



PARTNERSHIP FOR PUBLIC SERVICE

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Subcommittee on Management, Investigations and Oversight**

**Hearing Entitled  
“Putting People First:  
A Way Forward for the Homeland Security Workforce”**

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Chairman Carney, Representative Bilirakis, Members of the Subcommittee, thank you very much for the opportunity to appear before you today. I am Max Stier, President and CEO of the Partnership for Public Service, a nonpartisan, nonprofit organization dedicated to revitalizing the federal civil service by inspiring a new generation to serve and transforming the way the federal government works. We were honored to testify before this subcommittee in 2007 on the human capital challenges facing the Department of Homeland Security (DHS) and the morale of the department's employees. It is our pleasure to be back before you again today to comment on the current state of the department's workforce and to suggest areas which we believe would benefit most from this subcommittee's attention.

The Partnership has two principal areas of focus. First, we work to inspire new talent to join federal service. Second, we work with government leaders to help transform government so that the best and brightest will enter, stay and succeed in meeting the challenges of our nation. That includes all aspects of how the federal government manages people, from attracting them to government, leading and engaging them, supporting their development and managing performance; in short, all the essential ingredients for creating, developing and maintaining a world-class workforce.

### **The Presidential Transition: A First for DHS**

You have charged the witnesses for today's hearing with recommending a way forward for the department's workforce. Your timing is ideal; the new administration has created new opportunities to improve on the hard work that has already gone into standing up the Department of Homeland Security.

The Partnership for Public Service issued a report last year entitled "Roadmap to Reform: A Management Framework for the Next Administration." The premise of our report is that the new administration's policy objectives cannot succeed unless our government has a talented and engaged federal workforce that is able to implement those policies. We suggest that the core components of an effective workforce include having the right talent; an engaged workforce; strong leadership; and, public support. This is true for government as a whole, and it is true for the agencies of government – including the Department of Homeland Security.

The recent transfer of power from one presidential administration to another was a first for the department. Political transitions are a challenge for any federal agency as new political leaders and career professionals learn to work with each other to achieve the president's policy objectives, but the challenges for DHS are perhaps unique. Just over six years old, the department continues to experience the growing pains that resulted from its creation – the assemblage of 22 different federal organizations with different types of workforces, different cultures, different compensation systems and different goals into one department with a common mission to protect our homeland and 216,000 employees.

The Obama administration moved quickly to select a new secretary to lead this critically important department. Though the secretary was confirmed on January 20<sup>th</sup>, she remains essentially “home alone” – surrounded by senior staff who are in an “acting” capacity plus some holdovers from the previous administration. The department has almost 300 political appointees; filling those slots requires an enormous investment of time and resources. And when those slots are vacant, it creates a vacuum in leadership and accountability at a department that is tasked with protecting our homeland 24 hours a day, 7 days a week. Further, as noted in the DHS Human Capital Strategic Plan for FY 2009 – 2013, 72 percent of DHS career executives left the Department from October 1, 2003 to September 20, 2007, the highest rate of any Cabinet department.

DHS is now the largest law enforcement agency in the federal government. Many department subcomponents brought a “command and control” culture with them to DHS and a staff that is deployed largely in the field, rather than in Washington. In many ways, the department is still struggling to create a “Team DHS” culture.

At the time of its creation, the Department of Homeland Security was granted major exemptions from Title 5 requirements, including in the areas of pay and performance. DHS designed a new human resources (HR) system that included a pay-banded approach to pay and was intended to be more sensitive to performance and the market for talent than the existing General Schedule system. DHS, however, also designed new approaches to labor-management relations and employee appeals which were challenged in court by employee unions. After years of fits and starts, Congress recently pulled the plug on the department’s plans to move forward with its alternative personnel system.

The continuing adjustment to the department’s creation and the uncertainty over the future of the department’s personnel system certainly contributed to the department’s poor showing in the Partnership’s 2005 and 2007 *Best Places to Work in the Federal Government* rankings, which measure employee satisfaction and engagement. When we testified in 2007, we highlighted the key drivers for employee satisfaction – or lack thereof – at DHS. Nearly two years later, we can report that in many ways, DHS appears to be headed in the right direction – but much work remains.

### **Measures Drive Change**

The old adage that “what gets measured, gets changed” still holds true. And when it comes to the federal workforce, not enough is getting fully measured. Data available on the state of the federal workforce is not systematically organized, evaluated or disseminated in a way that is meaningful to all of the key audiences.

The value of indicator systems as an effective tool for driving reform has been widely documented. The Partnership has taken a step toward creating national indicators through our *Best Places to Work in the Federal Government* rankings, prepared in collaboration with American University’s Institute for the Study of Public Policy Implementation. The *Best Places* rankings build upon data from OPM’s Federal Human Capital Survey to

provide a comprehensive assessment of employee satisfaction across the federal government's agencies and their subcomponents.

Employee satisfaction and commitment are two of the necessary ingredients in developing high-performing organizations and attracting needed talent to meet our nation's challenges. The *Best Places to Work* rankings are a key step in recognizing the importance of employee satisfaction and ensuring that it is a top priority of government managers and leaders.

Since the first rankings were released in 2003, they have helped create much-needed institutional incentives to focus on priority workforce issues and provided managers and leaders with a roadmap for boosting employee engagement.

The rankings also provide Members of Congress and the general public with unprecedented insight into federal agencies and what the people who work in those agencies say about leadership, mission and effectiveness. Ideally, the *Best Places* rankings can aid Congress in fulfilling its oversight responsibilities by highlighting the federal government's high-performing agencies and raising a red flag when agencies suffer from conditions that lead to low employee engagement and, consequently, poor performance.

### **DHS: Moving in the Right Direction**

Mr. Chairman, in 2005 and again when we testified before you in 2007, the Department of Homeland Security as a whole ranked second-to-last -- i.e., in 29th place -- among large agencies in the *Best Places to Work* rankings. The department was the lowest ranked agency in eight out of ten workplace categories. Those ten categories are: employee skills/mission match, leadership, work/life balance, teamwork, pay and benefits, training and development, support for diversity, strategic management, performance-based rewards and advancement, and family-friendly culture and benefits.

Our index scores are computed based on data that comes from federal employees themselves through their responses to OPM's Federal Human Capital Survey. The 2008 survey data are available for overall departments and we are in the process of preparing our 2009 *Best Places* rankings. Although the rankings will not be computed and released until later this spring, we are able to preview some important findings for the subcommittee drawn from the 2008 Federal Human Capital Survey.

In key questions that reflect overall employee satisfaction, DHS has improved:

- Fifty-eight percent of those department employees surveyed say they would recommend their organization as a good place to work, up from 51 percent just two years ago;
- Sixty-two percent say they are satisfied with their job, the highest positive response ever from DHS employees;

- Nearly 50 percent say they are satisfied with their organization, up from 44 percent in 2006.

Some additional good news is that these gains in employee satisfaction and engagement do not appear to be accidental. DHS has promoted a department-wide effort to constructively respond to the concerns and issues expressed by employees in previous surveys. For example, we understand that CBP conducted employee focus groups at 127 sites around the country to better understand the reasons for employee dissatisfaction. Department-wide action plans are updated periodically with best practices such as the expansion of an “Idea Factory” blog started within the Transportation Security Administration to solicit, share, and implement employee suggestions. DHS should be commended for taking the results of the employee survey seriously and for its efforts to improve employee satisfaction and engagement.

Within DHS, three workplace categories have been most closely related to overall satisfaction. They are, in order, leadership, employee skills/mission match, and strategic management.<sup>1</sup> We expect, based on historical trends, that leadership will continue to be a big, and perhaps the biggest, driver of satisfaction at the department.

Sixty-one percent of those surveyed in 2008 agreed that their immediate supervisor or team leader was doing a good job, up from 57 percent in 2006 – that’s good news and certainly movement in the right direction, though it is still far behind the private sector, where 74 percent agreed that their supervisor or team leader was doing a good job. With respect to overall organizational leadership, however, the signals are mixed: just over 34 percent of employees agreed that leaders generate high levels of motivation and commitment in the workforce. This is a welcome improvement over the 27 percent who agreed with that statement in both 2004 and 2006. The unfortunate truth, though, is that an organization where only 34 percent feel that their leaders generate a motivated and committed workforce is an organization that is probably not performing up to its potential.

### **A Focus on Leadership**

As stated earlier in this testimony, leadership has been the leading driver of employee satisfaction at DHS. We also know that leadership is the area in which the federal government most lags the private sector. The DHS Fellows Program, once run by the Council for Excellence in Government but now at home with the Partnership, is a leadership development program for GS-14s and GS-15s at the department. The program was launched in 2007 and has proven to be a popular, and successful, professional development opportunity for DHS’s next generation of leaders.

The DHS Fellows are a tremendous source of information and insight. We believe many of their experiences suggest a way forward for the department and this subcommittee.

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<sup>1</sup> This differs from the government-wide results, where work/life balance – not strategic management – was the third most influential driver of employee satisfaction in the 2007 rankings.

Our Fellows tell us that one of the best values of this program is the opportunity it offers for them to learn about each others' organizations. Fellows come from all over the department; some come from field offices while others are stationed in Washington. The opportunity to come together through the Fellows Program helps build relationships and contribute to a more cohesive "Team DHS" culture.

Exposing the Fellows to the other components of the department builds the connective tissue that will make for a stronger department overall. We know that Congress stands behind this concept, since it was Congress that passed a provision as part of the *Post-Katrina Emergency Management Reform Act*<sup>2</sup> to create a rotation program for department personnel to spend time working in other components of the department. Unfortunately, only small steps have been taken toward instituting a rotation program for DHS employees. One promising program is the Federal Law Enforcement Training Center's Pilot Leaders Program, which intends to encourage rotational assignments for non-supervisory staff.

It was also Congress that created the Senior Executive Service, which was conceived originally as a cadre of seasoned management professionals who could, and would, move to different posts throughout our government. In practice, there is far less rotation among agencies than the Congress envisioned – but the concept is sound. A well-rounded understanding of different agencies gives perspective and leads to better managers and better management.

### **Attracting and Retaining Needed Talent**

The federal government is an attractive employer. Our January 2009 report, "Great Expectations: What Students Want in an Employer and How Federal Agencies Can Deliver It," found that government/public service is the most popular industry choice out of 46 options among the undergraduates surveyed. We also found, however, that interest in government service is lower among groups government needs most, including students with technical and scientific majors.

The Department of Homeland Security performs a critical mission on behalf of the American people. With little margin for error, it is essential that DHS employ enough of the right people with the right skills. From new college graduates to senior professionals and everywhere in between, DHS must be able to attract and recruit the best available talent to fulfill its mission. We also suggest that DHS must be able to recruit and retain a diverse workforce at all levels.

Undoubtedly DHS has many of the same challenges as the rest of the federal government with regard to a hiring system that is frequently too slow, complex, and cumbersome and not applicant friendly. We also know, however, that parts of DHS have managed to achieve commendable results by overcoming some of these obstacles or in spite of them. For example, faced with the need to significantly increase staff levels, Customs and Border Protection (CBP) initiated an innovative and sustained recruitment effort that was

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<sup>2</sup> Title VI of P.L. 109-295.

able to attract over 3,500 applicants a week from a diverse applicant pool and included special outreach to military veterans. As a result, and despite what has been described as a rigorous screening process, CBP has been able to meet a goal of hiring 6,000 new border patrol agents by the end of 2008. Further, veterans make up approximately 25 percent of CBP's workforce and 54 percent of the workforce are minorities, with Hispanics accounting for half of the agent population. We are told that U.S. Immigration and Customs Enforcement (ICE) has also implemented a robust diversity recruitment effort and has established partnerships with a variety of colleges and universities towards that end.

Similarly, the Transportation Security Administration (TSA) has maintained an aggressive recruiting and screening process that attracts over 300,000 applicants a year. In FY 2008 alone, TSA made over 3,400 new hires. Clearly, DHS has benefited from a renewed interest in federal employment driven partly by the current downturn in national economic conditions but also by an increased appreciation for the value of public service.

It will be important that DHS, along with the rest of the federal government, not squander this opportunity to fill its workforce needs with highly talented and motivated employees. Despite its impressive accomplishments, there are still examples of outmoded hiring processes or requirements within DHS and other federal departments and agencies. For example, a current announcement for the HR Director for the Federal Emergency Management Agency, a SES level position, calls for the submission of up to 14 pages of narrative, to be submitted "on bond paper."

The Obama administration has ushered in an era of enthusiasm for government service not seen since the Kennedy years. Making the most of this interest in government employment adds a new sense of urgency to calls to streamline the current process for hiring new employees.

We suggest that Congress pass legislation creating a "Federal Applicant's Bill of Rights." An applicant bill of rights should provide that the hiring process must be understandable, transparent and timely. Job announcements should be written in plain English. Applicants should be able to apply online with a standard resume, and should be able to reach a real person at the agency to which they are applying if they have questions. Agencies should be required to make timely hiring decisions, and to notify applicants when a hire has been made. Our nation needs a Department of Homeland Security staffed with highly skilled, highly motivated professionals – and we cannot afford to let such talent slip away due to an unnecessarily lengthy and complicated hiring process.

We also suggest that Rep. David Price's *Roosevelt Scholars Act* is another measure that could help the department – and the rest of the federal government -- meet some of its critical hiring needs. This legislation was introduced in the 110<sup>th</sup> Congress and is expected to be introduced again shortly. It creates a graduate-level scholarship program in mission-critical fields in exchange for a federal service commitment. The military's ROTC program has been a tremendous source of leadership talent for our nation's armed

forces; we believe the *Roosevelt Scholars Act* could become an analogous source of needed expertise for our civilian agencies.

### **Better Support and Oversight**

The Partnership believes that the way to better government is through people. No federal agency can succeed if it does not have enough of the right people with the right skills to get the job done. While we have long argued that more investment in the capacity of the federal workforce is desperately needed, passage of the 787 billion-dollar stimulus package adds a new sense of urgency.

Federal agencies – and more accurately, federal employees – are being asked to distribute billions of dollars in stimulus money as quickly as possible. While the Obama administration has committed to spending 350 million dollars on oversight to ensure accountability and transparency, this approach fails to invest in the infrastructure of government that will minimize failures in the first place. It is like calling law enforcement for a smoking engine when what is really needed is a good mechanic. We need an aggressive plan to provide the personnel and tools necessary for our government departments and agencies to succeed, and a new paradigm that imagines the watchdog role as constructive rather than punitive. In other words, smart government should be about getting it right the first time, rather than discovering problems after the fact and attacking federal agencies, and their employees, for failing to do jobs they were never resourced to handle.

The Department of Homeland Security is fortunate to have a workforce that is highly committed to its mission; over 90 percent of department employees surveyed agreed that the work they do is important. The challenge for Congress is to ensure that the department is provided with the personnel and resources to do its job well.

We also highlight the importance of strong Chief Human Capital Officers and human resources professionals in federal departments and agencies. And of course, the Office of Personnel Management serves a vital policymaking role across government. Never has our government been so challenged, and never have these positions been more important.

In 2007 and again in 2008, we interviewed Chief Human Capital Officers in large departments and agencies in a candid, not-for-attribution conversation on the challenges they face and potential areas for improvement.

When asked the extent to which HR staff members have the competencies needed to help their agency succeed in the future, 71 percent of respondents said their staffs had needed competencies to only a “limited” or “moderate” extent, with less than one-third saying their staffs had the right skills to a “great” or “very great” extent.

“[HR staff] are very comfortable in the transaction zone, but not so comfortable giving advice,” said one CHCO. The shift away from transactional skills to a more consultative role for HR staff that requires strategic thinking was noted by many of our survey

participants. Indeed, 48 percent of those surveyed said that HR staff is viewed by agency leadership as a “trusted business advisor” (versus a transaction manager) only to a “limited” or “moderate” extent.

Tackling the workforce and management challenges facing the Department of Homeland Security requires a solid human resources team with modern skills and tools. We encourage the subcommittee to continue its oversight of the DHS workforce and to pay special attention to the capacity of the human resources function in the department. The fact that DHS has improved to a significant extent from 2006 to 2008, as measured by the results from the Federal Human Capital Survey, is an encouraging sign and indicates that the department’s management team takes the survey data seriously and that early efforts to improve employee satisfaction and engagement are starting to pay off.

### **The Way Forward: Recommendations**

The Partnership offers the following recommendations regarding the Department of Homeland Security’s personnel management:

1. Better and more frequent data are essential for Congress to conduct necessary oversight of the Department of Homeland Security and how it is managing its workforce. We recommend that the Office of Personnel Management conduct the Federal Human Capital Survey on an annual basis, and release the data as soon as its accuracy can be assured. This will enable the department to make real-time course corrections where needed; provide an annual benchmark capability by providing consistent data across agency lines; and provide Congress a more timely and informative oversight tool.
2. Congress should encourage and support department efforts to create learning and development opportunities for DHS employees; in particular, more attention must be devoted to creating a successful rotation program that will enable employees to experience other DHS components and build a more cohesive department.
3. A key criterion for the success of any human capital management system is the presence of highly competent managers, supervisors, and HR professionals. Congress should ensure that DHS has the resources, and is making the necessary investment, to select, train, and effectively manage the individuals in these key occupations.
4. Congress should encourage and fund leadership enhancement and leadership development programs for DHS employees. Improving the skills of existing leaders and developing the next generation of leaders will improve employee engagement and organizational performance.
5. Congress should ensure that the department has the resources and personnel necessary to fulfill its mission, and should encourage an oversight approach that is

constructive and designed to identify and fix potential problems before those problems become failures.

6. Congress should require the Department of Homeland Security, and all federal agencies, to improve their hiring processes. A “Federal Applicant’s Bill of Rights” to make the hiring process more understandable and timely would improve the ability of the department to attract needed talent from diverse talent pools. Congress should also pass the *Roosevelt Scholars Act* to enable federal agencies, including DHS, to attract mission-critical talent.
7. Congress should review the number of positions filled by political appointees in the Department of Homeland Security to determine whether each of those positions is needed and whether the department would benefit from filling some politically appointed positions with career civil servants.