlighted the importance and benefits of investing in executive leaders.³³ Nearly every MSPB, GAO, and Inspector General report cite recommendations for training and development. Despite directives from OPM and laws passed by Congress (i.e. P.L. 108-411) mandating agencies provide initial and ongoing supervisor training and have succession management plans, it is clear that there is more that could be done. SEA supports legislation to strengthen supervisor training, such as Senator Heitkamp's Federal Supervisor Training Act. As Congress seeks to strengthen supervisor training and development, along with training for all employees, it should also evaluate existing training mandates and the effectiveness of such training.

SEA has long advocated for mandatory supervisor training. For manager training to be most effective, five criteria should be met: 1) Every new supervisor and manager in the federal government must receive mandatory supervisory training within one year of their initial appointment; 2) Supervisors and managers should receive updated training every three years after the initial training; 3) Training of managers must become a priority within in each federal agency and department; 4) A specific authorization of federal funds would need to be made to underwrite the cost of training that is in addition to money currently allocated to each agency and department for personnel costs; and, 5) Managers should be afforded participation in processes that arise from constructive feedback and evaluations required of them. History has demonstrated that the ability of managers to effectively implement change, for example, implementing new performance management and appraisal systems, is dependent on effective training.

Leadership

SEA believes a focus on the quality of leadership is a key missing ingredient in civilian government. Regardless of what level an employee is on an organizational chart, they have the potential to be a leader. The government must embrace and cultivate leadership at all levels, as does the military. One must be able to lead themselves before they lead a team, before they lead an organization. Agencies and the federal enterprise need to invest in comprehensive talent development, using assessment and evaluation to select and promote leaders. Too frequently, the misapplication of the merit principles causes agencies to be overly cautious when cultivating future leaders, when agency managers and executives should be deeply involved in the selection and cultivation of future leaders. Agencies should have talent boards led by senior career employees who actively cultivate their agency workforce.

³³ Merit Systems Protection Board. (2015). Training and Development for the Senior Executive Service: A Necessary Investment. Washington, DC.
<https://www.mspb.gov/netsearch/viewdocs.aspx?docnumber=1253299&version=1258322&application=ACROBAT>

Reform the Federal Pay System

The General Schedule (GS) system is byzantine and broken. It is marginally if at all effective in recruiting, motivating and rewarding good employees. Time and seniority based pay progression is a vestige of a bygone era. Managers need flexibility to reward and promote employees who prove they are able to perform higher level work without waiting for time-in-grade restrictions. SEA supports a common sense approach that would bring more flexibility (e.g., pay banding, skills based pay, variable pay, market driven pay, dual track pay progression (managerial vs. technical tracks), etc.) to the federal pay system. The system needs to become widely available and established to promote fairness, accountability, and a better “bang for the buck” for employees and taxpayers alike.

While not perfect, more aspects of the SES pay for performance compensation approach could be embedded into GS type managerial/supervisory jobs wherein bonuses and special pay awards play a larger role in total compensation. OPM and OMB need to exert leadership with help from public and private sector groups and experts. Changes in pay systems must be complemented by changes in performance management systems and practices so as to reinforce and maximize the effectiveness of pay reform, and training on those new systems and changes. Clear communication with employees and employee representatives will also be a crucial factor to the success of pay and performance management reforms.

Performance Management

Training is a key to successful performance management efforts. Supervisors and employees alike need to understand their agency’s performance management system and their roles and obligations within that system. A lack of understanding or poor implementation of performance management systems breeds distrust between supervisors and employees, which can generate disengagement, lowered productivity and performance levels, grievances and legal actions.

Current frameworks for managing performance and risk need to be recalibrated. The GPRAMA process does call for agencies to undertake planning and strategic goal setting. GAO has found agency implementation of GPRAMA to be uneven³⁴ and agencies need to fully identify and report major management challenges and actions to resolve them in agency performance plans.³⁵ However, GPRAMA-induced planning is often done at the expense of an enterprise assessment of risk management, which SEA posits is more important to focusing management attention on risk to key agency operations and restoring public trust in government. OMB’s revision of Circular A-123 was an important first step, and the release of an enterprise risk management (ERM) playbook³⁶ by the CFO Council and Performance Improvement Council (PIC) provided a useful tool for leaders across government.

³⁴ Government Accountability Office. (2015). Implementation of GPRAMA Modernization Act Has Yielded Mixed Progress in Addressing Governance Challenges. Washington, DC. <http://www.gao.gov/products/GAO-15-819>.

³⁵ Government Accountability Office. (2016). Agencies Need to Fully Identify and Report Major Management Challenges and Actions to Resolve them in their Agency Performance Plans. Washington, DC. <http://www.gao.gov/products/GAO-16-510>.

³⁶ CFO Council. (2016). Enterprise Risk Management (ERM) Playbook Released. Washington, DC. <https://cfo.gov/2016/07/28/enterprise-risk-management-erm-playbook-released/>.

Data from the Federal Employee Viewpoint Survey (FEVS) demonstrate that government performance management practices can be improved. Analysis of FEVS data by the Partnership for Public Service and Deloitte found that only 60.1 percent of government employees received constructive feedback through the performance process, compared to 75 percent in the private sector.³⁷ Management gurus and leading organizations have been discussing how to reinvent performance management³⁸ for several years, as have some public sector organizations, and the government should learn from how large organizations are applying these changes³⁹ and explore applying them to government. SEA is committed to constructively participating in dialogue around reforming how the government does performance management.

Employee Accountability

Research has demonstrated that agency culture has by far the greatest bearing on the ability of managers to hold employees accountable for misconduct or poor performance.⁴⁰ The second and third next closest barriers were the support given by superiors, followed by the quality of service provided by HR. Unfortunately, it is often culturally easier for a manager to ignore a problem employee or detail them than to deal with the issue. Managers often are reluctant to take action against an employee, particularly if they do not receive appropriate support from superiors, agency political leaders, HR, agency counsel, and others, and consequently are disincentivized to commit substantial time and effort to address said employee and meanwhile feel vulnerability to grievances or other employee complaints.⁴¹ The current system is simply too complex, and the slightest misstep by a manager could cause a poor performing employee to retain their employment and subsequently be protected against accountability because of the ability to hide behind retaliation claims.

Increased emphasis on accountability through statutes such as the No FEAR Act (P.L. 107-174) makes managers even more reluctant to act against poor performers out of fear of an EEO or IG complaint, which can take up a substantial amount of their time and threatens to label them unfairly. While there are legitimate EEO, IG, and whistleblower claims, some employees who use these processes are merely attempting to paralyze their managers. These charges clog the system and delay attention to justified complaints. Currently, employees who make complaints are provided no disincentive from alleging problematic behavior by a manager, even if none

³⁷ Best Places to Work in the Federal Government. (2016). Government-Wide Analysis. Washington, DC. <http://bestplacetowork.org/BPTW/analysis/>.

³⁸ Buckingham, Marcus & Goodall, Ashley. (2015). Reinventing Performance Management. *Harvard Business Review*. <https://hbr.org/2015/04/reinventing-performance-management>.

³⁹ Capelli, Peter & Tavis, Anna. (2016). The Performance Management Revolution. *Harvard Business Review*. <https://hbr.org/2016/10/the-performance-management-revolution>.

⁴⁰ Merit Systems Protection Board. (2016). Addressing Misconduct in the Federal Civil Service: Management Perspectives. Washington, DC: Office of Policy and Evaluation. <https://www.mspb.gov/mspbsearch/viewdocs.aspx?docnumber=1363799&version=1369157&application=ACROBAT>.

⁴¹ Government Accountability Office. (2015). Improved Supervision and Better Use of Probationary Periods Are Needed to Address Substandard Employee Performance. Washington, DC. <http://www.gao.gov/assets/670/668339.pdf>.

had occurred. While it is important that employees always be provided outlets for reporting wrongdoing, a better balance than currently exists should be explored that disincentivizes frivolous complaints.

SEA and the Government Managers Coalition (GMC) have long supported a Federal Managers Fairness Act that would allow managers to participate during the EEO process, have the right to be consulted before a settlement, have the right to know when a case is filed and when it is finished, and be considered for lost benefits resulting from EEO complaints found to be without merit. The Federal Managers Fairness Act would allow managers to be assured that they will receive fair treatment during the complaint process. It will also provide managers with one more tool to ensure that they effectively deal with employees and are not unfairly burdened by a system they do not fully understand.

Given the complexity of federal personnel law, SEA encourages Congress to explore the creation of a unified federal dispute resolution forum that would serve as a singular point of resolution for all employee complaints, including EEO and labor arbitration. Creation of such a forum would end the process of “forum shopping,” in which employees can file complaints to various entities (i.e. MSPB, EEOC, FLRA, OSC), in the hope of delaying the process or reaching a settlement. A unified forum would also address the problem of conflicting precedents in EEO cases by various circuit courts. A proposal developed by the Coalition for Effective Change, of which SEA was a leading member, to do this was released in 1995.⁴² It is still relevant today.

Recently, Congress has (for the VA) and has debated reducing the employment protections of federal employees, for example those in the SES as well as those at specific agencies (i.e. IRS, EPA). Some proposals call for making members of the SES or the workforce in general “at-will” employees with no or very limited protections. SEA is deeply concerned about this discussion and the implications such changes would have for the American public if not fully and properly debated. According to a 2015 SEA survey of senior career leaders, respondents felt that at-will employment in the federal government would be detrimental to agency efficiency, effectiveness, integrity, productivity, innovation, operational stability, and public trust in government.⁴³

Guarding the government workforce from politically motivated or capricious personnel actions is not about protecting the jobs of government employees. Due process protections serve to protect for the public the integrity of the delivery and execution of governmental activity by keeping it free from partisan political influence. Due process protections for government employees are the mechanism by which the apolitical, merit-based civil service is protected.

⁴² Gilson, Bob. (2017, February). So, What’s Changed? *ACTION*. Washington, DC. <https://seniorexecs.org/component/content/article?id=848:so-what-s-changed>.

⁴³ Senior Executives Association. (2015). At Will Employment in the Career Senior Executive Service: Promoting Accountability or Threatening Federal Government Effectiveness and Senior Management Capability? Washington, DC. https://seniorexecs.org/images/documents/press_releases/AtWillSurveyReport.pdf.

Retirement

Federal employees have always understood that they would not become rich working for the government, but they would have a secure retirement. That is an appropriate trade-off for those working in the public trust and on the public's behalf. As Congress explores potential changes to the government's compensation and benefits package, including retirement, it must hold sacred employment promises made to current employees and annuitants. For current annuitants and those soon to retire, SEA and its colleagues in the Government Managers Coalition (GMC) have over the years provided suggestions to OPM and Congress about improving the retirement system for federal employees.⁴⁴

Looking forward and considering current labor market dynamics, it may be appropriate for the government to offer a more portable retirement package that enables employees to come in and out of government more easily, while not losing benefits or earned assets.

Assessing Structural Barriers to Government Effectiveness

The Senior Executive Service

This testimony did not offer specifics on SES and senior professional reform. This was done for two reasons. First, addressing SES reform in a vacuum without addressing the foundational issues discussed above would miss an opportunity to drive more lasting and important reform. Second, SEA has recently testified in both the Senate⁴⁵⁴⁶ and the House⁴⁷ on the SES and offered specific ideas, and is also actively working with lawmakers and under new leadership on additional areas for reform.

Career Leaders Need to be at the Table

Despite career senior executives being envisioned in the CSRA as the "keystone" that serves to professionally bridge short-term political appointees with the career federal workforce, career

⁴⁴ Government Managers Coalition. (2013, February 9). Letter to Chairman Farenthold and Ranking Member Lynch, House Oversight and Government Reform Committee. Washington, DC.
<http://www.fedmanagers.org/FMA/files/ccLibraryFiles/Filename/000000000409/GMC%20Letter%20to%20Federal%20Workforce%20Subcmte%20re%20backlog%205-9-13.pdf>.

⁴⁵ Senior Executives Association. (2014, May 6). Testimony of SEA President Carol Bonosaro before the Senate Subcommittee on the Efficiency and Effectiveness of Federal Programs and the Federal Workforce on "A More Efficient and Effective Government: Cultivating the Federal Workforce." Washington, DC.
https://seniorexecs.org/images/documents/congressional_testimony/SEA_Testimony_for_EEFPPW_Subcommittee_Hearing_5-6-14.pdf.

⁴⁶ Senior Executives Association. (2015, June 3). Written testimony of SEA President Carol Bonosaro before the Senate Subcommittee on Regulatory Affairs and Federal Management on "21st Century Ideas for the 20th Century Federal Civil Service." Washington, DC.
https://seniorexecs.org/images/documents/policy_letters/SEAWrittenTestimonyfor21stCenturyIdeasforthe20thCenturyFederalCivilService6-3-15.pdf.

⁴⁷ Senior Executives Association. (2014, July 11). Testimony of SEA President Carol Bonosaro before the House Subcommittee on Federal Workforce, U.S. Postal Service, and the Census on "Oversight of the Federal Workforce: The Viability of the Senior Executive Service." Washington, DC.
https://seniorexecs.org/images/documents/webinars/SEA_Testimony_for_Fed_Workforce_Subcommittee_7-11-14_00024760x87C30.pdf.

senior leaders are often not included at the highest levels of agency decision making. Consequently, policy decisions are sometimes made by political leadership without consideration the ability of the agency to deliver upon that decision. Research by Professor Paul C. Light found that the growing cascade of government breakdowns can be often be attributed to a failure of linking policy vision with execution, including overseeing faithful execution of the intended policy vision.⁴⁸

Too frequently senior career leaders are treated more like senior managers, as opposed to true senior executives with decision making authority. Professor Light and others have studied the thickening of senior management roles – both political and career – and the negative results of diffused decision making and authority. Short term political appointees should not be assigned to key agency administrative roles such as Chief Operating Officer, Chief Human Capital Officer, etc. SEA supports legislation restricting such positions to career-reserved.

Reduce Fragmentation, Overlap, and Duplication

It is almost impossible to imagine a top to bottom review of the federal government’s agency/mission/organizational structure (a la the Defense Department Base Realignment and Closure process) even though this is vitally needed. Previously introduced legislative proposals, such as the Government Transformation Act (S. 2269 in the 114th Congress) offer one potential mechanism to achieve this goal. If this can’t occur then proactive, ongoing steps and reforms need to be established to vastly improve intra and interagency coordination (including information sharing, managerial cooperation, resources reallocation, etc.) in key mission areas such as public health, national, cyber and homeland security, energy and the environment, etc. While previous administrations have attempted this, for example through the President’s Management Council, pursuit of category management for procurement, and establishment of organizations like the Unified Shared Services Management (USSM), more effort is needed – absent statutory changes it will be very difficult to move the needle. Antiquated authorization and appropriation methods may also need to be improved to provide the most effective enterprise-level management and coordination possible.

GAO’s research into opportunities to reduce fragmentation, overlap, and duplication provides a handy government-wide view into addressing challenges in this area.⁴⁹ Agencies and Congress need to continue to work together to reduce overlap, duplication, and dysfunctional redundancy and lack of ownership by forcing consolidation and improved coordination among similar organizations, functions, missions, and managers within and across agencies.

⁴⁸ Paul C. Light. (2015). Vision + Action = Faithful Execution. The Volcker Alliance. New York. <https://www.volckeralliance.org/sites/default/files/attachments/Vision%20%2B%20Action%20-%20The%20Volcker%20Alliance.pdf>.

⁴⁹ Government Accountability Office. (2016). Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits, GAO-16-375SP. Washington, DC. <http://www.gao.gov/products/GAO-16-375SP>.

It's time to start thinking of the federal government and its organizations and workforce as an entire enterprise and not just a collection of ornaments hung on a sagging tree that never gets trimmed, reshaped, or cross-bred.⁵⁰

Conclusion and Next Steps for Reform

SEA believes that comprehensive civil service and government reform is necessary to enable the government to best serve vital national interests in the 21st century. Reform must not only allow the government to meet current requirements, but must lay the foundation for a more agile and nimble federal apparatus that is capable of responding to the dynamic challenges and change that technology will drive in society in the coming years. Methods such as strategic foresight could be employed to inform reform efforts.

This testimony touched upon many ideas, both large and small, that can address the empowerment and improve the effectiveness of management-level employees. SEA's recommended course of action is for the Congress to take immediate action on smaller-bore issues that can be taken up in the near term – such as enhancing hiring authorities that enable the government to fill critical skills gaps and fulfill mission requirements, streamlining disciplinary and accountability processes while maintaining fairness and employee due process rights – and chartering a commission to tackle the mammoth task of developing a modern personnel system and other areas that require careful assessment.

SEA stands ready to work with this Subcommittee and all Members to discuss how we can unleash government employees to lead and how the civil service can be brought up to date in order to best serve the American people.

⁵⁰ Rosenbloom, David, Malone, Patrick & Valdez, Bill. (Eds.). (2016). *The Handbook of Federal Government Leadership and Administration: Transforming, Performing, and Innovating in a Complex World*. London: ASPA Series in Public Administration and Public Policy.