THE FEDERAL HIRING PROCESS, PARTS I AND II

HEARINGS

BEFORE THE

SUBCOMMITTEE ON CIVIL SERVICE
AND AGENCY ORGANIZATION

OF THE

COMMITTEE ON
GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

JUNE 7 AND JULY 13, 2004

Serial No. 108–281

Printed for the use of the Committee on Government Reform

Available via the World Wide Web: http://www.gpo.gov/congress/house
http://www.house.gov/reform

U.S. GOVERNMENT PRINTING OFFICE

98–900 PDF WASHINGTON : 2005

For sale by the Superintendent of Documents, U.S. Government Printing Office
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THE FEDERAL HIRING PROCESS: THE LONG AND WINDING ROAD

MONDAY, JUNE 7, 2004

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION,
COMMITTEE ON GOVERNMENT REFORM,
Chicago, IL.

The subcommittee met, pursuant to notice, at 10 a.m., at 3333 West Arthington Street, Chicago, IL, Hon. Jo Ann Davis (chairwoman of the subcommittee) presiding.

Present: Representatives Davis of Virginia, and Davis of Illinois.

Staff present: Ronald Martinson, staff director; Chad Bungard, deputy staff director and chief counsel; Christopher Barkley, professional staff member; Reid Voss, clerk; John Landers, OPM detailee; and Tania Shand, minority professional staff member.

Mrs. JO ANN DAVIS OF VIRGINIA. The Federal hiring process for most applicants is a long and winding road. The road is so long and winding that the government misses out on some of the best and brightest applicants. This is totally unacceptable. The Federal Government needs to have a hiring process in place that is more efficient, timely, modern, simple and consistent, while keeping in line with the merit system principles. Otherwise, the Federal Government will continue to lose out on talented employees who want to serve their country.

There have been many recent studies on the Federal hiring process, all of which made interesting findings. I will quickly summarize a few of these findings. An October 2001 survey conducted by the Partnership for Public Service revealed, "Many people view the process of seeking Federal employment as a daunting one. Three-quarters of non-Federal workers say making the application process quicker and simpler would be an effective way of attracting talented workers to government."

A July 2002 report by the National Academy of Public Administration found that Federal hiring remains a slow and tedious process and current hiring methods do not keep pace with the private sector.

A September 2002 report by the Merit Systems Protections Board said that the Federal hiring process is overly complex, has inadequate, time-consuming assessment procedures and is burdened by ineffective hiring authorities.

In November 2002, OPM recognized in its strategic plan that, "There is a general perception that our hiring process takes too long and may not provide well-qualified candidates."

In the January 2003 Report of the National Commission on the Public Service, the commission found that, "A college graduate applying for a Federal job confronts a complex and lengthy application demanding far more information than any employer reasonably needs. The very nature of the application deters."

In GAO's May 2003 report to Congress, GAO noted some key problems with the hiring process: Outdated and cumbersome procedures are used to define a job and set pay; job announcements are unclear and unfriendly; convening panels and the manual rating of applicants is time consuming; a key assessment tool and hiring programs used for entry level positions are ineffective; numerical rating and ranking and the rule of three limit the choice of applicants and are viewed as ineffective.

According to the GAO report to be released today, "Within government and the private sector, it has been widely recognized that the Federal hiring process is lengthy and cumbersome and hampers agencies' ability to hire the high-quality people they need to achieve their agency goals and missions."

That same GAO report also reveals that, "Agencies appear to be making limited use of two new personnel authorities created by Congress in November 2002 and implemented by OPM in June 2003: category rating and direct hiring authority." The report also cites the lack of OPM guidance, the lack of flexibility in OPM rules and regulations and the lack of agency policies and procedures as barriers to using these new flexibilities.

These findings are certainly disconcerting. Government agencies too often leave too many talented applicants waiting in limbo for too long, and the job announcements alone discourage top talent from applying. I expect to make real progress to improve this situation. We regularly say the government can ill afford to lose the so-called, "war for talent," but this morning we will be hearing about what is being done right now and what real actions we can expect in the near future.

We will hear from witnesses who I know are actively engaged in initiatives to improve Federal hiring, such as OPM's revamping of its e-recruitment site and its promotion of a 45-day hiring model as well as efforts by the Chief Human Capital Officers Council aimed directly at the hiring process. I very much look forward to hearing from all the witnesses, and I thank all of our witnesses for being here and look forward to the discussion.

I would now like to recognize our ranking member, Mr. Danny Davis, for an opening statement. And, Mr. Davis, thank you for inviting us here to your district to hold this hearing, and we look forward to hearing from you.

Mr. DAVIS OF ILLINOIS. Thank you very much, Madam Chairwoman, and let me, first of all, just thank you and all of the members of the subcommittee, staff and witnesses who have traveled to Chicago to participate in this hearing. For those who have not been to Chicago lately, let me just suggest to you that we are always delighted when visitors come. We have a theme for you: Soldiers' Field, Rigley Field, Marshall Field. [Laughter.]

So it's a field that we are accustomed to and we are very excited that you are here for this field hearing. [Laughter.]

The Office of Personnel Management, OPM, the General Accounting Office, GAO, public interest groups and the media have all predicted a wave of retirements in the Federal civil service. More than ever, a streamlined and efficient Federal hiring process will be critical as we strive to hire talented and qualified personnel to fill the positions of those who will soon retire.

There are many aspects to the Federal hiring process. First, the hiring agency must notify the public that a position is open and that applications will be accepted for the job. All applicants are then screened for minimum qualifications. Those who meet the minimum qualifications are assessed according to the skills, knowledge and abilities needed to perform the job. Finally, Federal agencies must rate and rank candidates based on their experience, training and education.

In 2002, the Government Accounting Office surveyed the human resources directors at 24 major Federal departments and agencies. Thirteen of the human resources directors reported that lengthy hiring time was a very great problem, and 8 stated that hiring time was a moderate problem. Among the reasons cited were the manual processing of thousands of applicants, the lack of understanding of personnel hiring rules and procedures and the paperwork-intensive hiring process that requires rating and ranking of applicants and the creation of lists of the best qualified applicants.

Congress and OPM have taken steps to address many of these problems. The Homeland Security Act of 2002 contained new governmentwide hiring flexibilities that could help agencies in expediting and controlling their hiring process. The act also permitted category ranking, which is an alternative ranking and selection procedure that can expand the pool of qualified job applicants from which agency managers can select. Agencies also were given direct hiring authority which allows an agency to appoint individuals to positions without adhering to certain hiring requirements. Finally, the act also established a Chief Human Capital Officer, called CHCO, in each of the 24 Federal agencies to advise and assist the head of each agency with human capital management efforts.

Chairwoman Davis and I requested a GAO report on the hiring process that will be released today. Unfortunately, the report found that agencies are making limited use of the hiring flexibilities enacted by Congress and implemented by the Office of Personnel Management almost a year ago. Additionally, it appears that Federal agencies are not using long-existing personnel flexibilities.

GAO also has released two reports that document the importance of succession planning and the need to incorporate diversity as a management initiative in the senior executive service. Federal agencies must ensure that they are hiring a diverse pool of candidates for Federal jobs, particularly at the senior management level. To this end, I am pleased to note that OPM will be hosting a job fair at the State of African-American Male Conference that I will be holding at Malcolm X College on Saturday, June 26.

The Federal Government is at an important crossroads. We have an opportunity to improve the effectiveness of the Federal hiring process and the diversity of the work force, particularly at the senior levels of government. The GAO report is telling us that we are not there yet, so let's not squander this rare opportunity.

Again, Madam Chairwoman, I thank you for holding this hearing, for bringing it to Chicago. I again thank all of the witnesses who have traveled to our city and all of the staffpersons who have come with the subcommittee, and I look forward to the testimony we will hear today. Thank you very much.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Davis. I ask unanimous consent that all Members have 5 legislative days to submit written statements and questions for the hearing record and that any answers to written questions provided by the witnesses also be included in the record. Without objection, it is so ordered.

I ask unanimous consent that all exhibits, documents and other materials referred to by Members and the witnesses may be included in the hearing record and that all Members be permitted to revise and extend their remarks. Without objection, it is so ordered.

On the first panel today, we are going to hear from the Honorable Dan Blair, Deputy Director of the U.S. Office of Personnel Management. It is standard practice for this committee to administer the oath to all witnesses, and at this time, if all of those who are going to be witnesses today would please stand, including anyone who may also be answering questions, I will administer the oath to all of you at one time. Please raise your right hands.

[Witnesses sworn.]

Mrs. JO ANN DAVIS OF VIRGINIA. Let the record reflect that the witnesses have answered in the affirmative, and you may be seated.

Mr. Blair, as always, it is a pleasure to have you before this committee as a witness, and we thank you for traveling out to Chicago for this field hearing. And I hope you are going to have the time to hang around just for a little bit to at least hear from the two witnesses who either are or were Federal applicants and to hear what their actual experience has been.

Today, as always, we have your full statement in the record, and if you would like to summarize your statement, I will recognize you for 5 minutes.

STATEMENT OF DAN G. BLAIR, DEPUTY DIRECTOR, OFFICE OF PERSONNEL MANAGEMENT

Mr. BLAIR. Thank you, Madam Chairwoman and Mr. Davis. It is a pleasure to be in Chicago today. I want to thank you for asking me to testify on behalf of OPM and Director James on the efforts that we have been taking to improve Federal hiring. I do have a written statement for the record, and I am happy to summarize.

When I first started at OPM, Director James and I sat down and she tasked me with an assignment, and that was to fix Federal hiring. Indeed, that task has been proven to be quite complex and vexing. We have seen some important improvements. Enactment of authorities for category rating and ranking, additional direct hire authorities are two big areas where we have seen improvements. We have seen an emphasis on the strategic management of human capital, which includes staffing and hiring and how major agencies and departments across Government now have new HR leadership by way of the Chief Human Capital Officers [CHCOs] Act, are a way of focusing responsibility and accountability on improving Fed-

eral HR management. But far too often Federal hiring appears too cumbersome, too complex and takes too long.

Some things are under OPM's direct control. For instance, the USAJOBS Web site and the ways that we are attempting to improve that and make it more user friendly. Another is our Call to Serve Initiative that we have with the Partnership for Public Service, and Marcia Marsh will be testifying following me. That initiative is intended to reestablish links between agencies and colleges and universities that have kind of fallen by the wayside over the last 15 years or so. And, as Mr. Davis mentioned earlier, the job fairs. We have hosted job fairs across the country, I think we have had about a dozen, and we have seen a tremendous amount of interest in those job fairs every time that we have hosted those.

I attended a New York job fair with members of your staff, and in the city that was the site of the September 11 attacks we saw 15,000, and I emphasize, well-dressed, well-prepared men and women from a diverse variety and background, standing in line. I was told the line went four times around Madison Square Garden. It was on a long spring day. Also, they could come in and learn more about Federal jobs and Federal job opportunities. And, I am told that we achieved some good results at that job fair. For instance, the Central Intelligence Agency [CIA] was there. The people that were there were prepared and ready, and they got 11 on-the-spot hires that day. So that is good news.

We started obtaining feedback from other agencies, but I think the lesson that we have learned is that there is a tremendous amount of interest in Federal employment at this time. I hope we have a good turnout in Chicago as well, but one thing is clear: We need to make sure that agencies send to these job fairs the right people who are knowledgeable about the available agency jobs. If that is done, like with the CIA, we are going to see some good results.

Let me talk about a few other areas that are proving to be more complex. OPM doesn't hire for the agencies. As my written testimony points out, that authority was delegated to the agencies back in the mid-eighties and nineties, so it is important to recognize that hiring is an important component of an agency's human capital management strategies, and it rightly belongs with the individual agencies and departments. This decentralization can also fragment accountability and responsibility, and so that is where this subcommittee can come in. Madam Chairwoman, you and your colleagues can help focus light and heat on this subject. As President Bush said, "What gets measured is what gets done." Looking at time-to-hire is one of those areas that OPM plans to monitor, and we hope that you can engage and fortify us as we go down that path.

Frankly, at OPM, we can offer guidance, direction and help, but the rubber meets the road where it comes to the agencies and departments. Agency leaders must take it and own it and make it a priority to hire more effectively and efficiently. It just can't be viewed as an HR thing. We can offer all the flexibilities in the world, offer training sessions to HR specialists and offer guidance, but if agencies don't avail themselves of these flexibilities, I find that terribly frustrating, and I can imagine that you do too.

I also find it frustrating when I hear horror stories of people, especially young, energetic and motivated young people, tell stories of waiting for months on end only to find out that the Federal job they applied for has been filled or, worse yet, hearing nothing at all. Let's be clear, not everyone who wants a Federal job will get one, but agencies should afford applicants the courtesy of a reply and letting them know where they stand in the process, and they can do that in a timely manner.

So that is where we stand. The good news is we have seen improvements. Last year, fiscal year 2003, we saw the Federal Government hire 95,000 people, but much more work is needed, and indeed it is taking place. We have seen new personnel systems being established with the Department of Homeland Security and with the Department of Defense, and both of these instances provide us opportunities, whether directly or indirectly, to improve our hiring. The personnel systems for the CIA and NASA will also see changes, and just recently OPM approved direct hire authority for the Centers for Medicare and Medicaid Services and the Department of Homeland Security.

But more needs to be done, and at OPM, our commitment is to holding agencies accountable. Evidence of our commitment can be found in our new agency structure at OPM, an organizational structure which is intended to better serve our clients—the agencies. And agencies, I believe, want to do a better job. Yet such improvements must and can take place through the framework of a merit system, be it ensuring fundamental fairness, protecting against prohibitive personnel practices or safeguarding veterans' preference. This system remains paramount as the Federal Government seeks out the best and brightest in service to America.

So in closing, I would point out that our collective efforts by OPM, by the agencies, by Congress must work toward the same goal, and that goal is to honor the Americans who have chosen to answer the call to public service. So the least we can do in Government is have systems and processes in place that help and not hinder Americans as they step forward in service to their country.

[NOTE.—The U.S. Office of Personnel Management report entitled, "Working for America Report on Agency Survey on Improving Federal Hiring, June 2004," may be found in subcommittee files.]

[The prepared statement of Mr. Blair follows:]

Statement of

The Honorable Dan G. Blair
Deputy Director
Office of Personnel Management

Before the

Subcommittee on Civil Service and Agency Organization
Committee on Government Reform
United States House of Representatives
Chicago, Illinois
June 7, 2004

Good morning Madam Chairwoman, Ranking Member Davis and members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the current efforts of the Office of Personnel Management (OPM) to improve the way the Federal Government hires people to carry out its vital work.

Under the leadership of Director Kay Coles James, OPM plays several pivotal roles in ensuring the integrity and efficiency of the Federal hiring process. OPM's first role is that of steward of the merit system. The integrity of the Federal hiring process is based on five bedrock pillars: merit system principles, prohibited personnel practices, veterans' preference, due process and equal employment opportunity. These are requirements of no other American employer. These requirements are not constraints but values that serve as a beacon to Federal employment. As steward of the Federal merit system, Director James and OPM take seriously the responsibility to ensure the integrity of the Federal hiring process.

OPM also serves as both a strategic and a business partner to Federal agencies in the hiring process. As a strategic partner, OPM provides support and incentive for agencies to take a long-range look at their hiring requirements, and also champions legislative change. As a business partner, OPM provides recruitment tools and regulatory efficiencies for agencies to reach their recruitment goals. However, just as OPM serves in these pivotal roles, it is Federal agencies that are the strategic and proactive "front line" in the Federal hiring process – for agencies must thoughtfully plan their hiring strategies as they aggressively and creatively pursue applicants in the labor market.

When I was confirmed by the Senate to my current position, the first charge to me by Director James was to fix the hiring process. She also made it clear that any changes would need to comply with the letter and spirit of the merit system principles – including veterans' preference. This issue has proven to be both vexing and complex and I am pleased to report on the positive contributions OPM has made in this area.

In the last three years, under the leadership of Director James, the Office of Personnel Management has initiated an aggressive effort to streamline and reform the hiring process within the Federal Government. Departments and agencies now have new flexibilities and improved tools to ensure they can recruit and hire the best and the brightest. These include enhancements to OPM's USAJOBS vacancy listing, and major efforts to reach out to students, veterans and the public at large through a number of initiatives including a series of recruitment fairs across the country. In fact, the latest in the series of job fairs will take place right here in Chicago – in Ranking Member Davis' district – on June 26. We look forward to working with his staff to make this event a success.

It is important that agencies demonstrate progress in streamlining the hiring process. By the end of FY 2006, nearly 40 percent of Federal employees will be eligible for optional retirement. OPM does not hire for individual agencies. OPM has led the effort to put the framework in place for agencies to succeed; now they must step up their efforts to improve their own hiring procedures. We recognize agencies for their accomplishments, and we intend to use our oversight responsibilities to measure agency progress in the critical area of hiring.

The President's Management Agenda

Since 2001, attracting the right kind of talent has been a major focus of the Strategic Human Capital initiative of the President's Management Agenda. OPM completed a major restructuring in 2003 for the purpose of providing agencies the tools and assistance they need to improve all aspects of strategic Human Capital Management, including finding and keeping the talent needed to do America's business effectively. Each major agency now has an OPM human capital officer assigned to ensure that every agency has the technical assistance it needs from OPM to achieve this goal.

Strategic Human Capital Management has other components, such as building the capacity of the Federal Government's leadership cadre and creating a performance-oriented culture. But the "talent" element is clearly second to none in its impact on how well the Government serves the American public. Now more than ever, the safety and well-being of Americans depends on having the systems in place to ensure that the right people are on board doing the vital work of the Government.

But the external circumstances affecting this important effort present a special challenge. An improving economy means more competition from other sectors for workers. Also, the Federal Government continues to face a significant outflow of its workforce due to retirement. My testimony before this subcommittee last October showed projected retirements of over 40,000 Federal workers this Fiscal Year, roughly 2 percent of the civilian Federal labor force. This is closely in line with actual retirements from the last few years. Current projections show this trend line turning up somewhat in the next few years, putting additional pressure on Federal agencies to replace these workers.

OPM's 10 Hiring Fixes for Agencies

Recognizing that, in spite of new programs, tools and flexibilities many agencies remain mired in old ways of doing things, OPM Director Kay Coles James issued a memorandum in February 2004 to agency Chief Human Capital Officers entitled, *Ten Things You Can Do To Improve Federal Hiring*. In this memorandum, Director James identified practical steps agencies can take *right now* to improve their hiring. These include:

- eliminating self-wrapping red tape;
- using plain language in job announcements;
- recruiting veterans;
- adopting an accelerated hiring model;
- competing on campus;
- offering incentives for talent;
- utilizing on-the-spot hiring authority;
- leveraging other new hiring flexibilities;
- going after outstanding scholars; and
- fully engaging the Human Resources (HR) staff.

In many respects, these ten steps summarize the work done by OPM the last three years to put the right tools in the hands of agencies – not to mention the challenges the agencies face in putting these tools to use. The Director's message to agencies is clear. The agencies have the authority and the flexibility to bring to Federal service the best and the brightest America has to offer. Now they must have the desire and the dedication to get that job done.

OPM Hiring Initiatives

OPM has heightened its efforts to reach out to the American public as potential employees, both in general and to targeted groups. Since last September, OPM has conducted 11 recruitment fairs across the country – from San Diego to Detroit to Miami to New York, and several cities in between. Over 55,000 potential applicants have attended these fairs, significantly raising the profile and visibility of Federal employment in these cities. Among agency representatives attending the fairs, 96 percent rated the fairs' overall quality as "excellent" or "good."

OPM is reaching out to more targeted populations as well. As the name change indicates, the Presidential Management Fellows (PMF) Program – formerly the Presidential Management Intern Program – has undergone a total overhaul and was fully replaced by a new program PMF. This program always targeted entry or mid-level candidates holding graduate degrees who demonstrated a strong interest in public policy. With the new Executive order signed last November by President Bush, the program was changed to broaden the appeal to a range of talent sought by the Federal government by including a Senior Fellows component, making it possible to recruit senior individuals at the specialist and manager levels. The opportunity for a more diverse applicant pool is now

possible thanks to the initiation of an on-line application process. The recent PMF job fair in Washington, D.C. provided agency representatives from over 70 Federal agencies an opportunity to interview over 600 pre-screened job candidates and to make tentative offers on the spot.

OPM is also reaching out to minority job candidates more aggressively than ever. The recruitment fairs proved to be a particularly effective method for reaching out to a diverse pool of potential applicants, as reported by the agency representatives whom we surveyed. Ties to Historically Black Colleges and Universities and Hispanic-American Colleges and Universities have been strengthened. OPM is finding other forums to get this message across. For example, an OPM executive spoke last month at a conference organized by the National Society of Hispanic MBAs and the National Black MBA Association. His message was that Director James "is leading the charge to recruit a diverse workforce that has strong business credentials, and who are at ease with rapid change."

Further, I was in San Antonio last month to talk to members of the National Association of Hispanic Federal Employees. My message to them was that the Federal Government was on the recruitment trail, and we are looking to cast a broad net to bring in the best and the brightest to be a part of America's civil service.

In an effort to honor the sacrifice and service our Nation's men and women in uniform have performed, OPM has launched a new program to reach out to veterans. Obviously, we owe our Nation's veterans a debt of gratitude – especially in these perilous times – for their sacrifices on our behalf. But there are sound business reasons for making sure this important resource is fully tapped. Veterans have a track record of proven commitment to the country and are extremely well-trained. OPM recently initiated a Veterans' Invitational Program (VIP) to help transition America's soldiers, airmen and sailors from military service to the civil service. VIP targets veterans nationwide by providing informative educational tools and publications to Veterans Service Organizations and Federal regional offices of the Departments of Veterans Affairs and Labor as well as military base transition offices. VIP educates veterans by quickly and accurately distributing information on job opportunities in the Federal workforce. The goal is to get our recent veterans working as seamlessly and as quickly as possible on the civilian side of the Federal workforce.

OPM is also reviewing policies governing the hiring of students and people with disabilities.

Legislative and Regulatory Flexibilities

A significant change in Federal hiring came about with the passage of important new flexibilities in the Chief Human Capital Officers (CHCO) Act of 2002. Agencies received authority to utilize a streamlined approach to rating and ranking applications for Federal jobs. This new approach, called category rating, is the first significant change in the process for evaluating Federal job applicants in over 50 years. It is a procedure which

maintains veterans' preference and allows agencies to place candidates in broad quality groupings, rather than assigning candidates actual numerical ratings. It also gives the selecting official more candidates from whom to select, rather then limiting him or her to just three, as is the case with the traditional system. The bottom line is that, while the quality of applicants can be maintained and veterans' preference in hiring is preserved, the complexity of the process is reduced, while expanding the pool of potential hires from which the selecting official can choose.

Another flexibility provided by the CHCO Act is the expanded direct-hire authority, sometimes called "on-the-spot" hiring. This authority permits agencies to hire qualified employees "on the spot," without putting them through a formal rating and ranking process. This authority is limited to occupations for which there is a critical shortage of candidates or a critical hiring need for the agency. The normal rating process is retained for non-shortage occupations. But it gives agencies a vital new tool for rapidly addressing pressing hiring needs in shortage occupations.

The Act further authorized the establishment of the Chief Human Capital Officers (CHCO) Council. At OPM, we have worked on a continuous basis with members of the Council since its inception to increase their knowledge about the availability of hiring flexibilities. For example, several of the Council meetings have been devoted to sharing information and providing guidance regarding the availability of HR flexibilities including category rating and direct-hire authorities. In an effort to educate Council members and to share best practices in an informal setting, Director James, as the Council Chair, created the CHCO "Academy." The Academy is held on a monthly basis and we intend to focus the June session on ways to improve the Federal hiring process.

In addition, S. 129, which was recently addressed by your subcommittee, proposes some legislative changes that will improve the ability of agencies to recruit high-quality individuals into the Federal service. For example, improvements to the existing authority for offering recruitment bonuses will make that flexibility much easier for agencies to use and will make available a broader range of bonuses in terms of the amount and the form of payment. Also, that bill would create annual leave enhancements that would help attract non-Federal individuals to the Government by permitting such new employees to earn annual leave at a higher rate than is currently the case for those who are new to Federal employment. We note that the Administration has concerns with some portions of S. 129, and we look forward to working with the committee as the bill moves forward.

Time to Hire Models

OPM Director James recently announced the creation of a 45-day hiring model. This focuses on the time between closing the vacancy announcement and making a job offer to the candidate. This is actually the middle phase of the overall hiring process, sandwiched between identifying and advertising the vacancy up front and the post-offer phase at the end, which may incorporate a lengthy security clearance process.

All phases of the process are important, but we chose to emphasize this middle phase for now because it is the part of the process during which most of the direct contact with the

applicant takes place. Improvement here will pay the biggest dividends in enhancing customer service to applicants and engendering more positive attitudes toward the Federal hiring process.

Agency efforts to improve hiring timeliness using the 45-Day Model will be complemented by e-Government initiatives to keep applicants informed about the status of their applications. Through OPM's Recruitment One-Stop initiative, applications will be tracked through all steps in the process and e-mail notices generated regularly to applicants.

The 45-Day Model came about when OPM experts broke down this phase of the hiring process into eight distinct components. We recognize, of course, that the 45-day standard is not absolute. Agency missions and hiring needs differ, so each agency needs to apply this model in a way that makes sense for its own particular situation. The point is to carefully track each step of the process, and use that flow of constantly updated information to drive improvement in hiring timeliness.

Although agencies must take responsibility for adopting the 45-Day Model, OPM continues to stand ready to help them apply it. Following on the Director's memorandum introducing the model to agency heads, OPM executives have been briefing each of the agency Chief Human Capital Officers about the model. We have also been asked by a major agency, the Department of Housing and Urban Development (HUD), to assist in a thorough "makeover" of its hiring processes, using the model. We are confident these data gathering efforts will yield useful information and further our understanding of the administrative burdens that agencies build into their hiring processes. My own agency, OPM, has already implemented this model to sharpen up our own internal hiring practices. Finally, to ensure that all agencies track hiring timeliness and perform up to an acceptable standard, we plan to monitor progress in this area.

OPM has also been active in making the process of hiring executives more timely. Last October, I testified before this subcommittee on the vital importance of human capital succession planning for Federal agencies, and the efforts of OPM to assist agencies in this endeavor. One of the tools we have made available to agencies is our 30-Day Model for hiring executives. Agencies need to make sure their leadership cadres are intact at all times, as they strive to carry out their missions in a fast-changing environment. Under this model, OPM pledges to provide expedited Qualifications Review Board assessment for the agency's Senior Executive Service candidates. (Review by an OPM-sponsored Board is required by law before an agency can hire a new Senior Executive.) But then it is up to the agency to move quickly through the part of the process under its direct control.

Improved Technology

In addition to monitoring these trends and working with agencies to create a broad strategic framework to help the Federal Government acquire and keep the talent it needs, OPM has undertaken a number of specific initiatives to make it possible for agencies to

achieve this goal. One of the most significant of these initiatives is the redesign and renovation of OPM's USAJOBS web site. USAJOBS is part of "Recruitment One-Stop," one of six major OPM initiatives under the e-Government plank of the President's Management Agenda. This site provides a comprehensive listing of job vacancies in the Federal Government. On a typical day, applicants can explore over 17,000 jobs, build and store up to five resumes for applying to Federal jobs, and access a wide range of information about Federal agencies and different Federal employment issues and opportunities. USAJOBS also allows applicants to search for Federal jobs by State, such as Illinois.

Since the revamped USAJOBS site was launched on August 4, 2003, OPM has received over 60 million "hits" from interested job seekers. This compares to fewer than 8 million hits in the previous 10 months. Over half a million job seekers have taken advantage of the opportunity to create a resume in the system, 50,000 of them in Illinois alone. Since the revamped site came on line, satisfaction ratings from our customers are also on the rise – from 71 percent to a current 90 day average of 75 percent as of late May 2004. As one applicant wrote to us, "(This is an) excellent web site, all other job sites should be this smooth."

Agencies Must Embrace New Tools and Flexibilities

In spite of OPM's initiatives, results from the job fairs and information available to OPM about the use of flexibilities show that the new tools and flexibilities have not been embraced as fully as we had hoped. For example, job seekers turned out in droves at the OPM recruitment fairs, but fewer than 30 direct-hires were made overall.

Two of the most important occupational groupings for which direct-hire authority is available because of the relative scarcity of qualified candidates are medical professions (i.e., medical officers, nurses, pharmacists, etc.) and information technology (IT) security specialists. Nearly 15,000 hires were made in these medical occupations in Fiscal Year 2003. (About 10,000 of these hires were made by the Department of Veterans Affairs and may have been made under a non-title 5 authority.) But only eight were as a result of direct-hire. Similarly, around 200 IT security specialists were hired, but only 51 were direct-hires.

Agencies also report surprisingly little use of the category rating tool since it became generally available in Fiscal Year 2003, in spite of its impressive track record at the Department of Agriculture, Internal Revenue Service, and elsewhere under personnel demonstration projects or other special authorities over the past decade or more. Results from these agencies have shown it to be an effective way to both streamline and improve the quality of the hiring process while fully supporting veterans' preference.

Meanwhile, the "horror" stories about Federal hiring continue. We've all heard them – tales of applications that go into a "black hole" and are never heard from again. Naturally, well-qualified applicants do not put up with this kind of treatment forever and find employment elsewhere. Recently, a bright college graduate trained in accounting

submitted his application package to a major Federal agency, hoping to be hired as part of its audit team. After hearing nothing for several months, he got back a form response saying that he could not be considered because he submitted the application to the wrong address – in spite of the fact that the address was the one listed on the vacancy announcement! Needless to say, his thoughts of a Federal career ended then and there.

In another case from the Chicago area, an applicant was told that a decision would be made within 90 days. The 90 days came and went, and after numerous unanswered phone calls he finally received a response to an e-mail indicating that a selection had not yet been made. A follow-up request to learn whether he had been referred to the selecting official as highly qualified went unanswered. Now, almost a year later, this individual has contacted OPM for help. OPM was forced to acknowledge that in the end it may take a Freedom of Information Act request to get the agency to finally explain what happened.

Despite these difficulties, OPM is committed to making the Federal hiring process faster, smoother, and more transparent to applicants and managers alike, which is the fundamental objective in getting the best and brightest America has to offer into the Federal workforce.

Applicant feedback from the USAJOBS web site also repeatedly cites differing application requirements at the various agencies as a major obstacle in applying for Federal jobs. Several agencies require that applications or resumes be submitted on the agencies own online forms, sending the unmistakable signal that the agency values its own administrative convenience over applicant-friendliness by a wide margin. This kind of process discourages applicants who don't want to endlessly retype their application materials as they apply at different agencies. This past week, OPM has announced the creation of a single resume through the Recruitment One-Stop initiative that will work at all agencies.

OPM Survey of Agency Hiring

In order to acquire a more comprehensive view of the state of Federal hiring, OPM conducted a 65-question survey in May 2004 on the recruitment and hiring practices of Federal agencies. The survey asked about the extent to which agencies have used the flexibilities now available to them, and to identify internal barriers and practices that impede their ability to hire the best and the brightest.

Twenty-five major agencies responded to the survey. Nineteen of the smaller agencies – those with populations exceeding 500 – also participated.

Not surprisingly, results from the survey vary considerably among agencies. Overall, however, the results confirmed the notion that much work remains to be done at the agency level.

One of the major topics covered in the survey – and a recurring theme in applicant horror stories – is time to hire. The good news is that the majority of the agencies do some tracking of time to hire. But only about half report doing so regularly – not a high percentage given how basic and visible a measure this is of the performance of the human resource function in an organization. Some agencies, though, such as the Department of Education, *have* made a major improvement in developing their tracking capability. This is highly commendable, because it will enable agencies such as Education to drive meaningful improvement through clear and consistent measurement of the results.

As expected, time to hire varies widely across agencies, from 5 days or fewer at one end of the spectrum to over 60 days on the other. (These timeframes refer to the work days elapsed between the closing of the vacancy announcement to the day an offer is made.) Nearly three-fourths of agencies reported making offers within 45 days of the closing of the announcement. While the data are self-reported and based in some cases on estimates, this is significant because, as I described, OPM has recently established a 45 day model for hiring.

What factors prevent many of the agencies from hiring faster? The survey asked an open-ended question about barriers to speedier hiring. Agencies cited many barriers, but the one cited most frequently by far – by almost 50 percent of the agencies – was that selecting officials spend too much time reviewing the credentials of highly qualified candidates and interviewing them. This suggests that the hiring process is not bogged down by insuperable technical problems but rather that the means to speed up the process are within an agency's grasp. It will just take discipline and determination – and the commitment of top management – to make it happen.

An encouraging sign in this regard is that, in most large agencies, monitoring to ensure that mission-critical occupations are filled has been elevated to a level above the operating HR office, where it has traditionally resided. In half of the agencies, the Chief Human Capital Officer receives regular reports on the status of these vacancies. In other agencies the responsible official is another high level official, such as the assistant secretary for management or, in one case, the agency deputy director. With high-level officials involved with this issue, there is strong potential for hiring issues to get the level of attention necessary to create a real impetus for improvement.

Another encouraging sign is that automation of the hiring process has really taken hold among the larger agencies over the last few years. Nearly 80 percent use automation, and it is having a positive effect on the time it takes to deliver a certificate of eligible applicants to the selecting official. Seventy-three percent of agencies using an automated system report delivering certificates within *15* days of the closing of the vacancy announcement, compared to only a quarter of the agencies using a manual system. Ninety-three percent of agencies using automation were able to deliver the certificate within *30* days, compared to 70 percent of agencies without automation.

With regard to the use of flexibilities, the survey data confirm what we had already identified through other sources: that the use of direct-hire, category rating, and other flexibilities is not extensive.

Finally, while agencies have been making extensive use of some targeted non-competitive recruitment, there is room for improvement in this area as well. For example, only 30 percent of large agencies have established a relationship with the transition offices that the Department of Defense has set up to facilitate the hiring of separating service members. The Departments of Veterans Affairs and Homeland Security stand out as positive exceptions to this general rule.

The Challenge to Agencies

In closing, let me thank you again, Madam Chairman, Ranking Member Davis, and other members of the subcommittee, for the opportunity to testify this morning. As you know, this issue is of the utmost importance to Director James and to myself. We have invested much of our personal time and energy in this issue over the last nearly three years, as well as that of our staff at the Office of Personnel Management. We have made strong efforts to provide agencies with the tools they need, but more needs to be done. We are not satisfied with the accomplishments to date in reducing the time to hire qualified Americans seeking to serve their country.

I thank you for the invitation to be here today, and I would be pleased to answer any questions you may have.

Testimony Correction

Page 8, Paragraph 3, Last line

Currently reads
This past week, OPM has announced the creation of a single resume through the Recruitment One-Stop initiative that will work at all agencies.

Should read
Through the Recruitment One-Stop initiative, OPM is making tremendous progress in implementing a single resume process that will work across all agencies.

Page 7 – Insert before "Agencies Must Embrace New Tools and Flexibilities

USAJOBS continues to evolve and just this week OPM announced that the site had recently been enhanced to include a new user-friendly display for job announcements and a new tool for Federal agencies to create their postings in plain language using the new format.

DIRECT HIRING AUTHORITY REQUESTED

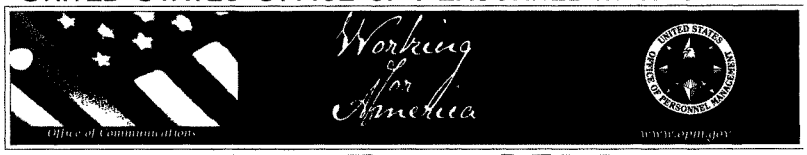
POSITION	PAY	LOCATION	APPROVED BY OPM
Governmentwide			
Diagnostic Radiologic Technologists	All GS levels	All Locations	✓
Medical Officers	All GS levels	All Locations	✓
Nurses	All GS levels	All Locations	✓
Pharmacists	All GS levels	All Locations	✓
Information Technology Management (Information Security)	GS-9 level and above	All Locations	✓
Positions involved in Iraqi Reconstruction efforts that require fluency in Arabic and other related Middle Eastern languages	All Wage-grade levels Certain GS levels	All Locations	✓
Securities and Exchange Commission			
Information Technology Specialist	GS-9 level and above	Office of Information Technology	✓
Accountants	GS-9 level and above	All Locations	✓
Economists	GS-9 level and above	All Locations	✓
Securities Compliance Examiners	GS-9 level and above	All Locations	✓
U.S. Department of Agriculture			
Veterinary Medical Officer	GS-9 through GS-13	All Locations	✓
Animal Health Technician	GS-2 through GS-10	All Locations	✓
Plant Protection and Quarantine Officer	GS-5 through GS-13	All Locations	✓
Plant Protection and Quarantine Aid/Technician	GS-2 through GS-7	All Locations	✓
General Biological Science (Agriculturalist & Biological Scientist)	GS-9 through GS-13	All Locations	✓
Biological Science Technician	GS-2 through GS-7	All Locations	✓
Microbiologist	GS-9 through GS-13	All Locations	✓
Entomologist	GS-9 through GS-13	All Locations	✓
Botanist	GS-9 through GS-13	All Locations	✓
Plant Pathologist	GS-9 through GS-13	All Locations	✓
Ecologist	GS-9 through GS-13	All Locations	✓
Chemist	GS-9 through GS-13	All Locations	✓
U.S. Department of Energy			
Substation Operator	All Levels	Bonneville Power Administration	✓
Office of Federal Housing Enterprise Oversight			
Accountant and Examiner positions (through August 31, 2006)	All Levels	Washington, D.C.	✓
Department of Justice			
Information Technology Specialist (expires September 18, 2005)	GS-9 and above	Criminal Division's Child Exploitation & Obscenity Section & Computer Crime & Intellectual Property Section	✓
Department of Health and Human Services, Centers for Medicare and Medicaid Services			
Health Insurance Specialist (expires September 19, 2005)	GS-9 through GS-15	Centers for Medicare & Medicaid Services	✓
Economist (expires September 30, 2005)	GS-12 through GS-15	Centers for Medicare & Medicaid Services	✓
Actuary (expires September 30, 2005)	GS-12 through GS-15	Centers for Medicare & Medicaid Services	✓
Department of Homeland Security			
Intelligence Research/Operations Specialist	GS-11 through GS-15	DHS Security Office & IAIP Directorate	✓
Security Specialist	GS-11 through GS-15	DHS Security Office & IAIP Directorate	✓
Telecommunications Specialist	GS-13 through GS-15	DHS IAIP Directorate	✓
Computer Engineering/Electronics Engineering/Computer Scientist	GS-13	DHS IAIP Directorate	✓
Program Manager (when position directly supports intelligence activities and functions)	GS-13 through GS-15 & Senior Level	DHS IAIP Directorate	✓
Program Analyst (when position directly supports intelligence activities and functions)	GS-13 through GS-15	DHS IAIP Directorate	✓

45-DAY HIRING MODEL[1]

SCREENING AND SELECTION PROCESS	RECOMMENDED GUIDELINES		
Action	Owner	# of Days[2]	
Screen Applicants for Minimum Qualifications/Selective Factors	HR	1-5	5[3]
Rate Applicants	HR	1-5	10
Apply Veterans' Preference/Rank Applicants/Deliver Certificate(s)	HR	1-5	15
Review Applications	Selecting Official	1-5	20
Schedule and Conduct Interviews	Selecting Official	1-15	35
Check References	Selecting Official	1-5	40
Make Selection(s) and Return Certificate(s)	Selecting Official	2	42
Extend Job Offer(s)	HR	1-3	45
	Grand Total		**45 Days**

45 work days from closing date of vacancy announcement
Agencies may adopt internal strategies to further reduce hiring time
An automated ranking system may shorten this step

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



NEWS FROM OPM

FOR IMMEDIATE RELEASE
June 4, 2004

CONTACT: Mike Orenstein
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OPM Survey Confirms the Promise of Hiring Flexibilities Remains Unfulfilled

Director Kay Coles James calls for agency commitment to find and hire the best candidates

Washington, D.C. -- A governmentwide survey on "what ails" the federal hiring process finds human resources flexibilities and tools granted by the U.S. Office of Personnel Management to expedite quality hires are not being used effectively by agencies, nor to the fullest extent possible.

The "Working for America: Agency Survey on Improving Federal Hiring" also concludes that OPM must "launch an agency by agency effort to highlight and remedy the gaps that keep the federal government from realizing its human capital potential."

"Under President Bush's leadership, it is clear we have made significant progress in improving the hiring process, and making federal job information and jobs accessible and available to all qualified Americans," said U.S. Office of Personnel Management Director Kay Coles James. "Americans who have heard the call to public service and wish to serve their nation deserve hiring processes that will answer their interest in a more-timely manner."

Toward this end, OPM has revamped its popular USAJOBS web site (www.usajobs.opm.gov) and recently launched a redesigned, online vacancy announcement format that will help agencies more fully communicate the job responsibilities to prospective applicants.

"We must be committed to finding, interviewing and hiring the best-qualified people," said James. "As agencies make better use of USAJOBS to promote themselves and the incredible array of job opportunities, government and taxpayers will benefit with a stronger applicant pool and highly qualified hires."

-- more --

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The survey's appendices include James' February 10, 2004, memorandum to Chief Human Capital Officers on 10 actions agencies can take immediately to improve federal hiring, as well as a list of a dozen hiring flexibilities and resources, such as the Outstanding Scholar Program, recruitment bonuses and veterans appointment authorities.

To the survey question that asks for the identification of internal barriers and outmoded practices that interfere with hiring the best candidates in a timely fashion, the most frequent response offered is that hiring officials and program managers too often act as competitors, rather than as teammates with common interests and goals.

The survey also found that factions within agencies often compete against each other, rather than come together in a common interest and single goal.

"With all we have accomplished over the past three years," said James, "the survey confirms that additional work must be driven internally within the agencies if we are to encourage the talented college graduate, the dedicated military veteran and the mid-career, experienced worker to commit and contribute to federal public service."

The survey was completed in May by the Chief Human Capital Officers or their designees of 45 federal agencies. James chairs the Chief Human Capital Officers (CHCO) Council, which endorsed the survey as a means to establish baseline information on agency use of hiring flexibilities.

In setting the pace, OPM has devised and used a 45-day hiring model to employ outstanding senior executives and rank-and-file employees. The hiring model is available for agency use.

While OPM acts as a facilitator in getting flexibilities and tools into the hands of agencies, the report accompanying the survey notes that "it is up to the agency to determine whether and when to use" them, adding that organizations that ignore the authorities "will not realize the full benefit" of measures that can bring about improvement.

-- end --

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Blair, as always, for appearing before our committee to testify. I am going to move into the question and answer segment now, but I am going to yield first to my ranking member, Mr. Davis.

Mr. DAVIS OF ILLINOIS. Thank you very much, Madam Chairwoman. And, Mr. Blair, of course, let me thank you for your testimony. As usual, you do an excellent job of representing OPM, and while we always look for the Director, we know that if she is not present, that you are going to represent the agency well. Please give her our regards in terms of her inability to be here.

Mr. BLAIR. It is a pleasure to pinch-hit for her.

Mr. DAVIS OF ILLINOIS. How many people would you say that we expect to retire from the Federal Government, say, within the next 5 years?

Mr. BLAIR. Well, we have projections that up to over 50 percent of the work force will be eligible to retire, and while our projections can be on and off, last year more retired than actually were projected. The bottom line is that we expect up to half the Federal work force to be eligible to retire up through 2013. And so we need to—as the economy grows, as other jobs and other industries become more competitive, how that will impact us we are not sure yet, but the bottom line is that we know that we are going to have a retirement wave, and so that is why we have been beating this drum so loudly. We want to make sure that agencies are prepared to have systems and processes in place that they can utilize when in fact they see a number of their folks walking out the door.

Mr. DAVIS OF ILLINOIS. And I think that is important to note, because as people wonder and especially as younger people who are coming out of college, getting ready for their careers and wondering whether they are going to be able to find a source of employment, the Federal Government is going to actually have opportunities, I mean with this much of the work force retiring or being projected to retire over the next 5 years.

In your testimony, you mentioned the creation of a Federal Fellows component, the creation of a Senior Fellows component of the Presidential Management Fellows Program. I know that we have been working with OPM, and we have been very pleased with some of the activity that has been generated around creating an opportunity for the first groups to become a part of the senior executive management corps. What is the status of that program right now?

Mr. BLAIR. Well, we have the Senior Management Fellows Program, excuse me, the Presidential Management Fellows Program, which we are in the process of revamping and increasing the grade levels at which people can be hired. I think what you are referring to is a Candidate Development program, and it is currently undergoing some internal review at OPM. We view this as a succession planning tool that agencies will have talent in place to replace the ranks of the members of the Senior Executive Service [SES] who will be retiring over the next few years, and we will make sure that we are doing it with an eye toward adherence to the merit system principles. We want to make sure that in our efforts to do good, we don't inadvertently do something that will get us sued, and so we are making sure internally that the review process includes the Department of Justice. But we want to make sure that we bring eligi-

ble candidates in at the GS–14 and GS–15 levels. They would undergo a 14-month leadership development program and, in turn, be ready for an assisgnment epartment should a sponsoring agency select them for the SES. But, currently, to answer your question, it is going through an internal review.

Mr. DAVIS OF ILLINOIS. I always maintain that one of the missing links in our country fulfilling its potential for greatness is the idea in every person's mind that they have the greatest amount of opportunity to achieve and excel and that they are on equal footing with every other person, no matter who they are or where they come from, what they do. We know that we have not reached that point yet. I mean that is part of what is still missing. Does OPM view as part of its mission to help make sure that is the feeling relative to the Federal Government?

Mr. BLAIR. Well, I think the Federal Government historically has been on the forefront of providing opportunities to people in society who otherwise didn't have them, but I also think that the underlying principle is our merit system, and that merit system is colorblind when it comes to what the ideas are for Government and civil service. And so it is very important that we provide open opportunity to everyone who is qualified. And that is what has been frustrating in looking at this hiring process is that we have a number of people who are qualified and want to serve and just making sure that we can meet that demand because we know that the agencies over the course of the next few years will certainly have that demand. And so that is why it is so imperative that we have a good process to bring people into place.

Mr. DAVIS OF ILLINOIS. Thank you very much. Thank you, Madam Chairwoman.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Davis. Mr. Blair, I said in my opening statement that it is disconcerting to me that Congress in 2002 extended two of the flexibilities for agencies to hire, the direct hire and the category rating, and I believe I also said that some of the agencies were saying that it was due in part to lack of guidance from OPM and also from the lack of flexibility in OPM's rules and regulations. You stated in your statement that OPM doesn't do that actual hiring and that you can do all the training in the world and the guidance and so on but if the agencies don't avail themselves, that is where the problem is. So the agencies are putting the blame on OPM, OPM is saying the agencies aren't doing it. Can you shed some light as to what type of guidance, for instance, is OPM giving to the agencies, and what do you feel is the reason that the agencies just aren't using the flexibilities, because we are still hearing the horror stories?

Mr. BLAIR. I am reluctant to go down this path since we have done this before, but, as we say, you can lead a horse to water——

Mrs. JO ANN DAVIS OF VIRGINIA. I think it was the cart and the carrot.

Mr. BLAIR. It was the cart and the carrot, but now we are going back anyway. I am reluctant to do that, but I did it, so anyway you can lead a horse to water. Since enactment and since we got the regulations out, we have put out numerous memorandums to agency heads, to the Chief Human Capital Officers. The management flexibilities were brought to the Chief Human Capital Officers' at-

tention, not only in their initial meeting last year but in the 2-day offsite that was held at the Federal Executive Institute in Charlottesville, so I remember there were some sessions for the CHCOs devoted to personnel flexibilities this past winter, and we are having a CHCO Academy on the 17th devoted to hiring flexibilities.

Earlier this year, Director James put out the top 10 list of what agencies can do right now to improve Federal hiring. We reorganized OPM. We now have desk officers, or what we call Human Capital Officers, who are assigned to specific agencies, so agency personnel know when they have an issue, a personnel issue, who do you come to at OPM because that was always an issue before, that unless you had personal contact, you didn't know where to call in. So we have desk officers who are assigned to specific agencies to monitor and help agencies address their human capital needs. We have had training sessions; we are having a training session at the end of the month. We had the "Train the Trainer" sessions; we had two of those last year. And so we are getting the word out there.

I think, though, it does come down to what gets measured is what gets done, and our frustration with the lack of use of flexibilities was translated into, "Why don't we look at hiring and make sure agencies are tracking it?" We did a survey last month and we found out that about half the agencies out there actually now track the time to hire. And so what we want to do is we want to monitor that time, and that is why we came up with the 45-day hiring model.

And what we did with this model is we looked at the hiring process and really divided it into three steps. You have the preliminary work force analysis piece, and that is in defining what is mission critical, what the job would be, the position description and even writing a vacancy announcement. We have other issues with those as well, but getting back to that, that was the preliminary session or the preliminary part of it. Where we focus on the 45-day model is in the screening and selection process, because we feel that is an area that is ripe for attention and it is an area that we can see some results. And so that is an area that again rests with the individual agency.

One of the areas in our survey that we found in surveying the agencies was that the selecting officer took an inordinate amount of time to screen applicants. And so we have proposed that the process be broken down and we propose what days should be taken. For instance, in reviewing applications, the selecting official could take, in our view, 1 to 5 days and in scheduling and conducting interviews, another 1 to 15 days, all of this is in an effort to shorten the time from close of the vacancy announcement to the time the job is offered. It can be done within 45 days.

And so we plan to monitor that with agencies. A memorandum went out from Director James last month stating our intention to do so. We are working through the Chief Human Capital Officers Council and the President's Management Council, because we think that should be part of the——

Mrs. JO ANN DAVIS OF VIRGINIA. When did you start the 45-day model?

Mr. BLAIR. When did we—I beg your pardon?

Mrs. JO ANN DAVIS OF VIRGINIA. When did you implement the 45-day model?

Mr. BLAIR. It hasn't been implemented yet.

Mrs. JO ANN DAVIS OF VIRGINIA. It has not been implemented?

Mr. BLAIR. Because we want to put it as part of the scorecard, and in order to do that, we want to make sure that agencies understand it.

Mrs. JO ANN DAVIS OF VIRGINIA. Have you talked to the agencies about it?

Mr. BLAIR. We are in the process of talking to the agencies.

Mrs. JO ANN DAVIS OF VIRGINIA. What has been the response so far by the agencies?

Mr. BLAIR. Well, thus far, I think it is hard for me to say because I haven't talked to anyone specifically about it, but the general feedback that I have heard is that they want to make sure that when it comes to the scorecard they are not changing the rules in the middle of the game and they are not lowering the bar or raising the bar, more specifically, at a time when you are scoring them. But I think that from our survey we have seen that only half of the agencies track time to hire now, so I think this is an important component that needs to be part of that management scorecard.

Mrs. JO ANN DAVIS OF VIRGINIA. And you said the 45 days was for screening and——

Mr. BLAIR. It is from the time the vacancy announcement closes to the time the job is offered, and so the third component of the whole process is after you have accepted the offer, and then there are other things that come into play: How long it takes you to get your work site, security clearances are another big issue.

Mrs. JO ANN DAVIS OF VIRGINIA. Right. And 45 days, 45 calendar days?

Mr. BLAIR. Forty-five work days.

Mrs. JO ANN DAVIS OF VIRGINIA. Well, if my math serves me right, that is 9 weeks.

Mr. BLAIR. That would be right.

Mrs. JO ANN DAVIS OF VIRGINIA. Which is calendar days of over 2 months.

Mr. BLAIR. Yes.

Mrs. JO ANN DAVIS OF VIRGINIA. Just for the screening and advertising the job.

Mr. BLAIR. Yes. No, not advertising. The job had already been advertised and the vacancy announcement closed. This is for the screening and for interviews to have taken place.

Mrs. JO ANN DAVIS OF VIRGINIA. So what you are looking at then for the total time to hire someone?

Mr. BLAIR. Well, the total time would be—it depends on—it is hard to say. GAO came in and said that was 102 days.

Mrs. JO ANN DAVIS OF VIRGINIA. OK. Is that 102 calendar days?

Mr. BLAIR. I am not sure.

Mrs. JO ANN DAVIS OF VIRGINIA. Does staff know?

Mr. BLAIR. I think it may have been work days or—I don't know if it was calendar days or work days.

Mrs. JO ANN DAVIS OF VIRGINIA. Work days.

Mr. BLAIR. Work days. Wow, you are really getting into my math now. So that is a long time.

Well, one would argue that is not a very high bar for agencies to meet. When we implemented——

Mrs. JO ANN DAVIS OF VIRGINIA. Well, you are talking probably close to 3 or 4 months?

Mr. BLAIR. Yes.

Mrs. JO ANN DAVIS OF VIRGINIA. OK. If a college student comes to a job fair, why would we still not be losing some of the best talent out there if they are looking at 4 months?

Mr. BLAIR. You are talking job fair. I think that 45 days is something that could easily be met and should be broken and that this is just a—our biggest issue right now is getting agencies to even begin tracking that time.

Mrs. JO ANN DAVIS OF VIRGINIA. Isn't the argument now that it takes 6 months to get someone hired, 6 to 9 months to get someone hired? We are still looking at, if my math is right here, 4 to 6 months. So what have we——

Mr. BLAIR. Well, what we are doing here is at least beginning to set a goal, and as agencies begin to track and monitor that, then you can improve on that. If you haven't even tracked it in the first place, you could make a good argument of how can you even begin to make improvements. So this is setting the standard and then we can improve on it from there.

Mrs. JO ANN DAVIS OF VIRGINIA. Mr. Davis, do you have any more questions?

Mr. DAVIS OF ILLINOIS. Well, just a couple. I was listening to the exchange and I was thinking of an old adage that people used to use when I was a kid and that is, "If you really want to know how an Indian feels, walk in his moccasin," and I guess I am thinking how a job applicant might feel and how many job applicants can actually wait 4 months, 5 months, 6 months to find out whether they are going to be successful. Of course, in Chicago, that is kind of difficult, especially if it was in the wintertime with the Hulk and all of that and all of the difficulty.

And so yet I understand that maybe there could be some pre-involvement to help shorten the length of time that a decision could get made or some notification step where an individual got some sense of feeling that something may be going on, that you're out of the ballpark. And so that at least tells the person, "Move on with your life. Go ahead and see if you can't come in contact with something else." I don't know how that might get done.

Mr. BLAIR. Well, that has to be part of the recruitment one-stop in terms of the Web site. Agencies should notify applicants where they stand in the process. I don't want to leave here with a misimpression, but 45 days roughly translates to 9 weeks, and that is a big improvement over what we are seeing that is out there. That is a little over 2 months or that is basically 2 months from the time the vacancy announcement closes and you have your resume in hand. We don't know if agencies can do it more quickly. Some of these things are very complex. If you have to go through thousands of applicants, it does take an agency time to do something like that.

I am not trying to make excuses on their part. I would like to see it done in a matter of weeks and not months. We would like to see more use of the flexibilities that are out there, but you also

have to understand that agencies are supposed to hire within a statutory framework which also includes application of veterans' preference, and so we want to make sure that in doing this hiring that short shrift is not given to the statutory protections that are out there. It is a balancing act, it is clearly on the agencies' backs, and we want to make sure that the agencies have the tools in place. Automation is out there that can quicken the process. Most large agencies already use automation. We see that it is a budget issue primarily with the smaller ones. But I don't want to leave or the chairwoman here with the impression that we think that the standard quo is acceptable because we absolutely do not.

Mrs. JO ANN DAVIS OF VIRGINIA. That is the impression you are giving.

Mr. DAVIS OF ILLINOIS. You mentioned merit employment a moment ago as we were talking, and I wondered if you would just address how difficult it is to devise a peer merit system. It seems to me that when you get down to the end of the line, there are levels of subjectivity that somehow or another become a part of the process, and that subjectivity oftentimes will tip the scales in favor of one candidate versus another candidate. Is there any way to account for that or to come up with a system which accounts for it?

Mr. BLAIR. Well, it seems that you are looking at human nature and that you can build into the process all kinds of safeguards but it does come down to some subjectivity, and you just make sure that subjectivity, which may not be bad, is being premised on the right things, that it is being premised upon how people look at someone's application to make a determination that they are well qualified, that they are getting the best applicants. But people are involved in the process, and when people are involved in the process, you have some inherent subjectivity. I don't think that is bad, but it is just a fact of life, and we all have to deal with that.

Mr. DAVIS OF ILLINOIS. Well, let me thank you very much, and I guess what I am saying in terms of that is we have to keep working on those individuals who would have bottom line decisionmaking so that they are always conscious of the fact that their sense of subjectivity sometimes might negate a great deal of what has been structured in terms of arriving at merit employment. I am saying there are still far too many individuals who for whatever their reasons are don't make the final cut, and I think that subjectivity plays a big role and becomes a key factor in that kind of decisionmaking.

Mr. BLAIR. I think that the balancing to that subjectivity would make sure that you have an open and transparent process so that subjectivity would be open to scrutiny as well.

Mr. DAVIS OF ILLINOIS. Thank you very much. Thank you, Madam Chairwoman.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Davis. Mr. Blair, I promise I won't go to the horror stories. I guess it just boggles my mind why we would still be—it boggles my mind why we take so long to hire somebody. And the complaint now is it is 6 months and this 45-day process, and according to GAO's report it could be 102 days, which is roughly somewhere close to 15 weeks to 16 weeks, which is about 14 months. But if I came out of college and I went to the private sector, I could expect to be hired some-

times on the spot, sometimes within a week, sometimes within 2 weeks, but I don't know that it is ever 4 months. Why does it have to be so long for the Federal Government?

Mr. BLAIR. Well, the 45-day model is an improvement on the status quo.

Mrs. JO ANN DAVIS OF VIRGINIA. Well, just because it is an improvement doesn't mean we got things right.

Mr. BLAIR. Exactly, but keep in mind it is an improvement on the status quo and that when you have a statutory framework for hiring, certain I's have to be dotted and T's have to be crossed for the process.

Mrs. JO ANN DAVIS OF VIRGINIA. You can dot them and cross them faster?

Mr. BLAIR. Well, we think you can, and that is where automation can come in, but, for instance, if you look at some of the vacancy announcements out there, they have 15 pages of qualifications or questions that a applicant has to answer, and we think that is——

Mrs. JO ANN DAVIS OF VIRGINIA. Can we streamline that?

Mr. BLAIR. We hope we can streamline that. Some of that is part of the court case and is part of a consent decree under which we operate, but other things we are trying to streamline, right? You are changing culture in the Federal Government. Remember where we were 5 years ago or 7 years ago. Our emphasis in the Federal Government was how to get rid of people. And when you are changing that mind-set, which is 180 degrees, you are pushing people—you are changing culture, and that doesn't always happen overnight, although we would like to see that overnight. I think that, for instance, a couple of years ago we unveiled a 30-day hiring model for senior executive members. We were told that it took basically 9 months to hire an SES. That is ridiculous.

Mrs. JO ANN DAVIS OF VIRGINIA. But you said it took 30 days.

Mr. BLAIR. Well, on average, it took 9 months, and so what we did to address that is we said, "We think you can do it in 30 working day," and, frankly, very few agencies have adopted that.

Mrs. JO ANN DAVIS OF VIRGINIA. Why?

Mr. BLAIR. We hear different anecdotal reasons that we can't interview everyone in that period of time, we can't screen our applicants in that period of time. There are a whole litany of reasons but I think the bottom line is if the agency head and agency leaders want to adopt it and want to do it that fast, they can. For example, at OPM, we adopted it and we hired 17 executives within that timeframe. So it can be done.

Mrs. JO ANN DAVIS OF VIRGINIA. Why would an agency not want to do it in 30 days?

Mr. BLAIR. I am probably the wrong person to ask, because I can't imagine why you wouldn't want to bring top talent on within 30 days. I can't imagine why you wouldn't.

Mrs. JO ANN DAVIS OF VIRGINIA. If you are the wrong one to ask, who do I ask?

Mr. BLAIR. I think that you would want to ask other agency personnel, because that has been our game sign out there is that you can hire quickly, and you can hire fast, and you can hire top talent quickly, and we are tired of hearing the excuses of why you can't do it.

Mrs. JO ANN DAVIS OF VIRGINIA. Have these agencies here that have direct hire authority have they been using the direct hire authority?

Mr. BLAIR. They have gotten it recently, and I will have to provide for the record how many they have. I know that we just gave out the direct hire authority to Homeland and to the Centers for Medicare and Medicaid Services just last week. And I am not sure if we have any data of how often they have—for instance, how often AG or the SEC—SEC has it for a wide range of occupations, but we can provide that to you.

Mrs. JO ANN DAVIS OF VIRGINIA. Well, I would assume if you stated that half the work force will be retiring—projected to retire by 2013, I would think these agencies would want to make sure they have the cream of the crop.

Mr. BLAIR. That would be the logical conclusion.

Mrs. JO ANN DAVIS OF VIRGINIA. I guess I generally think in common sense terms, so I am having trouble with Federal Government terms here.

Mr. BLAIR. Welcome to our world. [Laughter.]

Mrs. JO ANN DAVIS OF VIRGINIA. It just boggles my mind. I mean I was a businesswoman. If I had waited 6 months to hire somebody, I mean I probably wouldn't have been in business very long.

Mr. BLAIR. And that is true, and I think on one hand it shows the testament of people who are willing to wait because they want to engage in public service.

Mrs. JO ANN DAVIS OF VIRGINIA. But some of them can't afford to wait. I mean they have graduated college, they have student loans to pay and——

Mr. BLAIR. Exactly. And on the other hand, you have to wonder if you are going to wait around 6 to 9 months, is that the candidate that you really want, because it may not be the most highly sought after candidate. But what still surprises me is that we were able to hire 90 some odd thousand people last year.

Mrs. JO ANN DAVIS OF VIRGINIA. Well, that is what I was going to ask you. I am glad you brought it back up. Where were most of those people hired?

Mr. BLAIR. I would have to have a breakdown for that. Thank you.

Mrs. JO ANN DAVIS OF VIRGINIA. I think you have one. [Laughter.]

Mr. BLAIR. Boy, that is quick. Let's see, this is all hires. Why don't I provide that for the record because I am having trouble——

Mrs. JO ANN DAVIS OF VIRGINIA. That sounds good.

Mr. BLAIR. Since I have started testifying before you, Madam Chairwoman, I have had to wear glasses. [Laughter.]

Mrs. JO ANN DAVIS OF VIRGINIA. I only got you one time.

Mr. BLAIR. Several times now. [Laughter.]

This shows you the frustrations that we have. For instance, one agency hired 71,000 people last year. They have direct——

Mrs. JO ANN DAVIS OF VIRGINIA. One agency? So they hired two-thirds of the 93,000?

Mr. BLAIR. It looks like that. It is the Department of Veterans' Affairs. But just on the direct hire ability. And so you have to question why they—and a number of those folks were hired outside

Title V authorities, but only one time was direct hire used. And I am not trying to put one agency or another on the spot, but that has been our frustration.

Mrs. JO ANN DAVIS OF VIRGINIA. Well, I am if we have certain agencies that aren't doing what we have asked them to do.

Mr. BLAIR. And so I think that if Congress is going to take the time and effort to pass legislation like this, you want to see it being not just delegated, which we have been doing, but actually used. And that is one of the reasons that you are going to see OPM's efforts to incorporate this into their, for instance, management scorecard. Because if you don't measure it, then it won't get done.

Mrs. JO ANN DAVIS OF VIRGINIA. Well, I thank you for coming out today to testify, and I am sorry if I am so hard on you.

Mr. BLAIR. No, you are not hard on me. I think that you are actually saying things that I like to hear because then we can take that back. When we hear, "We can't do this within 45 days, we can't do this in 30 days," it always—what is even more important is that when you tell agency staff that we need to do this in 30 days and they go, "Why," and you explain to them that it is important and they go, "So what," then it is——

Mrs. JO ANN DAVIS OF VIRGINIA. Maybe we should have some of them sitting right here.

Mr. BLAIR. I wouldn't presume to be your witness. It is just frustrating and we want to make sure that—agency leaders want to see these changes, but you don't have—they understand the frustrations, and they understand the challenges ahead of them. And especially if we were engaged in the global war on terrorism, now more than ever you need to make sure that you have processes in place that can accommodate agencies hiring the right people. That is why when we get these requests for direct hiring, we make sure that they are proper, because it is a limited authority as you intended it to be. It is not the common way for bringing people in.

But even more common ways, category rating and ranking, have been used on a very limited basis, and that is frustrating for us because that was something that the human resources community had been asking for it for years, and when Congress did act on it, we are seeing a limited adoption by it and that frustrates us. We want to get the word—not only get the word out there but get the message out there that it is necessary for them to start using that as well.

Mrs. JO ANN DAVIS OF VIRGINIA. And one thing, Mr. Blair, if you could bring it back for the record, I think I would like to know, and I am sure Mr. Davis would like to know as well, is the agencies that are using the direct hire, has that been a problem with hiring diverse folks? What is the makeup of the people that have been hired to make sure that direct hire is not causing us a problem as far as the diversity that we need in the Federal Government? If you could get back to me on that, you would like to hear that, wouldn't you?

Mr. DAVIS OF ILLINOIS. Yes, indeed.

Mr. BLAIR. Of course.

Mrs. JO ANN DAVIS OF VIRGINIA. Well, thank you very much.

Mr. BLAIR. Well, thank you.

Mrs. JO ANN DAVIS OF VIRGINIA. I hope it hasn't been too tough for you.

Mr. BLAIR. Oh, no.

Mrs. JO ANN DAVIS OF VIRGINIA. If you have a chance, I will say that I did have a chance to visit one of the other fields yesterday. I had a great time watching the Cubs beat the Pirates. [Laughter.]

But glad you came out and thank you so much.

Mr. BLAIR. Well, thank you very much. We are trying to do a lot and change a lot in this area, and your focus and attention helps us accomplish our job. So keep it up.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Blair.

Mr. BLAIR. Thank you.

Mrs. JO ANN DAVIS OF VIRGINIA. I would like to now invite our second panel of witnesses to please come forward to the witness table. First, we will hear from Mr. Christopher Mihm, Managing Director of Strategic Issues at the U.S. General Accounting Office. Then we will hear from Mr. Stanley D. Moore, Regional Director of the U.S. Census Bureau. And next to him is Marcia Marsh, vice president for agency partnerships at the Department of Public Service. And if I could also ask for two of our panel three witnesses to move up to panel two. We will hear from Ms. Krystal Kemp, a law school student at the University of Washington-St. Louis, and, finally, then we will hear from Ms. Camille Sladek, a recent Federal applicant. Did I pronounce your last name correctly?

Ms. SLADEK. You certainly did.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you. Thank you all for your patience and for joining us here today, and we have sworn you in already. We will begin with the testimony, and we will start first with Mr. Christopher Mihm, and we do have your full statement for the record, so if you could summarize for 5 minutes, you are recognized for 5 minutes.

STATEMENTS OF J. CHRISTOPHER MIHM, MANAGING DIRECTOR, GENERAL ACCOUNTING OFFICE; STANLEY D. MOORE, REGIONAL DIRECTOR, U.S. CENSUS BUREAU; MARCIA MARSH, VICE PRESIDENT, STRATEGIC HUMAN CAPITAL PLANNING; KRYSTAL KEMP, APPLICANT FOR FEDERAL EMPLOYMENT, LAW STUDENT, WASHINGTON UNIVERSITY; AND CAMILLE SLADEK, RECENT FEDERAL APPLICANT

Mr. MIHM. Yes, ma'am. It is a pleasure to be here. Chairwoman Davis and Mr. Davis, as always, it is a great honor to be here and I take particular pleasure in of course being in Chicago this morning.

We all recognize that the Federal hiring process all too often does not meet the needs of agencies in achieving their missions, the needs of managers in filling positions with the right talent nor the needs of applicants for timely, efficient, transparent and merit-based processes. As you noted in your opening statement, Madam Chairwoman, this evidence has been amply and repeatedly demonstrated through numerous studies, and so, clearly, things need to change.

In May 2003, you should also know we issued a report recommending changes to address problems with Federal hiring, including actions that we believe OPM needed to take. We also re-

ported, and here I completely agree with Mr. Blair, that agencies must take greater responsibility for their individual hiring within the current statutory and regulatory framework that Congress and OPM have provided. The chart we are showing today, which is also found on Pages 8 and 9 of the report that you and Mr. Davis requested, shows the typical steps that an agency has to go through as part of the hiring process. I should mention that the 102 days that was part of the discussion was based on an OPM study from fiscal year 2002 data that covered the entire process, whereas the time to hiring model for OPM is just a slice of that process. So they are really measuring, in essence, two different things.

Today, as you noted, we are issuing a report, a followup report to that May 2003 report that focuses on recent governmentwide efforts to improve Federal hiring. In summary, we found the following: First, that Congress, OPM and the agencies are making concerted efforts to improve their hiring, in particular Congress has provided agencies with additional flexibilities, OPM has taken significant steps to modernize job vacancy announcements and develop the government's recruiting Web site, and most agencies are continuing to automate their hiring processes. Nevertheless, problems remain with job classification standards that many view as antiquated, and there is a need for improved tools to assess the qualifications of candidates getting along the lines that Mr. Davis was talking to making sure that they are merit-based.

Second, agencies appear to be making limited use of the two new hiring flexibilities provided by Congress. One of these, as you noted, was categorical ranking, which was designed to replace the rule of three. The other was the direct hiring authority that Mr. Blair talked about. I would note that the lack of use of these tools that Congress provided is both surprising and of course of great concern, given that the agencies in the past often expressed the need for precisely these flexibilities. I remember them particularly beating a path to both of your offices just pleading with you to give them these tools.

One thing to report that you raised in the questions with Mr. Blair concerning the we have had a great tradition at this subcommittee of carrots, horses and carts, but, basically, the ships cross in the night, to keep mixing the metaphors here, of what help agencies say they need versus what OPM says that they are giving to them.

In a separate report we issued last May on human capital flexibilities, we recommended that OPM work with and through the Chief Human Capital Officers Council to more thoroughly research and compile and analyze information on effective and innovative use of flexibilities. And, more specifically, as I had the honor of testifying before you just a couple of weeks ago, OPM and the agencies need to continue to work together to improve the hiring process, and the Council can be a key vehicle on this.

To accomplish this, we believe that agencies need to provide OPM with timely and comprehensive information about their experiences in the hiring process at each of these various steps and that OPM, in turn, can serve as a facilitator in the collection and exchange of this information, to get out more reading and best prac-

tice information so that we can get a better sense of what an effective and successful approach is.

As the chart in the hiring process demonstrates, there are ample opportunities to streamline and improve Federal hiring. As Mr. Davis noted in his opening statement, the succession planning challenges and opportunities that we face are great, and we all need to get going if we are going to be successful in addressing this critical issue.

We look forward to continue to work with this subcommittee and the agencies and OPM. Let me just end there and take any questions that you may have. Thank you.

[NOTE.—The U.S. General Accounting Office report entitled, "Human Capital, Opportunities to Improve Executive Agencies' Hiring Processes, GAO–03–450," may be found in subcommittee files.]

[The prepared statement of Mr. Mihm follows:]

United States General Accounting Office

GAO

Testimony

Before the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives

For Release on Delivery
Expected at 10:00 a.m. CDT
Monday, June 7, 2004

HUMAN CAPITAL

Status of Efforts to Improve Federal Hiring

Statement of J. Christopher Mihm
Managing Director, Strategic Issues

GAO-04-796T

June 7, 2004

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Highlights

Highlights of GAO-04-796T, a testimony before the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives

HUMAN CAPITAL

Status of Efforts to Improve Federal Hiring

Why GAO Did This Study

The executive branch hired nearly 95,000 new employees during fiscal year 2003. Improving the federal hiring process is critical given the increasing number of new hires expected in the next few years.

In May 2003, GAO issued a report highlighting several key problems in the federal hiring process. That report concluded that the process needed improvement and included several recommendations to address the problems.

Today, GAO is releasing a follow-up report requested by the subcommittee that discusses (1) the status of recent efforts to help improve the federal hiring process and (2) the extent to which federal agencies are using two new hiring flexibilities—category rating and direct-hire authority. Category rating permits an agency manager to select any job candidate placed in a best-qualified category. Direct-hire authority allows an agency to appoint individuals to positions without adherence to certain competitive examination requirements when there is a severe shortage of qualified candidates or a critical hiring need.

What GAO Recommends

The report GAO is issuing today includes no new recommendations, but it does underscore prior GAO recommendations to which additional attention is needed.

www.gao.gov/cgi-bin/getrpt?GAO-04-796T

To view the full product, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

What GAO Found

Congress, the Office of Personnel Management (OPM), and agencies have all taken steps to improve the federal hiring process. In particular, Congress has provided agencies with additional hiring flexibilities, OPM has taken significant steps to modernize job vacancy announcements and develop the government's recruiting Web site, and most agencies are continuing to automate parts of their hiring processes. Nonetheless, problems remain with a job classification process and standards that many view as antiquated, and there is a need for improved tools to assess the qualifications of job candidates. Specifically, the report being released today discusses significant issues and actions being taken to:

- reform the classification system,
- improve job announcements and Web postings,
- automate hiring processes, and
- improve candidate assessment tools.

In addition, agencies appear to be making limited use of the two new hiring flexibilities contained in the Homeland Security Act of 2002—category rating and direct-hire authority—that could help agencies in expediting and controlling their hiring processes. GAO surveyed members of the interagency Chief Human Capital Officers Council who reported several barriers to greater use of these new flexibilities. Frequently cited barriers included (1) the lack of OPM guidance for using the flexibilities, (2) the lack of agency policies and procedures for using the flexibilities, (3) the lack of flexibility in OPM rules and regulations, and (4) concern about possible inconsistencies in the implementation of the flexibilities within the department or agency.

The federal government is now facing one of the most transformational changes to the civil service in half a century, which is reflected in the new personnel systems for Department of Homeland Security and the Department of Defense and in new hiring flexibilities provided to all agencies. Today's challenge is to define the appropriate roles and day-to-day working relationships for OPM and individual agencies as they collaborate on developing innovative and more effective hiring systems. Moreover, human capital expertise within the agencies must be up to the challenge for this transformation to be successful and enduring.

Chairwoman Davis, Mr. Davis, and Members of the Subcommittee:

I appreciate the opportunity to be here today to discuss efforts to improve the federal hiring process. As you are keenly aware, federal agencies must have effective hiring processes to compete for talented people in a highly competitive job market. Given the number of new federal hires expected in the next few years, improving the government's hiring process is critical. In fact, the executive branch hired nearly 95,000 new employees in fiscal year 2003. Still, there has been widespread recognition that the federal hiring process all too often does not meet the needs of agencies in achieving their missions, the needs of managers in filling positions with the right talent, nor the needs of applicants for a timely, efficient, transparent, and merit-based process. Clearly, things needed to change.

In May 2003, we issued a report highlighting several key problems in the federal hiring process.[1] That report concluded that the federal hiring process needed improvements, and we made several recommendations to address problems with key parts of the hiring process. Specifically, we recommended that the Office of Personnel Management (OPM) take additional actions to assist agencies in strengthening the hiring process. Also, we reported that agencies must take greater responsibility for maximizing the efficiency and effectiveness of their individual hiring processes within the current statutory and regulatory framework that Congress and OPM have provided.

Today, we are issuing a follow-up report, done at the request of the Chairwoman and Mr. Davis, that focuses on recent governmentwide efforts to improve the federal hiring process.[2] My testimony today summarizes the work we have done for this report. Specifically, you asked us to (1) provide information on the status of recent efforts to help improve the federal hiring process and (2) determine the extent to which federal agencies are using new hiring flexibilities authorized by the Homeland Security Act of 2002.[3] Our work to address these objectives was based on interviews with

[1]U.S. General Accounting Office, *Human Capital: Opportunities to Improve Executive Agencies' Hiring Processes*, GAO-03-450 (Washington, D.C.: May 30, 2003).

[2]U.S. General Accounting Office, *Human Capital: Additional Collaboration Between OPM and Agencies Is Key to Improved Federal Hiring*, GAO-04-797 (Washington, D.C.: June 7, 2004).

[3]These hiring flexibilities are contained in the Chief Human Capital Officers Act of 2002, Title XIII of the Homeland Security Act of 2002. Pub. L. No. 107-296 (Nov. 25, 2002).

officials from OPM and the interagency Chief Human Capital Officers (CHCO) Council, the results of our survey of 22 of the 23 agency members serving on the CHCO Council,[4] and our review of OPM documents as well as data from OPM's central database of governmentwide personnel information. We conducted our work in accordance with generally accepted government auditing standards, during March through May of this year.

In summary, we found the following:

- Congress, OPM, and agencies have recognized that federal hiring has needed reform, and they have all undertaken efforts to do so. In particular, Congress has provided agencies with additional hiring flexibilities, OPM has taken significant steps to modernize job vacancy announcements and develop the government's recruiting Web site, and most agencies are continuing to automate parts of their hiring processes. Nonetheless, problems remain with a job classification process and standards that many view as antiquated, and there is a need for improved tools to assess the qualifications of job candidates.

- Agencies appear to be making limited use of the two new hiring flexibilities contained in the Homeland Security Act of 2002. One of these hiring flexibilities, known as category rating, permits an agency to select any job candidate placed in a best-qualified category rather than being limited to three candidates under the "rule of three." The other hiring flexibility, often referred to as direct hire, allows an agency to appoint people to positions without adherence to certain competitive examination requirements when there is a severe shortage of qualified candidates or a critical hiring need.

The report we are issuing today includes no new recommendations, but it does underscore our prior recommendations to which we believe additional attention is needed. In response to a draft of the report we are issuing today, OPM said that it has done much to assist agencies to improve hiring and increase agency officials' knowledge about the hiring flexibilities available to them. OPM stressed that agencies themselves must rise to the challenge, provide consistent leadership at the senior level, take advantage

[4]The CHCO Council member from the Central Intelligence Agency (CIA) did not respond to the survey because his representative said the agency was an excepted service agency and thus the survey questions were not relevant.

of the training opportunities offered by OPM, and make fixing the hiring process a priority.

OPM and Agencies Are Taking Steps to Improve the Hiring Process

OPM and agencies are continuing to address the problems with the key parts of the hiring process we identified in our May 2003 report. Significant issues and actions being taken include the following.

Reforming the classification system. In our May 2003 report on hiring, we noted that many regard the standards and process for defining a job and determining pay in the federal government as a key hiring problem because they are inflexible, outdated, and not applicable to the jobs of today. The process of job classification is important because it helps to categorize jobs or positions according to the kind of work done, the level of difficulty and responsibility, and the qualifications required for the position, and serves as a building block to determine the pay for the position. As you know, defining a job and setting pay in the federal government has generally been based on the standards in the Classification Act of 1949, which sets out the 15 grade levels of the General Schedule system.

To aid agencies in dealing with the rigidity of the federal classification system, OPM has revised the classification standards of several job series to make them clearer and more relevant to current job duties and responsibilities. In addition, as part of the effort to create a new personnel system for the Department of Homeland Security (DHS), OPM is working with DHS to create broad pay bands for the department in place of the 15-grade job classification system that is required for much of the federal civil service. Still, OPM told us that its ability to more effectively reform the classification process is limited under current law and that legislation is needed to modify the current restrictive classification process for the majority of federal agencies. As we note in the report we are issuing today, 15 of the 22 CHCO Council members responding to our recent survey reported that either OPM (10 respondents) or Congress (5 respondents) should take the lead on reforming the classification process, rather than the agencies themselves.

Improving job announcements and Web postings. We pointed out in our May 2003 report that the lack of clear and appealing content in federal job announcements could hamper or delay the hiring process. Our previous report provided information about how some federal job announcements were lengthy and difficult to read, contained jargon and acronyms, and appeared to be written for people already employed by the

government. Clearly, making vacancy announcements more visually appealing, informative, and easy to access and navigate could make them more effective as recruiting tools.

To give support to this effort, OPM has continued to move forward on its interagency project to modernize federal job vacancy announcements, including providing guidance to agencies to improve the announcements. OPM continues to collaborate with agencies in implementing Recruitment One-Stop, an electronic government initiative that includes the USAJOBS Web site (www.usajobs.opm.gov) to assist applicants in finding employment with the federal government. As we show in the report we are issuing today, all 22 of the CHCO Council members responding to our recent survey indicated that their agencies had made efforts to improve their job announcements and Web postings. In the narrative responses to our survey, a CHCO Council member representing a major department said, for example, that the USAJOBS Web site is an excellent source for posting vacancies and attracting candidates. Another Council member said that the Recruitment One-Stop initiative was very timely in developing a single automated application for job candidates.

Automating hiring processes. Our May 2003 report also emphasized that manual processes for rating and ranking job candidates are time consuming and can delay the hiring process. As we mentioned in our previous report, the use of automation for agency hiring processes has various potential benefits, including eliminating the need for volumes of paper records, allowing fewer individuals to review and process job applications, and reducing the overall time-to-hire. In addition, automated systems typically create records of actions taken so that managers and human capital staff can easily document their decisions related to hiring.

To help in these efforts, OPM provides to agencies on a contract or fee-for-service basis an automated hiring system, called USA Staffing, which is a Web-enabled software program that automates the steps of the hiring process. These automated steps would include efforts to recruit candidates, use of automated tools to assess candidates, automatic referral of high-quality candidates to selecting officials, and electronic notification of applicants on their status in the hiring process. According to OPM, over 40 federal organizations have contracted with OPM to use USA Staffing. OPM told us that it has developed and will soon implement a new Web-based version of USA Staffing that could further link and automate agency hiring processes. As we mention in the report we are issuing today, 21 of the 22 CHCO Council members responding to our recent survey reported

that their agencies had made efforts to automate significant parts of their hiring processes.

Improving candidate assessment tools. We concluded in our May 2003 report that key candidate assessment tools used in the federal hiring process can be ineffective. Our previous report noted that using the right assessment tool, or combination of tools, can assist the agency in predicting the relative success of each applicant on the job and selecting the relatively best person for the job. These candidate assessment tools can include written and performance tests, manual and automated techniques to review each applicant's training and experience, as well as interviewing approaches and reference checks.

In our previous report, we noted some of the challenges of assessment tools and special hiring programs used for occupations covered by the Luevano consent decree.[5] Although OPM officials said they monitor the use of assessment tools related to positions covered under the Luevano consent decree, they have not reevaluated these assessment tools. OPM officials told us, however, that they have provided assessment tools or helped develop new assessment tools related to various occupations for several agencies on a fee-for-service basis. Although OPM officials acknowledged that candidate assessment tools in general need to be reviewed, they also told us that it is each agency's responsibility to determine what tools it needs to assess job candidates. The OPM officials also said that if agencies do not want to develop their own assessment tools, then they could request that OPM help develop such tools under the reimbursable service program that OPM operates. As we state in the report we are issuing today, 21 of the 22 CHCO Council members responding to our recent survey indicated that their agencies had made efforts to improve their hiring assessment tools.

Although we agree that OPM has provided assistance to agencies in improving their candidate assessment tools and has collected information

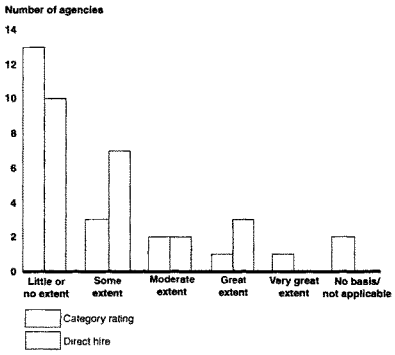
[5]The Luevano consent decree is a 1981 agreement that settled a lawsuit alleging that a written test, Professional and Administrative Careers Examination (PACE), had an adverse impact on African Americans and Hispanics. See *Luevano v. Campbell*, 93 F.R.D. 68 (D.D.C. 1981). The consent decree called for the elimination of PACE and required replacing it with alternative examinations. In response to the consent decree, OPM developed the Administrative Careers with America examination. The consent decree also established two special hiring programs, Outstanding Scholar and Bilingual/Bicultural, for limited use in filling former PACE positions.

on agencies' use of special hiring authorities, we believe that major challenges remain in this area. OPM can take further action to address our prior recommendations related to assessment tools. OPM could, for example, actively work to link up agencies having similar occupations so that they could potentially form consortia to develop more reliable and valid tools to assess their job candidates.

Agencies Appear to Be Making Limited Use of New Hiring Flexibilities

Despite agency officials' past calls for hiring reform, agencies appear to be making limited use of category rating and direct-hire authority, two new hiring flexibilities created by Congress in November 2002 and implemented by OPM in June of last year. Data on the actual use of these two new flexibilities are not readily available, but most CHCO Council members responding to our recent survey indicated that their agencies are making little or no use of either flexibility (see fig. 1). OPM officials also confirmed with us that based on their contacts and communications with agencies, it appeared that the agencies were making limited use of the new hiring flexibilities. The limited use of category rating is somewhat unexpected given the views of human resources directors we interviewed 2 years ago. As noted in our May 2003 report, many agency human resources directors indicated that numerical rating and the rule of three were key obstacles in the hiring process. Category rating was authorized to address those concerns.

Figure 1: CHCO Council Members' Responses on the Extent to Which Their Agencies Are Using Category Rating and Direct Hire



Source. CHCO Council members' responses to GAO questionnaire.

The report we are issuing today also includes information about barriers that the CHCO Council members believed have prevented or hindered their agencies from using or making greater use of category rating and direct hire. Indeed, all but one of the 22 CHCO Council members responding to our recent survey identified at least one barrier to using the new hiring flexibilities. Frequently cited barriers included

- the lack of OPM guidance for using the flexibilities,
- the lack of agency policies and procedures for using the flexibilities,
- the lack of flexibility in OPM rules and regulations, and
- concern about possible inconsistencies in the implementation of the flexibilities within the department or agency.

Our Prior Recommendation Calls Attention to Additional Action Needed

In a separate report we issued in May 2003 on the use of human capital flexibilities, we recommended that OPM work with and through the new CHCO Council to more thoroughly research, compile, and analyze information on the effective and innovative use of human capital flexibilities.[6] We noted that sharing information about when, where, and how the broad range of personnel flexibilities is being used, and should be used, could help agencies meet their human capital management challenges. As we recently testified, OPM and agencies need to continue to work together to improve the hiring process, and the CHCO Council should be a key vehicle for this needed collaboration.[7] To accomplish this effort, agencies need to provide OPM with timely and comprehensive information about their experiences in using various approaches and flexibilities to improve their hiring processes. OPM—working through the CHCO Council—can, in turn, help by serving as a facilitator in the collection and exchange of information about agencies' effective practices and successful approaches to improved hiring. Such additional collaboration between OPM and agencies could go a long way to helping the government as a whole and individual agencies in improving the processes for quickly hiring highly qualified candidates to fill important federal jobs.

In conclusion, the federal government is now facing one of the most transformational changes to the civil service in half a century, which is reflected in the new personnel systems for DHS and the Department of Defense and in new hiring flexibilities provided to all agencies. Today's challenge is to define the appropriate roles and day-to-day working relationships for OPM and individual agencies as they collaborate on developing innovative and more effective hiring systems. Moreover, for this transformation to be successful and enduring, human capital expertise within the agencies must be up to the challenge.

Madam Chairwoman and Mr. Davis, this completes my statement. I would be pleased to respond to any questions that you might have.

[6]U.S. General Accounting Office, *Human Capital: OPM Can Better Assist Agencies in Using Personnel Flexibilities*, GAO-03-428 (Washington, D.C.: May 9, 2003).

[7]U.S. General Accounting Office, *Human Capital: Observations on Agencies' Implementation of the Chief Human Capital Officers Act*, GAO-04-800T (Washington, D.C. May 18, 2004).

Contacts and Acknowledgments

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Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Mihm. It is always a pleasure to have you in front of the committee. Next we will go to Mr. Stanley Moore. Thank you so much for being here with us today, and you are now recognized for 5 minutes. We do have your full statement for the record, so if you can summarize in 5 minutes, it would be appreciated.

Mr. MOORE. All right. Good morning, Madam Chairwoman and Mr. Davis. Thank you for the invitation to come before you today. I am pleased to speak before this committee on the Federal Government hiring process. With your permission, I would like to summarize my written testimony and ask that my full statement be included in the record.

Mrs. JO ANN DAVIS OF VIRGINIA. So ordered.

Mr. MOORE. I am Regional Director of the Chicago Regional Office of the U.S. Census Bureau, which is responsible for all census and survey activities in Illinois, Indiana and Wisconsin. I have been an employee of the Census Bureau for more than 48 years. During my tenure, I have served in several positions, including Associate Director for Field Operations, Regional Director, Assistant Regional Director, Senior Computer Program Analyst. I am also a member of the Chicago Federal Executive Board. Although I have served as a member of the Federal Executive Board Committee since 1972, I served as its chairman during fiscal year 2003. The Federal Executive Board was created in 1961 by President Kennedy through a Presidential directive to improve coordination between Federal activities and programs outside of Washington. Approximately 84 percent of Federal employees reside outside of Washington, DC.

The Chicago Federal Executive Board is comprised of 180 Federal agencies and 85,000 civilian and military employees in an 11-county area. I submit along with my testimony a list of activities that the Chicago FEB has sponsored over the course of the past 4 years on the recruitment and retention of Federal employees. I have been actively involved in all of these activities and events. The Federal Government has made significant changes in the way it recruits and selects its staff over the nearly five decades of my employment. However, streamlining the hiring process remains a work in progress. The Census Bureau is a leader in developing strategies to remove any impediments that may prevent a seamless hiring process.

Like other Federal agencies, the Census Bureau is concerned with the potential loss of a significant number of our middle and senior managers in the next few years due to retirements. The question comes to mind, do we have programs in place to meet this challenge and demand? The Census Bureau, with the support of the Office of Personnel Management, have developed programs that are a new, innovative approach to staff recruiting, training and development. Additionally, the effort to move the hiring authority closer to those who recruit and review candidates have had a major impact on streamlining the hiring process.

One of the major moves the Census Bureau has undertaken, again, with OPM's support, is the implementation of an electronic hiring data base to streamline the hiring process for key occupations. Mathematical statisticians, statisticians and information

technology specialists. This automated system enables a candidate to file his or her application electronically as well as respond to a series of screening questions. Applicants have reported how pleased they are with this system. Also, the application remains active for a period of 90 days and can be renewed electronically after this period on a continuous basis.

The OPM ranks the candidates and upon request provides the Census Bureau with a certificate of eligible candidates. This streamlining has reduced from about 4 months to a matter of weeks the amount of time it takes to complete the hiring steps and extend an offer of employment to an applicant. We believe this has been a very successful effort, especially in our attempts to hire entry level employees.

We continue to streamline in other ways as well. Through our disability program, managers can have access to work force recruiting program data base. This data base contains the names of about 1,600 students and recent graduates with disabilities. Candidates selected from this list can be hired without competition into the accepted service.

With the change in demographics in our Nation, the Federal work force that reflects the face of America cannot be overlooked. The Federal work force that was in place when I started nearly 50 years has changed for the better. As the streamlining of the hiring process is considered, do not forget the policies and practices that are in place to ensure that the Federal work force lives up to our Nation's creed and ideas. Over the past year, the Census Bureau merged its diversity and recruitment program to ensure that its commitment to diversity remains a core tenet of the recruitment program.

The Census will continue its partnership with OPM and seeks ways to incorporate existing hiring flexibility into hiring its recruitment and retention objectives.

Madam Chairwoman, that concludes my testimony, and I will be happy to answer any questions.

[The prepared statement of Mr. Moore follows:]

PREPARED STATEMENT OF

STANLEY D. MOORE
REGIONAL DIRECTOR
U.S. CENSUS BUREAU CHICAGO REGION

Before the Subcommittee on Civil Service and Agency Organization

U.S. House of Representatives

Chicago, Illinois
Monday, June 7, 2004

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Good morning, Madam Chairwoman and Mr. Davis, thank you for the invitation to come before you today. I am pleased to speak before this committee on the Federal government hiring process.

With your permission, I would like to summarize my written testimony and ask that my full statement be included in the record. I am Regional Director of the Chicago Regional Office of the U.S. Census Bureau, which is responsible for all census and survey activities in Illinois, Indiana, and Wisconsin. I have been an employee of the Census Bureau for more than 48 years. During my tenure, I have held several positions, including:

- Associate Director for Field Operations
- Regional Director
- Assistant Regional Director
- Computer Analyst

I am also a member of the Chicago Federal Executive Board (FEB). Although I have served as a member of the Federal Executive Board's Executive Committee since 1972, I served as its Chairman during FY 2003. Federal Executive Boards were created in 1961 by President Kennedy through a Presidential Directive to improve coordination between federal activities and programs outside of Washington. Approximately 84% of federal employees reside outside of Washington, D.C.

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Like other federal agencies, the Census Bureau is concerned with the potential loss of significant numbers of our middle and senior managers in the next few years through retirements. The question comes to mind: ***Do we have programs in place to meet this challenge and demand?***

The Census Bureau, with the support of the Office of Personnel Management, has developed programs that are new, innovative approaches to staff recruiting, training and development.
Additionally, the effort to move the hiring authority closer to those who recruit and review candidates has had a major impact on streamlining the hiring process.

One of the major moves the Census Bureau has undertaken, again with OPM support, is the implementation of an electronic hiring database to streamline the hiring process for key occupations—mathematical statistician, statistician, and information technology specialist. This automated system enables a candidate to file his or her application electronically as well as respond to a series of screening questions. Applicants have reported how pleased they are with this system. Also, their application remains active for a period of 90 days and can be renewed electronically after this period on a continuous basis. The OPM ranks the candidates and, upon request, provides the Census Bureau with a certificate of eligible candidates. This streamlining has reduced from about 4 months to a matter of weeks the amount of time it takes to complete the hiring steps and extend an offer of employment to an applicant. We believe this has been a very successful effort, especially in our attempts to hire entry-level employees.

We continue to streamline in other ways as well. Through our Disability Program, managers can have access to the Workforce Recruitment Program database. This database contains the names of about 1,600 qualified students and recent graduates with disabilities. Candidates selected from this list can be hired without competition into the excepted service.

The Census Bureau has a very unique situation in regards to hiring. Our decennial operation bears heavily on the way we manage both our fiscal and human resources. We have a limited period during the early to middle years of the decade to recruit and develop practical experience among our regional managers and supervisors, to be prepared for the dramatic expansion and challenges of managing the decennial census in the three years at the end of each decade.

In light of the extraordinary stress that the Decennial Census Operation places on the Census Bureau's Field Organization each decade, we are continually looking for creative ways to attract and retain skilled and experienced senior and middle managers during these end-of-the-decade activities.

During the 1990 and 2000 Censuses, the annuity offset waiver program was very effective. For the 2010 Census, we plan to consider this program in conjunction with retention incentive initiatives to encourage many highly skilled managers and supervisors to lend their many years of seasoned experience in support of our Census operations without penalty or reduction in their pensions.

I also would like to address the need to recruit and retain a diverse federal workforce. Some of the steps in the hiring process may appear to be cumbersome. However, in my experience they are necessary to ensure that all applicants are treated fairly. These steps have helped to ensure that minorities and women receive equal consideration for federal employment.

With the changing demographics in our nation, a federal workforce that reflects the face of America cannot be overlooked. The federal workforce that was in place when I started nearly 50 years ago has changed for the better. As the streamlining of the hiring process is considered, do not forget the policies and practices that are in place to insure that the federal workforce lives up to our nation's creed and ideals.

Over the past year, the Census Bureau merged its diversity and recruitment programs to ensure that its commitment to diversity remains a core tenet of the recruitment program. The Census Bureau sends recruiters to a diverse array of more than 70 college campuses twice a year—in fall and spring. The Census Bureau is committed to establishing partnerships and relationships with

Historically Black Colleges and Minority Serving Institutions for key occupations, as well as administrative positions. In September 2003, Census Bureau Director Charles Louis Kincannon signed a memorandum of agreement with the University of Puerto Rico. This is a partnership to expand recruitment activities within the Hispanic community. Under the agreement, students can participate in internship programs, faculty can participate in research, and Census Bureau experts can lecture on campus. Senior-level Census Bureau staff play an active role in curriculum development in relevant majors. There are also opportunities for promoting Census Bureau jobs on campus. The Census Bureau is currently embarking on efforts to secure a similar partnership with another major university.

Earlier I mentioned that OPM has granted certain flexibilities concerning salaries. Working with OPM and other federal agencies, the Census Bureau successfully completed a process to establish new levels for the special salary rate for mathematical statisticians. The special salary rate has been in place for several years, but new rates were put into effect in October 2002. Census Bureau analysis showed that the previous rates were no longer competitive with private industry. Currently, the Census Bureau is working with other federal statistical agencies to review and improve the effectiveness of these special rates.

Through these combined efforts, the Census Bureau has been successful in hiring and retaining a diverse group of employees for key entry-level positions. There remain challenges, however, in attracting applicants with post-graduate degrees for higher-level positions. This is particularly true for the position of mathematical statistician. One reason for this is that there are fewer advanced degrees awarded in math and statistics today than a decade ago and many of these degrees go to non-citizens, who are ineligible for hire into the competitive service.

The number of applicants the Census Bureau is receiving for mathematical statistician positions continues to decline. In addition, about one-third of the applicants offered positions decline them, the highest refusal rate for any job series.

The Census Bureau will continue its partnership with the OPM and seek ways to incorporate existing hiring flexibility into its hiring, recruitment, and retention objectives. Madam Chairwoman, that concludes my testimony. I will be happy to answer any questions.

Attachment

List of activities that I have been involved with that were sponsored by the Chicago Federal Executive Board to assist federal agencies in recruiting and retaining an adequate workforce.

RECRUITMENT AND RETENTION OF FEDERAL EMPLOYEES - FY 2001

November 29, 2000 • Growing Leaders for the 21st Century
This one-day training workshop, conducted in cooperation with the Office of Personnel Management (OPM) was designed especially for employees at the GS 12/13/14/15 level or equivalent who aspire to a leadership career, including SES. A total of 109 Federal employees attended this in-depth workshop which featured personal assessment of participant's leadership competency, government-wide Leadership Competencies and the Executive Core Qualifications (ECQs), Effective career planning and development strategies, tips for completing a quality application, how –to market for career advancement, including effective job interviewing techniques. This workshop was developed and conducted by Robert Franco, a senior executive on special assignment to OPM.

September 19, 2001 • GENERATIONAL DIFFERENCES: From "Ricky and Lucy to Beavis and Butthead." This program brought together over 30 first and second line supervisors and managers to understand the different generational perspectives and how to help them work together effectively in the workplace.

September 19-21, 2001 • PEOPLE, TECHNOLOGY, AND REFORM: AN EXECUTIVE DIALOGUE. This program was a unique opportunity for FEB executives and their most senior staff to explore and define the dynamic challenges they face through a series of facilitated and interactive forums. Our major focus was on energizing the current workforce, balancing work and home, and the obstacles in recruiting and retaining employees to government service. John Palguta, then the Director of Policy and Evaluation for the Merit Systems Protection Board in Washington, D.C., opened the forum with, "Energizing the Current Workforce" on the first day and followed with "Balancing Work and Home." Participants also heard from Troy Campbell, Senior Consultant with The Center for Generational Studies who gave his presentation on "Generational Differences." Recommendations from the executives at this forum were compiled and directed to the Office of Personnel Management in Washington, D. C.

The Chicago FEB communicated to Board Members information on the following special requests, meetings, and events - The Chicago FEB provided its members with an easy and efficient means to reach the entire Federal community with job opening notices or in cases of special circumstances. Just one example – the Food and Nutrition Service (FNS), USDA requested assistance from FEB agencies to review available positions for the possibility of assisting a Federal employee needing to relocate to the Ohio area due to family illness.

RECRUITMENT AND RETENTION OF FEDERAL EMPLOYEES - FY 2002

March 5, 2002 - Federal Women Sustaining the American Spirit co-sponsored with the Department of Labor's Women's Bureau. Over 200 Federal employees came to hear about the career building strategies relayed by our keynote speaker Rear Admiral Anne E. Rondeau, Commander of the Great Lakes Naval Training Center.

April 29, 2002 - Succession Planning Briefing - Conducted in conjunction with the Office of Personnel Management (OPM), provided an opportunity for leaders in the public sector in Chicago to learn more about the important topic of succession planning.

Federal Recruiting Practices and Outcomes and How Automation is Affecting Federal Hiring - Conducted by the Merit Systems Protection Board, twenty-seven (27) FEB members, senior staff, and HR officials participated in two separate, but related, studies/focus groups on how their agencies recruited employees and how automation was used in hiring.

Partnership for Public Service - The Chicago FEB assisted the Partnership for Public Service in its request regarding their Speaker's Bureau initiative. Interested Federal employees wanting to be involved were encouraged to submit their information. Thirty-one (31) Federal employees submitted applications that were then forwarded to the Partnership for Public Service for this initiative. This list would then be used to when schools in the local Chicago area contacted the Partnership for speakers to address students about the opportunities available in public service.

University of Illinois at Chicago (UIC) Certificate Program - This program continued to be an asset to the Chicago area Federal employees. Our continuing partnership with UIC provided an opportunity for Federal employees to take graduate level courses leading to a Certificate in Electronic Public Administration. Each of the three courses in the series was offered at a special rate -- about half of what regular students were charged. In Fall of 2002, a total of 11 employees at a reduced tuition rate of $592 per participant attended; and in Spring of 2002, a total of 11 employees at a reduced tuition rate of $648 per participant attended, for a total savings of $13,640.00.

EMAIL MESSAGES SENT:

The Chicago FEB continued to assist member agencies in job vacancy announcements and other related job-vacancy issues. The Chicago FEB provides an easy and efficient means to distribute information directly about job opportunities directly to our Federal community.

Re-distributed a memorandum providing job security/consideration to veterans, particularly those returning to active duty.

(Mailing) A number of Chicago FEB members and their staffs participated in focus group meetings with MSPB staff members. In March 2002, this collected information was issued in a report titled "Assisting Federal Job-Seekers in a Delegated Examining Environment" and mailed to each FEB member with an invitation to provide additional feedback concerning the report's findings and recommendations.

RECRUITMENT AND RETENTION OF FEDERAL EMPLOYEES - FY 2003

Strategic Management of Human Capital -In December 2002, 81 FEB members and senior officials attended our first Full Board Meeting on "Strategic Management of Human Capital." The presentation given by Phyllis Stabbe, Manager of the Chicago Human Capital Group for the Office of Personnel Management, former Chicago FEB Chair and current Executive Committee member, revealed the key points within this initiative. The program was very well received with over 90 agency heads and Human Resource managers attending. Approximately 20-25 agency officials requested copies of the PowerPoint presentation after the meeting. Ms. Stabbe offered to conduct similar presentations at the other FEBs within the region.

The Federal Midwest Human Resources Council (FMHRC) - This affiliated member of the FEB held a symposium for HR professionals on June 4, 2003. In addition to keynote speaker, Ron Sanders, Associate Director for Strategic Human Resources Policy who spoke on "Raising HR Performance to Meet Strategic Goals," FEB members also heard from Marta Brito Perez, OPM's Associate Director for Human Capital Leadership and Merit System Accountability, who addressed issues on "Attracting the Best: Making the USA a Competitive Employer."

CAP Program - The FEB Executive Director disseminated an e-mail reminding agencies of the Computer/Electronic Accommodations Program (CAP), a program available to assist in "getting to green." CAP, established by the Department of Defense (DoD) is the Federal government's centrally funded accommodations program. CAP provides assistive technology and related services, free of charge for individuals with visual, hearing, dexterity, and cognitive disabilities. By providing accommodations, CAP assists Federal agencies in complying with Public Laws 99-506 and 100-542, which require computer and telecommunications systems to be accessible. Although information on the program had been shared previously, FEB members were reminded that the program was still available to help meet their disability management requirements.

The Diversity Advisory Council Recruitment Initiative - The Diversity Advisory Council (DAC) investigated potential recruitment opportunities and opportunities to promote federal employment within underrepresented cultures. Mr. Sergio Guzman, IRS Recruitment Coordinator, gave a presentation to the DAC to inform them of the various IRS hiring efforts and summarized opportunities to underrepresented groups. Mr. Diego Diaz of Operation ABLE, an agency that contracts with the City of Chicago Mayor's Office of Workforce Development (MOWD), gave a presentation to DAC members in July, explaining the various services provided by his agency. This led to a partnership between the DAC and MOWD.

In August, DAC representatives visited the "Pilsen One-Stop" Center, a facility located in a predominately Chicago Latino neighborhood, and gave a presentation to over twenty-five job counselors to educate them on the Federal job search and applications process. The presentation was well received, and as a result, MOWD has asked DAC to conduct similar informational briefings at additional sites in the Chicago area. The DAC will also be participating in an upcoming Job Fair (FY 04) targeted to the Latino/Hispanic workforce.

Hispanic Organizations/Resources - The Chicago Federal Executive Board's The Diversity Advisory Council (DAC) assembled a list of Latino/Hispanic resources. The list provided Federal agencies with easy access to contact organizations with job vacancy announcements. The list covered nine states with a link to an organization that allowed employers and applicants to post jobs and resumes. This list was then posted to the Chicago FEB website and e-mailed to FEB members.

UIC Partnership – Certificate Program -The on-going partnership with the College of Urban Planning and Public Affairs Graduate Program in Public Administration enabled the Chicago FEB

to extend another educational opportunity to Federal employees. The partnership reduced the cost for each of the required courses in these programs to half of the normal tuition charged. Registrations for the Spring Semester were received from six employees for courses offered in Management of Information Technology in Government and Computers in Public Administration and fifteen participants registered for the Fall Semester. The total savings was $14,280.00.

CIO University at Loyola University. In support of the development of skilled IT staff, the CIO University, a virtual consortium of universities that offers graduate level programs that directly address the executive core competencies adopted by the Federal Chief Information Officers (CIO) Council, was established by the General Services Administration (GSA). This initiative satisfies the competencies identified by the Clinger-Cohen Act, designed to provide technology management leadership skills for current and future technology management and CIO's. The purpose of the CIO University is to improve government by enhancing the skills of its top executives.

The Chicago FEB, through its Federal IT Council, worked diligently with **Loyola University Chicago** in order to establish such a program in the Midwest. In June 2003, the General Services Administration approved Loyola University for participation in the program, the first CIO University outside of the Washington, D. C. area. It is anticipated that the dollar savings in travel, lodging and per diem per participant will be far greater than the cost of tuition. This will save agencies time and dollars since those professional IT employees will no longer have to travel to the Washington area to obtain that training.

"Unlock Your Potential" - This very successful event was sponsored by the Women in Government Mentoring Council, a task force of the Chicago Federal Executive Board (FEB), and was developed to highlight the vital contributions of women in the federal government. The March 12, 2003 event highlighted a keynote address by Kathleen McChesney, Executive Director of the Office for Child and Youth Protection of the United States Conference of Catholic Bishops and former FBI Special Agent in Charge in Chicago. The day also included a panel discussion with top Federal agency women and men and concurrent workshops on such topics as "How to Get the Job You Want" and "Mentoring Skills."

MSPB Study Results: "Making the Public Service Work – Recommendations for Change" - The Chicago FEB sponsored a briefing by the Office of Policy and Evaluation of the Merit Systems Protection Board in Washington, D.C. John L. Crum, Ph.D. discussed the work of their office and provided information of recent reports and studies that were currently underway. He also discussed emerging or high profile Human Resources Management issues. Seventy-six agency heads, senior managers and HR professionals attended.

OPM – TELEWORK PARTICIPATION - The Chicago FEB participated in a focus group, at the request of the Director for FEB Operations, Paula Bridgham, and Office of Personnel Management's Assessment and Training Assistance Service Group, to identify barriers as to the utilization of telework arrangements. A series of six focus groups were held across the country, including Chicago. The Chicago FEB assisted in bringing first-line supervisors and managers from various agencies that had been making an effort to increase telework arrangements for staff members. The supervisors in each of the on the focus group represented the spectrum of employee staffs within government: those with large or small staffs, those with professional staffs (e.g., science agencies), and those with clerical/administrative staff (e.g., SSA, IRS). Also, there was representation from supervisors who currently had teleworkers and those who did not. Eight to twelve employees from member agencies participated in each of the two sessions held in Chicago.

Savings Bond Marketing Office - The Chicago FEB assisted the Savings Bond Marketing Offices, that were scheduled to close their doors on September 30, 2003, by distributing to the

entire Federal community a list of those employees being affected, their responsibilities, as well as a point of contact should job opportunities be available within another agency.

GSA Entry Level Candidates Screened - The Chicago FEB disseminated information to agencies about promising candidates already screened and interviewed for entry level positions by the General Services Administration Entry Level Recruiting Coordinating staff in Chicago. All of the candidates were highly recommended and qualified; however, due to budget restraints could not be hired by that agency.

Campus Visits by Agency Recruiters - The FEB disseminated an invitation from the Assistant Dean for Student Services to FEB members inviting agencies' recruiters to visit and speak to their graduate students at the University of Illinois at Chicago's College for Urban Planning and Public Affairs about the opportunities available. Agencies interested in exploring possible opportunities were asked to contact the Assistant Dean directly.

RECRUITMENT AND RETENTION OF FEDERAL EMPLOYEES - FY 2004

Underrepresentation of Hispanics – On November 14, the FEB's Diversity Advisory Council (DAC) exhibited at a career fair that was held at the Westside Technical Institute, 2800 S. Western Ave, in Chicago. Located in a largely Hispanic area of the city, over 2000 Hispanic and non-Hispanic job seekers were in attendance. There were 11 agency representatives present as well as three members of the DAC. Approximately 1,500 individuals visited the 5 tables set aside for our Federal representatives where they received an overview of each agency's hiring process as well as current/future job opportunities.

Groundhog Job Shadow Day - Held on December 29, the Chicago FEB promoted to its community the "Groundhog Job Shadow Day" being sponsored by the Chicago Public Schools on Tuesday, February 3, 2004, during National Groundhog Job Shadow Week. This was a nationwide event dedicated to giving high school students an opportunity to "shadow" a workplace mentor as they went through a normal day on the job. The purpose of Groundhog Job Shadow Day was to take students into the workplace and to provide an up-close look at what a real job was like. The goal for this event was to create an opportunity for students to make a critical link between education and success on the job. This event provided an opportunity for students to get hands-on experience, to learn about the workplace skills that were necessary to succeed, and, most importantly, to understand why school was so important in the real world.

March 19 - Disseminated information to the Federal community inviting Federal agency recruiters to visit and speak with graduate students at the University of Illinois at Chicago. This was an open invitation.

June 26 - OPM Job Fair -- OPM is hosting a federal job fair at Malcolm X College. More than 3,000 potential job applicants are expected to attend. The Census Bureau will staff an exhibit highlighting the American Community Survey (ACS) and conduct two testing sessions for ACS positions. OPM is handling all promotional and public relations activities for the job fair.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you so much, Mr. Moore.

Ms. Marsh, you are recognized for 5 minutes, and as with the other gentlemen, we have your complete statement for the record, so if you could summarize, you have 5 minutes.

Ms. MARSH. Thank you. Chairman Davis, Congressman Davis, thank you very much for the opportunity to appear in front of you today.

The previous witnesses have regaled you with a litany of the problems that are out there. Oftentimes, the process does a disservice to both the applicant and the government agencies trying to obtain critical talent. Given all the studies and the decades that have gone by, why do we still have this problem? It is not rocket science. Fixing this process is not like sending a lunar lander out there. Certainly, competitive pay and the classification system loom large as a problem, it is something that we need to look at. But greater flexibilities, while they would be nice to have, are only one part of the solution, and we believe that agencies have the wherewithal currently to make major strides in cleaning that up.

I have spent 23 years consulting in the private sector before I joined the Partnership for Public Service, and I work with Fortune 500 organizations and executives on creating systems so they can win the war for talent and certainly take talent away from many of the other sectors that are out there. And among the things that I have observed with them and I was able to share with them and I share with Federal leaders when I speak is it all starts at the top. And if you look at examples in the private sector of great leaders, they spend a vast percentage of their time on people management processes. And I will give you two examples.

Tom Tierney was formerly the chairman of Bain and Co., which is one of the most influential management consulting firms. He had reports that he spent over 10 percent of his time very year in the hiring process—out on college campuses, out at career conferences, professional associations, meeting, greeting, reviewing and interviewing the candidates that were going to fuel their success. Jeffrey Immelt, the CEO of General Electric, spends over 30 days a year again in the management processes—in succession planning, looking at filling top vacancies. And if you think about your own busy schedules, imagine that somebody could allocate somewhere between 20 and 30 days. Focusing on this issue is a very big and substantial amount of time.

And if you had that same kind of leadership attention in the Federal Government, they simply wouldn't accept these type of agency failings internally. Basically, they would come in and say, "Just do it. Get this thing fixed." But it is not happening. And far too often we see that is the case because it is simply delegated away as an HR function. And I would like to say that you don't have your budget office spend your money. Resource management and allocation management is part of a management function, so relying and putting responsibility for this firmly at the door of only the HR function is inappropriate and won't get us any action.

When Federal leaders actually step up to the plate and do something and focus their time and accountability on it, you see real change> You see a great example in Comptroller General David Walker, you see NASA Administrator Sean O'Keefe, two individ-

uals and their leadership teams who have applied pressure, they have streamlined the hiring process, they have improved the kind of recruiting they are getting, and they have also visited up on Capitol Hill with very well-informed requests for additional flexibility. So you see good examples. And in our written testimony and in our appendix, we have put some of our case studies about additional examples on successful Federal recruiting models.

So how do we perpetuate more of these success stories across the Federal space? We actually have four comments that we wanted to leave you with today and that are in our written testimony. One is certainly oversight like this, and I like Dan Blair's comments about asking agency leaders about the kind of investment that they are making on both an organization level and a personal level in getting this thing fixed. Is it a priority for them? So that is item No. 1.

You certainly have a natural avenue via the CHCO Act legislation and the reporter requirements, and also there are some wonderful measures coming out of the President's managements agenda that might be something that you can look to and rely upon.

But we wanted to issue a caution about too much focus or disproportionate focus on time to hire. We think there is a need for speed, much more speed than we have in the system; that is very laudable. But we have seen in performance management in the past in the Federal Government if you focus only on the quantitative measures, oftentimes you will get unintended and undesirable results from that. So you would have the measure as to the quality of the applicants, diversity and those other things that clearly need to be part of the mix.

Another thing that we are excited about in terms of the change agent measures, some of the work that OPM is now undertaking, the project that they have with HUD to create a model for success and actually get your hands dirty in the hiring process and fix some of those things. We are really anxious to find out what some of the results are and being able to get under the covers and fix some of those processes.

At the partnership, we inaugurating this summer a very complementary project. We are going to adopt three pilot organizations and work with them on trying to transform their hiring processes. And we are going to enjoy contributions from some of America's leading recruiting consultants, including our colleagues from Monster that are here today to try and put our hands around this and fix those. We anticipate having some quick wins by the end of this year and look forward and are eager to report out to you about some of our results and findings as they come to pass.

The last comment that we have is certainly we want to continue to see some efforts on looking at reforming a general schedule and more competitive in market-driven pay practices and classification systems.

With that, I thank you very much for the opportunity again and look forward to answering any questions that you have.

[The prepared statement of Ms. Marsh follows:]

Testimony of

Marcia Marsh
Vice President for Agency Partnerships
Partnership for Public Service

Before the

Subcommittee on Civil Service and Agency Organization
Committee on Government Reform
House of Representatives

on

The Hiring Process: The Long and Winding Road

June 7, 2004

Chairwoman Davis, Congressman Davis, thank you very much for the opportunity to appear before your Subcommittee today. I am Marcia Marsh, Vice President for Agency Partnerships at the Partnership for Public Service, a non-partisan, nonprofit organization dedicated to revitalizing the federal civil service. We appreciate your invitation to discuss the hiring challenges facing the federal workforce today and to offer the Partnership's perspectives on addressing this long-standing weakness in federal management practices.

The Partnership has two principal areas of focus. First, we work to inspire a new generation to federal service. Second, we work with government leaders to help transform the business of 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 we manage people from attracting them to government, leading them, supporting their development, and managing performance. In short, all the essential ingredients for forming and keeping a winning team. Given the work that we do in the Partnership for Public Service, fixing the federal hiring process tops the list of our priorities. An outline of our major activities and findings relating to federal hiring is attached in the Appendix to this testimony.

The specific process failings that plague government hiring have been well documented and addressed by numerous studies and by the other members of this panel. We still have problems.

- For many of the "best and brightest" among the job seeking population the federal government is still not perceived as an employer of choice. The public either lacks information about federal career opportunities or worse, has a negative impression of working inside the federal government.

- Job opportunities and compensation packages are too often not competitive. The General Schedule and 50-plus year-old classification system do not meet the needs of a 21st Century job market.

- For those intrepid job seekers who brave the federal job market – they are frequently baffled by the process – vacancy announcements are cryptic, discouraging and highly confusing; applications often disappear into the system without acknowledgment or updates as to status; applicants may not receive interview requests until several months after an application has been filed and long after their interest in the job has waned.

- The selection process, particularly for the entry-level candidates covered by the 1981 Luevano consent decree, includes assessment tools that, from the applicant perspective, are confusing and disconnected to the position they are seeking. From the agency perspective, the process does not help in selecting the best candidates.

- At the end of the day, many managers are disappointed with the quality of the applicants that survive the process through certification.

- Often the process takes so long that many desired candidates are lost to competitors.

- Finally, federal employees themselves agree that their agencies frequently do not hire the right talent for the right jobs.

In short, no one is happy. The federal hiring process does a major disservice to citizens applying for employment and to government agencies that are trying to meet critical talent needs.

But, this is only one side of the picture. There is some energy in the system that provides a measure of hope that these issues can and will be addressed. Certainly, there are the legislative remedies that this Subcommittee and Congress, in general, have provided either government-wide or to specific agencies: category ranking and DHS/DoD compensation and critical hire flexibilities to name a few. These remedies provide at least some agencies an increased opportunity to win in the war for talent.

OPM has continued to delegate greater accountability to federal agencies, encouraging

them to pursue competitive practices such as direct hires, etc. OPM's enhancement of USAJobs presents a much more contemporary face for applicants and greater capabilities. Before the government job site was redesigned, it received about 20,000 visitors each day. Now, after design improvements and a broad e-mail and publicity campaign, the site receives almost 300,000 visits from jobseekers on an average weekday. Indeed, a search for the word "jobs" on the powerful Google.com search engine returns USAJobs as the third-ranked result. In some cases, the USAJobs technology has been supplemented at the agency level by full automation, reducing time to hire from months or weeks to days.

Although these changes provide reason for some optimism, they do not represent the federal norm. The litany of problems highlighted above is still too pervasive. The General Accounting Office Report, "Opportunities to Improve Executive Agencies' Hiring Processes", from May 2003, provides an excellent assessment of most federal practices and issues.

Why do these problems persist?

Certainly the competitive pay and classification issues loom large. We would encourage this Subcommittee to continue to press on resolving government wide pay flexibilities and market competition issues. But, flexibilities are only one part of the equation. We believe that many agencies, with general hiring needs, actually have the capacity to make major strides while working within the existing system.

Given my private sector background, I am frequently asked to speak to federal audiences about how high performing organizations attract and retain the best and brightest. Prior to joining the Partnership in February of 2002, I was a consultant in the private sector for more than 23 years – first with Price Waterhouse where I was a partner in their Global Human Resource Solutions practice and then as the Practice Leader of International Consulting for Watson Wyatt Worldwide. During that time, I worked with many of the Fortune 500 in developing management practices that would allow them to compete for and retain great talent. I would give federal leaders the same advice given to CEOs, CFOs and COOs in the private sector – ***it all starts at the top***. That has been the missing ingredient in the federal space.

If you look at the best in hiring in the private sector, they share many common practices, but one stands out in marked contrast to most federal agencies. Senior leaders make finding, attracting and retaining talent their number one priority. They spend large percentages of their time on all aspects of people management. Tom Tierney, the former Chairman of Bain & Company – one of the leading management-consulting firms – used himself as an example in making this point when speaking to a Kennedy School executive session two years ago. As the leader of this widely respected consulting firm, he spent 10% of his time in the hiring process – out on college campuses, at conferences and professional associations meeting, wooing and interviewing the bright candidates that would continue Bain's success. Jeffrey Immelt, the CEO of General Electric, spends at least 30 full days a year in leading GE's people management processes, which include succession planning and filling top jobs in the organization. Like other great leaders,

Immelt and Tierney understand that this role is essential to maintaining their competitive edge.

It would be inconceivable for leaders such as Tom Tierney, Jeffrey Immelt, or others to operate an organization that accepts all of the failings of the federal system as described above. They would start by challenging their organizations to "just do it" – fix the parts of the system that are entirely within their control rather than simply delegating the issue away as an "HR function." Laying the total responsibility for the fix at the door of the human resources department is like asking the budget office to spend your money for you. Program managers are responsible for resource management – HR and finance teams are partners in the process. When problems exist in resourcing, they are management issues.

You can tell when federal leaders and managers do take responsibility for hiring – they fix their internal systems and come to Congress with well-developed cases for more resources. Comptroller General David Walker and NASA Administrator Sean O'Keefe are two recent examples of leaders of organizations that are getting it right with support from this Subcommittee and Congress. Both organizations have streamlined and significantly improved their processes and both have asked you for greater flexibilities in people management. Tommy Thompson at HHS led the charge in pressing OPM for assistance in creating a new Emerging Leaders hiring program with great success. The Social Security Administration is a model for all sectors in aggressively hiring a diverse workforce to meet the needs of serving their diverse customer communities. The TSA hiring story is one that I frequently share with private sector audiences as a management feat unparalleled in scale,

scope and execution.

It is no coincidence that GAO, NASA, HHS and TSA were among the first recruitment case studies featured in the Partnership's web-based Solutions Center and SSA's story joins their ranks in July. In those case studies, you can read that leaders and managers make hiring a strategic priority, take responsibility for the process, and are measured on hiring results.

We know that one important question before this Subcommittee is whether all of the flexibilities already provided by Congress are being used to their full potential. We would say no. The slow move to using category ranking after passage of the Homeland Security Act of 2002 is a good illustration of the management challenge. It also highlights the need for more aggressive central change leadership if positive changes in HR practices are to be implemented.

The Homeland Security Act was signed in November 2002, regulations were issued in June 2003 and yet in June 2004 we find that most agencies are still not taking advantage of category ranking to modernize even this one small but significant aspect of the federal hiring process. Some agencies, we are told, are still waiting for additional guidance from OPM while others have not devoted the time or resources needed to implement the change. In the interim, OPM has made presentations to federal agencies about new HR flexibilities, but the bottom line is that the flexibilities are not being widely used.

Some agency HR staffs are reportedly reluctant to modify their processes or systems without more detailed guidance from OPM for fear of finding that they did it wrong during OPM oversight reviews. Still others cite tight resources and the efforts needed to revamp this aspect of the hiring process and then train both managers and operational HR staff on the new procedures as a deterrent to change. In essence, it is easier to maintain the status quo even if there is a better alternative available. Leaders and managers interested in capitalizing on this very important process improvement should be aggressively reaching out to OPM to make change happen.

Committed leaders and managers make a real difference everyday in finding the resources to improve their hiring competitiveness. The leaders of the United States Geological Survey (USGS) were pioneers in automating the federal hiring process. They found a way to fund and implement new hiring technologies and drove their hiring time from months to days. The Department of State and GAO have devoted significant resources to federal student loan repayment because it has proven to be an effective recruitment tool. GAO, the Social Security Administration, and many other organizations are aggressively using internships to create a new entry-level pipeline for their organizations.

What should be done to fuel additional change?

Our work with federal agencies, in particular, has given us a very concrete sense of the opportunities for change in federal hiring practices. However, given the long history of delegating management away to the HR function rather than working in active partnership,

change will be slow in coming unless there is additional pressure on the system. To that end, we offer these final recommendations:

- Congress should continue to use its oversight to raise questions of agency leaders about their human capital risks. You have a natural avenue through the CHCO Act to ask for an annual measure of key people management practices. The President's Management Agenda is actually a great first step. By virtue of the evaluation of key human capital practices, many leaders and managers in the federal government are spending time understanding what their talent needs are and what the gaps are in the system and are asking the right questions about how to fix them. Institutionalizing and reinforcing the best aspects of the President's Management Agenda will help to keep senior leaders and managers focused on people as a top priority.

- We would like to issue a cautionary note about the metrics that might be adopted as part of annual reporting. They must balance both quantitative and qualitative goals. Often we hear of "time to hire" as the paramount measure when finding and attracting the best talent is the real goal. Many of the best private sector organizations will go to extraordinary lengths and invest a great deal of time in finding the right talent for their organizations. They can and do make offers on the spot but in many cases, job offers are made only after weeks or months of searching for the best fit. Speeding up the federal hiring process is important, but placing disproportionate emphasis on any one part of the process may lead to unintended, and undesirable, results.

- Congress should provide OPM with the resources and incentives it needs to aggressively promote greater use of existing flexibilities and assist agencies in identifying the mix of available tools that will work best for them. Changing decades of old mindsets will take wave after wave of communications, training, leadership engagement, and measurement to enhance all of the federal people practices.

The best private sector organizations have strong central change and strategic communications capabilities to assist the leaders and managers throughout their organizations in transformation efforts. Whether it is implementing category ranking, creating alternatives to ACWA (Administrative Careers with America) assessments, or rolling out new SES performance management practices, the government as a whole will move more quickly and cost effectively if maximum guidance, assistance and resourcing are provided in the change campaign.

Helping to create "models" of success through hands-on assistance will help lead the way. To that end, we understand an OPM team is working on an exciting project with HUD to make over its hiring process. This pilot may be very instructive in determining the full scope of assistance that might be provided from the "center" to ensure positive results. We look forward to following this project and learning more about the results that this collaboration will accomplish. It should provide great energy for a broader transformation effort.

The Partnership, in fact, is pursuing a similar "extreme makeover" project with three

pilot organizations and the pro-bono assistance of many of the private sector's best recruiting consultants including our colleagues from Monster. We will launch this project later this summer and we look forward to working with OPM and your staff to make the makeover a success and learn more about possibilities for "grass roots" change. We are looking for "quick wins" by the end of this year and more substantive change in the months to follow. We will be eager to share our findings and those results with this Subcommittee.

- Finally, to level the playing field and provide maximum flexibility in recruiting and retaining the very best, we look forward to legislative action to replace the General Schedule with more competitive and contemporary pay and classification systems. The federal government has a wealth of data demonstrating that agencies can succeed outside of the General Schedule while adhering to merit system principles and veterans' preference. We believe that all agencies could benefit from a more contemporary, market-sensitive pay system.

Appendix A

The Partnership's Hiring Process Initiatives

Our perspectives about the hiring process are shaped by our work on several key Partnership initiatives:

Research into talent challenges – ***Insight from Retirement Data and the Best Places to Work in the Federal Government project.*** Our research into the general demographic and specialized talent challenges of government indicates that bringing new talent into the federal government is a mission-critical challenge. In our recent work to convert OPM's Federal Human Capital Survey into our Best Places to Work in the Federal Government rankings, we found that federal employees rank their work unit as below average (48.6 on a 1-100 scale) for its ability to "recruit people with the right skills."

This Subcommittee is quite familiar with the pending retirements across the federal government. As a matter of review, OPM currently projects that 31.7% of the federal workforce will be eligible to retire within the next five years, and that number balloons to 52.1% when early retirements are considered. Naysayers claim no need for alarm since many federal employees continue working after they become eligible to retire. For the first time in three years, however, the number of federal employees who actually retired in FY2003 exceeded the best projections of OPM, signaling that the snowball effect from baby boom retirement is accelerating. Whether they occur this year or in the next five years, retirements will significantly deplete the talent bench that we have in government.

Talent gaps in the federal government do not simply result in uncomfortable workload issues – they can be threats to our national security as well. Through our BioTerrorism report, we highlighted how the gaps in scientific talent across many federal Agencies impair our ability to anticipate and respond to the threats that appear in our current headlines.

Public perception polling – ***The Unanswered Call to Public Service: Americans' Attitudes Before and After September, 2001.*** Filling current and project talent gaps will not be easy. Our early polling and research into public attitudes about federal employment indicated that less than 1 in 4 college students had an interest in public service. When we looked closely at the feedback, it was clear that these students were simply not aware of the career opportunities that exist in government. While 52% of non-federal workers in our survey said that they were well informed about private sector jobs, just 29% felt well informed about federal opportunities. Federal workers in our survey agreed with this assessment; the majority believe it is more difficult to find information about federal rather than private sector jobs. Lack of federal recruiting presence on college campuses over the 1990s and virtually non-existent branding of government careers has created a major information void. Private sector competitors are all too eager to fill that void with their own calls to service. In addition, only a small fraction of students think that they can best make a difference through federal employment -- most would opt for nonprofit jobs. To that end, a survey conducted in 2003 by the Brookings Institution found that only 28% of college seniors see working for the government as a form of public service, while 58% said

the same about working for a nonprofit organization.

Outreach to colleges and universities. To increase awareness about federal opportunities and counter poor perceptions of government jobs, we launched our Call to Serve college outreach initiative in partnership with OPM. Through Call to Serve, we interact with college Presidents and career placement officers in over 500 academic institutions and the recruiting experts at over 60 federal agencies. The outreach we have made through these networks demonstrates a real appetite for good information about federal employment and shows promising effort by some federal agencies in reconnecting with college communities. We have a long way to go, however, to persuade young people to choose federal service over private sector or nonprofit talent competitors. Efforts on college campuses must be consistent and substantive and the way in which we package federal jobs needs to be compelling and exciting. If we are to take full advantage of the talent coming out of our colleges and universities, we also have to speed up the federal hiring process. A 2003 GAO survey of agency Human Resources Directors found that, on average, it takes the federal government 3 months to fill a vacancy. This is alarming when one considers that in a 2002 Penn, Schoen and Berland Associates survey 69% of college juniors and seniors said they would not wait longer than 4 weeks for a job offer.

Outreach to experienced professionals – ***Mid-career Hiring in the Federal Government: A Strategy for Change, 2002.*** At the same time that we began working with college populations, we looked at mid-career hiring and were even more discouraged about the prospects for attracting experienced hires into federal service. In 2002, we issued our first

mid-career hiring report. Our findings showed that only 10% of vacancies for GS-12s and above are filled by candidates from outside the federal government. Much of that is attributable to federal agencies keeping the doors closed to new talent by restricting their search to internal candidates only. Many agencies report to us that this closed system extends to bureaus, offices, departments and regions within their own organization. Management simply is not considering a broad array of talent to fill positions. In the coming months we will release an update to our earlier midcareer hiring report that finds that in the past two years, hiring from outside government has risen modestly (to 15%), but that the federal government is opening increasingly fewer job vacancies to applicants from outside the federal government. The report includes a deeper analysis of the issue and interviews of agency human resources leaders that should benefit the dialogue on the federal hiring process.

Add to that the disincentives in making a career shift to federal employment for experienced candidates, and prospects for hiring specialized talent are seriously reduced. The lack of flexibility and non-competitive pay of those agencies still bound to the General Schedule, federal vacation policy, non-competitive relocation and recruiting bonuses, etc. are not enticing for outside candidates. Fortunately, this Subcommittee recently passed legislation (S. 129) to address some of these disincentives; combined with the new Presidential Management Fellows program, there is reason to hope that the federal government can and will improve in attracting and retaining talented mid-career professionals to government service.

Partnerships with Agencies. Our work with federal agencies through our Agency Partnership team has allowed us to see the best and worst of the federal hiring process. In general, we still hear too many complaints about an antiquated and byzantine process that prevents organizations from effectively hiring great talent. On occasion, we see examples of real innovation in hiring that demonstrate that change can happen. Many of those examples were cited in our testimony. We have documented some examples of innovative practices and tools and resources for fixing the hiring process in our web-based Solutions Center. Case Studies from the Solutions Center are attached as Exhibit A and available at www.ourpublicservice.org.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Ms. Marsh, for that great summary of your testimony. Ms. Kemp, we know you have to leave early, so if you can summarize your statement in 5 minutes.

Ms. KEMP. Chairwoman Jo Ann Davis and Ranking Member Danny K. Davis, thank you for the opportunity today to address you regarding the Federal hiring process. My name is Krystal Kemp, and I am pleased to have the opportunity to share my experiences with you.

I would like to take this time to give you a little bit of background information about myself. I graduated with honors from the University of Alabama in 1998 where I was selected to become a member of the Phi Beta Kappa Honor Society. This May, I received my juris doctorate from Washington University in St. Louis. At Washington University, I interned in a variety of legal settings, including working for the city prosecutor, the Legal Services of Eastern Missouri and clerking for a Federal magistrate judge. I was also fortunate to be selected for our Washington, DC, Congressional and Administrative Law Clinic. The aspect of all of these jobs that I enjoyed most was the knowledge that I was using my education to help the public. These experiences sparked a desire in me to work for the Federal Government.

As you may know, Washington University in St. Louis is a highly respected educational institution. This year, the Washington University undergraduate program was ranked as the ninth best university in America by U.S. News and World Report, and the law school was ranged No. 20.

I have been searching for a permanent position for roughly 1 year. I am very anxious over my current jobless situation due to the debt I have incurred to undertake my legal studies, as I owe over $100,000 in educational debt. My search for a Federal job led me to the usajobs.com Web site. I found the Web site to be, at best, confusing and, at worst, discouraging. There were three main areas in which I had difficulties with the Web site: The language, the resume builder, and some job announcements directed me to another Web site where I was required to fill out more applications.

First, the language of many of the job announcements was incomprehensible. Many of the announcements used special government code talk that I had not previously encountered. I do not understand how the average citizen could read those announcements and know clearly what the jobs' duties entailed or what the requirements were. I had the feeling that the announcements were not written for me but were created for people already initiated into the fraternity of government jobs.

Second, I was uncomfortable with the resume builder. The resume builder requires the applicant to enter data and then compiles the information into the Web site's resume format. This function was not especially helpful to me because the format for an attorney's resume is different, and I was constricted to the single format provided. However, this was not the most troubling aspect of the resume builder. The resume builder requires the user to input his or her social security number. The disclaimer explains that the social security number is necessary to process a person's applica-

tion for Federal employment. Due to the desire to protect my personal information, I have had difficulty completing the resume.

Finally, I found it very frustrating when I accessed a job announcement on the USA Jobs and was then directed to another Web site where I would be directed to fill out another application. I was under the impression that the purpose of the USA Jobs Web site was to allow the job seeker to provide information once and be able to send it to multiple employers within the Federal Government.

At this time, I have given up on the Web site. When I complete my bar study and sit for the bar exam, I will have more time to work with the site and hopefully figure it out. Thus far the only Federal jobs that I have applied for have been through job announcements directed to my school. Unfortunately, there have not been many sent to the Washington University School of Law.

I hope my remarks today have been informative and helpful to each of you in understanding this issue. I thank you for inviting me to testify.

[The prepared statement of Ms. Kemp follows:]

Statement of

Krystal A. Kemp

Before the

Subcommittee on Civil Service and Agency Organization

Committee on Government Reform

House of Representatives

June 7, 2004

Chairwoman JoAnn Davis and Ranking Member Danny K. Davis, thank you for the opportunity today to address you regarding the federal hiring process. My name is Krystal Kemp, and I am pleased to have the opportunity to share my experiences with you. Hopefully as a result of these hearings, other recent graduates will have better resources available to pursue a career with the federal government.

I would like to take this time to give you a little bit of background information about myself. I graduated with honors from the University of Alabama in 1998, where I was selected to become a member of the Phi Beta Kappa honor society. This May, I received my juris doctorate from Washington University in St. Louis. While I attended Washington University, I received a scholarship to study abroad. I took two years off to study Chinese at the Mandarin Training Center in Taipei, Taiwan. Upon my return to Washington University, I interned in a variety of legal settings, including working for the city prosecutor, the Legal Services of Eastern Missouri (which provides legal aid to the indigent), and clerking for a federal magistrate judge. I was also fortunate to be selected for our Washington D.C. Congressional and Administrative Law Clinic. The aspect of all of these jobs that I enjoyed most was the knowledge that I was using my education to help the public. These experiences sparked a desire in me to work for the federal government.

As you may know, Washington University in St. Louis is a highly respected educational institution. This year, the Washington University undergraduate program was ranked as the ninth best university in America by US News and World Report. And, the Law School was ranked number 20. Our legal clinical program was ranked number 4 in the nation.

The clinical program at Washington University allows students to practically apply the knowledge they gain in the classroom. Students do hands on work for real clients while being supervised by professors. The Washington DC Congressional and Administrative Law Clinic is a highly competitive clinic that allows a law student to spend their final semester in the capitol working for a member of Congress or an agency. During my tenure in this program, I worked in the Government Reform Committee's Minority Office.

I have been searching for a permanent position for roughly one year. I am very anxious over my current jobless situation due to the debt I have incurred to undertake my legal studies as I owe over $100,000 in educational debt.

My search for a federal job led me to the usajobs.com website. I found the website to be at best –confusing, and at worst –discouraging. There were three main areas in which I had difficulties with the website: the language; the resume builder; and, some job announcements directed me to another website where I was required to fill out more applications, many of which were duplicative of applications I had filled out on usajobs.

First, the language of many of the job announcements was incomprehensible. Many of the announcements used special government code talk that I had not previously encountered. There was some legalese that I could decipher, but for the most part my initial encounter with the website completely befuddled me. I do not understand how the average citizen could read those announcements and know clearly what the job's duties entailed or what the requirements were. I had the feeling that the announcements were not written for me, but were created for people already initiated into the fraternity of government jobs.

Second, I was very uncomfortable with the resume builder. The resume builder requires the applicant to enter data and then compiles the information into the website's resume format. This function was not especially helpful to me because the format for an attorney's resume is different, and I was constricted to the single format provided. However, this was not the most troubling aspect of the resume builder. The resume builder requires the user to input his or her social security number. I was extremely leery of doing this, considering the rampant identity theft that our society faces. It makes me very uncomfortable to have my social security number at the top of a resume being sent to someone I have never met and know nothing about. The disclaimer explains that the social security number is necessary to process a person's application for federal employment. However, I still find this aspect—sending my social security number over the Internet—extremely unsettling. Due to the desire to protect my personal information, I have had difficulty completing the resume.

Finally, I found it very frustrating when I accessed a job announcement on usajobs and was then directed to another website where I would be directed to fill out another application. I was under the impression that the purpose of the usajobs website was to allow the job seeker to provide information once and be able to send it to multiple employers within the federal government.

At this time, I have given up on the website. When I complete my bar study and sit for the bar exam, I will have more time to work with the site and hopefully figure it out. Thus far, the only federal jobs that I have applied for have been through job announcements directed to my school. Unfortunately, there have not been many sent to the Washington University School of Law. Outside of the few job announcements we received, a small number of federal agencies came on campus to interview students.

In the fall, three groups participated in our on campus interviewing—the Securities and Exchange Commission, the Department of Transportation, and the Comptroller of the Currency.

The Department of Justice gave an informational presentation, but they do all of their hiring through the Honors Program.

The Honors Program is highly competitive and there are very few spots open. However, I also understand that some of the agencies do have additional entry-level positions opening. Yet, these positions are not easily accessible by job seekers. A graduate's only option is to find them through usajobs or a similar avenue.

I hope my remarks today have been informative and helpful to each of you in understanding this issue. I thank you for inviting me to testify, and I will be glad to answer any questions you may have at this time.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Ms. Kemp. Ms. Sladek, we have your full testimony for the record, and if you would summarize your testimony, I will recognize you for 5 minutes. And thank you for being here today.

Ms. SLADEK. Thank you, Chairwoman Davis, Congressman Davis. I am under a little different circumstances here than Krystal. After September 11, I was one of the 8 airline employees approved by the FAA to be hired in a temporary position not to exceed 6 months with the FAA. This was prior to TSA's birth and TSA taking over the security of the airports. When TSA came into existence and took over security, we were all told we would all have permanent positions within TSA. Then we were told we would be given a 6-month extension. I was given a 6-month extension. They got TSA formed, hired the screening, turned the screening over to the TSA and replaced it throughout the airports.

As time went on, 6 months came and they said, "Well, now we have to get into positive baggage claim and we have to initiate this program, and regulatory people," which is what I was hired for, "regulatory people will have to take a back burner as we get this other section in place." We were all granted another 6-month extension. Another year and a half went by.

As an ASI hired in November 2001, we were to assist in being the eyes and the ears for the regulatory agents of the FAA since there were not enough special agents to go around to cover the problems that we had at the airport, and we were to assist them. Most of the people that are hired, as a matter of fact all of eight of us that were hired in Chicago, were former airline people who brought to the table our knowledge from the airline industry which I worked in for at least 22 years.

A year and a half went by and then I was subjected to the final extension. My time was running out. I approached my Human Resource benefit person and said, "What is the latest on the extension for ASIs here," and she said, "There is no extension." I was like, "OK. We were told that we would all have permanent positions, and we were given extensions to cover until they could get back to us with permanent positions."

At the end of the 6 months, my last 6 months, which was to run out in May 2003, I was told that there was not going to be anymore extensions, that I should contact the government's People Line to find out what the status was. People Line didn't know anything that was happening with the ASIs in Chicago. So I went back to my person and I asked them, and they said, "Well, it means then that when the time is up, you will be without a job."

At the beginning of 6 months when the Federal Security Director was in place at Chicago O'Hare and starting to form the team there, I had a meeting with the Director and I was told, "Here's your name on the board. You are going to get positions with the TSA." At that time, we were in transition to go from FAA to TSA and of course we went from TSA to Homeland Security. So we had to change titles three times in a month.

In the beginning of May 2003, I was informed that there were no extensions. They had to cut 190 permanent screeners from the airport, so since I was still a temporary person, that was one less permanent person they had to cut. This started my conversations

with the People Line and went on for 2 months, 2 months which is documented here, back and forth: "No, you were granted an extension;" "You need to contact your airport." I contacted my airport, no one had an extension. In my conversations with them, I was told that an extension was granted in Washington for all TSA employees, all TSA ASIs out at the airports. That never happened.

May 200 I was unemployed, because my temporary position had expired. Six months I went back and forth. I could never apply for any permanent positions because I wasn't a permanent employee according to the job requisitions. So this went on. Needless to say, I spent 6 months unemployed and applied for a position through the Web site for an airport screener which I am now working as a part-time airport screener at Chicago Midway Airport. And in conversing with everyone in this 6-month period, it went from one person—I spoke to people in Washington, people at O'Hare, it was the biggest runaround that I ever got. And to this day I don't know why I wasn't given a position that I was told and from our Legal Department in Washington they're like, "It wasn't in writing. It was only at our meetings."

There is something wrong with this. It is not the way to treat people. I was one of the people that left my job to join the FAA for at that time what was a temporary position. There was something that needed to be done because of September 11. The airline industry was dying and something needed to be done, and I went out, I took a gamble and I went with them for 6 months. Then it became something that was going to be a permanent position. I was told by the FAA and then the TSA, "All of you will have a permanent position," and it didn't happen.

[The prepared statement of Ms. Sladek follows:]

June 17, 2003

Per our telephone conversation of Monday, June 16th, the following is the chain of events along with a log of the telephone conversations leading to the current situation.

Following our national disaster of 9/11, I was one of the eight former airlines employees recruited and hired by the Federal Aviation Administration (FAA). On November 18, 2001, we were hired as Assistant Security Inspectors (ASI) to assist the Special Agents (SA) of the FAA. Our duties were to assist the SA at the airports to ensure that all Security Directives (issued by the FAA through Washington) were followed by the airlines as well as the security agencies at the checkpoints and at the ticket counters. We were the additional eyes and ears for the FAA to ensure compliance of all security measures. This was a temporary position not to exceed six months. Please note that this was prior to the Federal Government taking over the security of the airports and the creation of the Transportation Security Administration (TSA).

After the start up of the TSA, both the FAA and the TSA told us that we would all become permanent employees. A six-month extension was issued effective 5/19/02. When the six-month extension expired, another six-month extension was issued on 11/18/02. The FAA employed all the ASI's however; we all were working in positions assisting the TSA at either O'Hare Airport (ORD) or Midway Airport (MDW). In addition, some of us were assigned temporary duty as the Interim Federal Security Director, at other airports. I accepted the position with temporary duty at Madison, WI; Peoria, IL; and Bloomington, IL.

In approximately May of 2002, Isaac E. Richardson III, the Federal Security Director at ORD (since resigned) told me and showed me on his staff chart, that I had a position as a Special Agent (Regulatory Agent) at ORD. In approximately September, 2002 he told me he did not have enough positions for me at ORD. He suggested I check with the other airports. Mr. Richardson also told me, "Don't worry Camille, I won't just let your time run out, I keep you on until you secure a permanent position".

Since we were part of the FAA and not officially TSA employees, there were job opportunities that became available to the TSA employees but unfortunately not us as FAA employees.

We were told to pursue any jobs of interest but we were also told there was a hiring freeze. I was offered a permanent position as a regulatory agent in Madison. I was prepared to go but was told I had to remain at ORD until the hiring freeze was over. I recently submitted a transfer to Peoria as an ASI. Mike Cleveland, the Federal Security Director accepted my request to transfer. Once again, I was ready to go but once again, I was told everything was on hold due to the hiring freeze.

On April 24, 2003, I spoke with Sharon Lamey, the Human Resource Benefits representative at ORD. I asked what the status was on any extensions for the ASI's. She told me she had not received any word and suggested that I contact the Human Resource People Line to inquire about the extension. I called the Human Resource People Line and was told that someone would return my call. I was given a Service Request #1-155-99801. To date, I have not received any call.

On May 13th, I spoke with Sharon Lamey and asked if there was an extension. She told me there was nothing for me. I asked her when my last day would be. She told me May 16th. On May 16th, she gave me a checklist form to turn in my badges, credit cards, cell phone, etc.

The following is the log of calls made to People Line, **OMBUDSMAN**-TSA Washington, and **ORD**:

4/28 - Called the People Line to check on the status of my extension - given Service Request #1-155-99801.

5/28 – Erika - asked about my Service Request – nothing documented;

5/29 – Brian – No additional information;

6/03 – Corey – computers were down;

6/03 – Bernita - an **extention was given** and **HR at ORD should issue paperwork**;

6/04 – Corey – a **6 month extention was issued on 5/25/03 effective 5/17/03;**

6/04 – **ORD** - Called Sharon Lamey to advise her, she said no one told her anything

6/04 – Bernita – explained what Sharon Lamey said and Bernita told me that according to the records, on 5/25/03 I was given a six month extention effective 5/17/03.

The extention was ***Guaranteed Quality Assured*** by TSA in Washington. **I was to go back to my original airport.** She said I should call ORD and they should be able to obtain this information from their computer. If they had any questions they should call the People Line;

6/04 – **ORD** - Called Dianna Davis, Administrative Officer - She said she did not have that computer information available to her. I told her she should call the People Line as instructed by Bernita. She said she would.

6/05 – Tanita 1055 – said no one from ORD had called

6/05 – **ORD** - Called Candy Norton, TSA Lawyer – explained what was going on and told her I did have an extension and what could I do. She said she would call the People Line.

6/06 – Bernita – said that Candy Norton did call on 6/5 and spoke with a supervisor. Candy has all the information. No one from HR, ORD called. Bernita suggested I call a little later.

6/06 – Trisha said no one from HR ORD called and that she was putting a "**critical alert**" notice into my record to have **someone contact HR at ORD and to have me return to work, record indicated 6 month extension issued 5/25/03**, effective 5/17/03 ***Guaranteed Quality Assured*** **issued by TSA at headquarters**;

6/09 – **ORD** - Called Candy Norton and thanked her for contacting the People Line and told her no one from HR ORD had called. She said she was going into the meeting and would once again present them with the information;

6/09 - Laura – No one from ORD called – Laura suggested I contact OMBUDSMAN in Washington;

6/09 – **OMBUDSMAN** - Called and left a voice message to please call me;

6/09 – **OMBUDSMAN** - Dawn Hun returned my call – I explained what was happening and she said she would check into it and definitely call me back;

6/11 **OMBUDSMAN** - Called Dawn Hun – left voice message to please call me;

6/11 – Allen put in another Service Request #1-18146969 to have someone send me my paperwork to return to work;

6/12 – Tanita – no service number – she created another service #1-18239567 to request paperwork to be sent and told me it would be documented when it was sent via Federal Express and who signed for it;

6/12 – **ORD** - Called Dan Karls, Attorney – left voice message to call;

6/16 – Karen 0800 - Paperwork information was not in computer but the **extension was given 5/25/03** effective 5/17/03 ***Guaranteed Quality Assured*** by TSA in Washington;

6/16 – **ORD** - Called Dianna Davis, Administrative Officer - asked if she ever spoke with anyone from the HR People Line. She said she did not but she was in Washington last week and there is no extension. She didn't know why the People Line told me there was;

6/16 – **OMBUDSMAN** - Called and left voice message to call;

6/17 – **OMBUDSMAN** - Called Dawn Hun at her extension and left voice message to call

I am very confused. We all were told we would have a permanent position. I have been told over and over for the past month that I have been granted a six-month extension, but I still have not returned to work. If it is a matter that ORD does not want me as part of their staff, that is fine; however, I too should be working on my six-month extension until something permanent is available.

I have attached copies of the extensions and the memos telling us **"THERE WILL BE A PERMANENT JOB FOR EVERYONE"**

December 9, 2003

I was hired by the TSA and on November 30, 2003, I was sworn in as a Passenger Screener at Chicago Midway Airport. Unfortunately I am only a part time agent with a starting salary at the bottom of the salary range (which is ½ of what I was making) which means, as a part time employee, I am now making ¼ of what I was making 6 months earlier.

On Monday morning December 7, 2003, all the new TSA Passenger Screeners employees were given a little history of TSA. It was explained that about 8 months ago the TSA realized they had too many people on the payroll and had to eliminate full time employees. The TSA then decided they would replace some of the positions with part time positions. TSA started a massive hiring of part time employees.

As the morning lesson continued, I was informed that the TSA just recently hired on Regulatory Agents and Cargo Inspectors, (a position I was to have) nationwide. Unfortunately, these positions were only open to current TSA employees! Perhaps down the road, TSA will again have the need to hire more Inspectors and we all can apply for those positions.

I spoke with the FSD at Chicago ORD to find out just why I was not extended until the Regulatory positions were open. He told me they had to cut 190 full time positions and since I was a temporary employee, I would not be extended and this would be one less permanent screener that would have to be cut.

Taking into consideration, we, the Assistant Security Inspectors, were there before the TSA Screeners and the TSA; some consideration should have been given to us. Unlike the statement in the letter of October 31st stating I was not notified that my position would be made permanent, **all of us were informed we would**. Granted there never was a SF50 issued but in memos and meetings, we all were told, "You all will have permanent positions".

I was told I would have a regulatory position. Even though it was verbal, they should be held to their word. There was a need to cut and I still was not permanent because they froze the hiring of Regulatory Agents.

Now they just recently opened positions and filled them with "current employees". Unfortunately, I was not on the payroll.

Instead of someone admitting they did something wrong and at least attempt to correct it, they just continue to deny it and avoid the facts. Their, "***Please accept our apologies***"; and the, "***We regret any misunderstanding and understand her disappointment***" and the "***We appreciate Ms. Sladek's continued interest in employment with TSA and encourage her to apply for other positions with TSA that may be of interest to her***". "***Current announcements and employment opportunities at TSA may be found at…***". The website address they gave is open to everyone. Unfortunately, the Regulatory positions are strictly internal. Their letter sends a sincere attempt to pacify me with the great hope that I just go away.

Now six months have passed. I collected unemployment as long as I could. Unfortunately, $400.00 a week does not go too far, especially with two school age children. I am working part-time with the TSA and have another part-time job but things are tough and the two jobs still are not enough. I just can't help but to question why? A why that no one can honestly answer. A why, is it that now all the other ASI's are permanent agents? Why was I told I too was given an extension but ORD never could give it to me? Why did I not get the position I was told I too would have? All I wanted was to be a Regulatory Agent as I was told I would be. I waited thru two six-month extensions (18 months) and since then. This whole thing has been unfair.

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Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Ms. Sladek. Thank you so much. Mr. Davis, I am going to move to your first for questions.

Mr. DAVIS OF ILLINOIS. Well, thank you very much, and I want to thank all of the witnesses for their testimony.

Mr. Mihm, it is always a pleasure to see you and to hear you. Given the fact that agencies are not using all the flexibilities that have already been granted to them, should we grant any additional or is there some other process perhaps that we should try and use?

Mr. MIHM. The key going forward at this point, Mr. Davis, in our view, is for agencies to step up and make effective use of the tools that Congress has already granted them and the authorities that they have long had to have—there is nothing we can null or OPM regulations that hampers an agency from having an effective recruitment program and college outreach program. We find that agencies that are strategic, and we like to think that we are particularly good in this regard, are very serious about going down and recruiting on campuses and spending a lot of time on that. That is not something that agencies should be waiting for Congress to be telling them to do or dictating or OPM to be having regulations along those lines. So much of what needs to be done is already within the agencies' authorities. It is not time for them to step up to the plate. We also think, as I mentioned in my statement, that there are opportunities for the Chief Human Capital Officers Council to serve as an information clearinghouse for leading practices so that agencies can learn from one another.

Mr. DAVIS OF ILLINOIS. I find the recommendations and suggestions—sounds like you are saying we need to persuade the agencies.

Mr. MIHM. Yes, sir. That wouldn't hurt. As you know, we have done a number of reports for you on the looming retirement that is coming at all levels, particularly the executive service. We are going to be have a big turnover of the senior executives. We have half of those retiring within the next several years based on historical data. There is an enormous opportunity for agencies, and as you know from the work that we have done for you is that if we do not do anything, if we do not implement the diversity programs that are already in place, we will fall behind just based on the trends of where we are now. That is something that is all within the agencies' authority. That is something they need to step up to the plate and take care of.

Mr. DAVIS OF ILLINOIS. Thank you very much. Mr. Moore, 48 years in the Federal system, I mean that is a long period of time. I mean, obviously, you didn't take advantage of any of the early retirement programs. [Laughter.]

We are going to ask you to stay put. What have you seen that you would say has been the most effective change that has enabled the Census Bureau to diversity its work force, to recruit, bring in women and other minorities? What have you seen?

Mr. MOORE. Well, 48 years don't seem very long, but the Federal system has changed. When I first came in the Federal system, you had to come through what they called the Federal service entrance exam, which was a written exam that you had to take, along with your college credits and your degree. And that has been changed.

They now allow you to come in with looking at your application based on your experience and your education, rather than the written exam. And looking at the GAO report where they talk about the rule of three, I think the rule of three has allowed many minorities to get the job where a lot of managers want to get rid of the rule of three, because they want to select anybody that is on their cert. But if you had to rank the people on the cert and you take the best qualified applicant, I notice that the rule of three has helped us bring on women, minorities, people that were qualified.

The other thing is the Census Bureau has come up with the electronic hiring system where they have speeded up the process. We can put a person on real fast now through the Census Bureau because they have automated the system. Besides the system being automated, we have hired people in what we call the accepted service, the Schedule A appointments, the temporary appointments. Because we hire so many people during the decennial census, we can bring people on in the accepted service. So if someone applies for a job in the competitive service and while we are interviewing them if they are a good person, we can put them through the accepted service appointment, and that allows us to move fast.

Mr. DAVIS OF ILLINOIS. Well, thank you very much. Quickly, Madam Chairwoman, Ms. Kemp and Ms. Sladek, if you were going to make a recommendation based on your experiences, what would you recommend that the Federal service do in order to improve the situation?

Ms. KEMP. I guess I have something very quick that I could say. This goes back to something Mr. Blair said. He mentioned that applicants don't get a reply or a timely reply and that has been my experience. I have applied with several different Federal groups and most of them I have heard nothing, not even a rejection letter. I don't know if the job is available or not. Recently, I was contacted about an interview with GSA and I applied with them in the fall, and the first that I have heard from them was this last week I got an email. So being very generous, that was at least 7 months before I heard anything. So I think that some feedback, a little feedback, "We have you resume. We are thinking about you," that would be nice.

Mr. DAVIS OF ILLINOIS. In Chicago, you could have starved to death in that period of time. Thank you. [Laughter.]

Ms. SLADEK. Well, unfortunately, I would say that I would expect someone to be a little more honest and stand behind what they say, don't make show of promises. If you would like to tell someone that this is the way it is, stand behind it. Don't give the person the runaround and somehow let the right hand know what the left hand is doing, because with all the people involved, nobody seemed to have known what was going on, and I was referred to someone else and talked to someone else. It is very frustrating, especially when it is my life on the line.

Mr. DAVIS OF ILLINOIS. So a greater sense of coordination.

Ms. SLADEK. Would be very helpful.

Mr. DAVIS OF ILLINOIS. Thank you also very much.

Ms. SLADEK. Thank you.

Mr. DAVIS OF ILLINOIS. Thank you, Madam Chairwoman.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you. Ms. Kemp, I know you have to leave to catch a plane, and, actually, Mr. Davis asked you the question I had for you. Let me just ask you this maybe in a different way, maybe that is the only answer you have. What changes would you recommend that we make other than just the coming back and forth in answering an email? Did you hear from any agencies that there was no job opening for at the time?

Ms. KEMP. No.

Mrs. JO ANN DAVIS OF VIRGINIA. You haven't heard from anyone a rejection, period.

Ms. KEMP. No, I haven't.

Mrs. JO ANN DAVIS OF VIRGINIA. And the email you got from GSA after 7 months, was that just, "Thank you for your application?"

Ms. KEMP. No. The email I got was, "In response to your resume and application, you have an interview during the June 14 week. Please call us for a time slot." That was the email that I received.

Mrs. JO ANN DAVIS OF VIRGINIA. And when did you send it in?

Ms. KEMP. In the fall, so even if it was December, that would be about 7 months that I was waiting.

Mrs. JO ANN DAVIS OF VIRGINIA. But in your testimony you talked about the application being a problem. So if you had to give your social security number, then you just didn't apply, is that——

Ms. KEMP. Well, no, that is not it, but I felt like putting my social security number, that I had to do it over the Internet was a little bit frightening, because there is a lot of identity theft going on right now, and I don't know who is going to see that or how many people are going to see it. And that is not something I have to put on my resume or my application for any private firm. I haven't had to do it for any local government jobs. It is only when they bring you in to speak with you and you have a serious job possibility that they want that type of very personal information about you.

Mrs. JO ANN DAVIS OF VIRGINIA. Did they accept your application without the social security number?

Ms. KEMP. Well, there is a little disclaimer that says, "We will not process your application without your social security number."

Mrs. JO ANN DAVIS OF VIRGINIA. Is there a reason for that?

Mr. MIHM. I am not sure, ma'am. We will check into it. That is interesting. I mean it would seem that, just like as Ms. Kemp is saying, that you should be able to do an initial screening and then once you get to the second stage in which you are either whittling it down or beginning the actual interview process that is where you would presumably ask a whole host of other information that would be pertinent.

Mrs. JO ANN DAVIS OF VIRGINIA. Isn't there security screening that goes on with every applicant before they are even talked to?

Mr. MIHM. Before they are talked to, no. I mean I should say often not the case.

Mrs. JO ANN DAVIS OF VIRGINIA. If they are offered a job with the CIA or something?

Mr. MIHM. They often do both a national background check, basically a records check and obviously increasing it today.

Mrs. JO ANN DAVIS OF VIRGINIA. But after the application and the interview.

Mr. MIHM. Right. Right.

Mrs. JO ANN DAVIS OF VIRGINIA. Well, I would tend to align myself with Ms. Kemp, that I don't think I would put my social security number on the Internet, not today anyways.

Do you have anything else you want to add before I excuse you, so you can go catch a plane?

Ms. KEMP. No, that it is it. Thank you.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you so much for taking the time to come out today. The rest of you stay, but Ms. Kemp has been excused.

Ms. Sladek, I would like to ask you, you said there were eight of them that left and came to the FAA, TSA, whatever it ended up being at the time. Were the other seven offered permanent jobs and you were the only one not?

Ms. SLADEK. Before TSA, there were some positions that started opening up. Some went to Dangerous Goods, which ended up staying with the FAA after the split, and as different positions became available with the Regulatory and the Dangerous Goods, we applied for them and most of them or all of them have permanent positions now. And I was the last——

Mrs. JO ANN DAVIS OF VIRGINIA. Is there a reason why you didn't?

Ms. SLADEK. Well, the reason when I confronted the director out at O'Hare was that we had 191 people that we had to cut, permanent people, and you were still a temporary person, and instead of having to eliminate another permanent person, we just won't renew you at the end of 6 months, and that is one less we have to cut. That's what I was told.

Mrs. JO ANN DAVIS OF VIRGINIA. Did the human resource officer with TSA that hired you and told you you'd be permanent?

Ms. SLADEK. No. As a matter of fact, it was the—I attended the job fair for the open house for FAA when they were starting the screening. There were thousands of us there. I interviewed with the FAA, and then the Human Resource person hired me. Then when TSA was created, FAA said, and I believe it was—he said, "You all will have permanent positions within the organization." Now, when the TSA came in, the Federal Security Director met with us all, all the ASIs at the FAA Casper Office and said, "You all will have a permanent position." And during that time, we couldn't apply for the permanent positions except for anything that was Regulatory or at that time Dangerous Goods because then we split. We split the Casper. Dangerous Goods stayed with FAA, Regulatory people became part of TSA. So we were TSA because we were just ASIs, Assistant Security Inspectors.

Mrs. JO ANN DAVIS OF VIRGINIA. So your problem isn't so much the hiring process as it is keeping their word if they tell you something and then they break it.

Ms. SLADEK. Yes. Kind of left out there. I was stuck in the freeze, and then when the thaw came I wasn't an employee anymore. So I am back out starting all over again.

Mrs. JO ANN DAVIS OF VIRGINIA. Before I go back to Mr. Davis, I want to ask you a question, Mr. Moore, and then we will do an-

other round. Does the Congress require report cards on our agencies for use of flexibility and defining hiring employees on these agencies, that they will meet those standards and goals? Because what I am hearing here today is that, and Ms. Marsh said it, that the flexibilities are there, we have given them everything they need, and, unfortunately, there is no agency here to defend themselves with the exception of Mr. Moore, which I think the Census Bureau has done a good job. So you are not one of the bad guys, if you will. Should we in Congress ask for a report card if the agencies aren't doing what they need to be doing?

Mr. MIHM. First, in regards to the Census Bureau, I mean we profiled the Census Bureau as being one of the organizations, as Mr. Moore was mentioning, that had done a good job in automation in our report of May of last year, so I would agree with you on that.

In terms of report cards from agencies, there is already a vehicle, fortunately, that Congress can use on that. As you know, under the Human Capital legislation, the Homeland Security legislation of a year ago that created Human Capital Officers, agencies, as part of their performance plans under the Government Performance and Results Act, are now to include parts that speak directly to the human capital goals and provisions that they want to have in there. It is entirely appropriate, I think, for Congress to be expecting discussions of how agencies are using those flexibilities or using the tools that Congress has granted recently and long-standing flexibilities that agencies have had as part of those plans and then subsequently as part of the accountability reports that agencies are required at the end of the year.

In terms of penalties, I think there can be no greater penalty in the sense of holding the bar for agencies, as consistently asking agencies when they come up and request additional authorities, "What have you done with the authorities that Congress has already granted?" To making sure, in other words, that they have a sound business case, that they have explored all the available opportunities, that they have really made sure that they have a good plan in place, they have used the available flexibilities, they have a good plan for how they will generally use additional flexibilities so that we don't get in this situation where Congress is constantly being asked for additional authorities, additional flexibilities without any evidence that the previous ones have shown to not fully meet the need or any evidence that if new ones are granted that they are indeed actually being used.

Mrs. JO ANN DAVIS OF VIRGINIA. Well, we are in the process of trying to come up with some legislation to streamline the hiring process. We hope to have something, I hope, by the first of the year. But I guess my concern is, and if I am hearing you, as each different individual agency comes up and asks for more streamlining or more flexibility, then we ask that agency what they are doing. So we couldn't go through Congress and give everybody the same flexibilities because not everybody is using the flexibilities. Is that what you are saying?

Mr. MIHM. Madam, I agree with your point that we think that the next stage in governmentwide changes for human capital reform is exactly that, a governmentwide examination. We have been through a process in which we have given Department of Home-

land Security, Department of Defense and NASA and there is consideration, of course, of FBI is on the horizon, agency-specific flexibilities. And if the agencies have specific needs, they need to be considered on a case-by-case basis. However, it is time to move toward, we believe, more of a governmentwide examination. I know that is something that you have been certainly looking at.

Mrs. JO ANN DAVIS OF VIRGINIA. This piecemeal, we will never know what anybody——

Mr. MIHM. That is right.

Mrs. JO ANN DAVIS OF VIRGINIA. But my concern is how do we—and Mr. Blair, I don't know if he is still here—but he says you can lead a horse to water but you can't make him drink, and I don't disagree with him on that. But how can we make this horse drink? I mean are we going to be wasting our time? Are we still not going to be able to get the quality folks because we can't agency heads to do their job? How do we get them to do their job? Do we impose requirements, which is not something I am in favor, by the way, but is that what is needed?

Mr. MIHM. I think one of the areas that might be fruitful for Congress to look at going forward with governmentwide reform will be to the extent that you give additional flexibilities require that an agency cannot use those flexibilities unless they have a business case in place that shows how they have used existing flexibilities. Could be subject, for example, to an OPM certification that they have a good plan in place for how they are going to use more authorities, that they have used existing authorities. And we could put OPM under a 45-day model based on an agency application for additional flexibilities that OPM would have 45 days—I am making that number up, obviously—would have a specified set of time in which they would have to either approve or deny the request to trigger the new authorities. I think that is an entirely appropriate way for Congress to be thinking going forward is to, again, let's make sure we are using what has already been granted before we come up and ask for, and within the framework of governmentwide reforms, that would certainly make sense.

Mrs. JO ANN DAVIS OF VIRGINIA. Well, OPM coming out with this 45-day thing——

Mr. MIHM. Yes, ma'am.

Mrs. JO ANN DAVIS OF VIRGINIA [continuing]. And then they are going to be grading the agencies or bringing some of them up to what is called the green light or something, I can't remember exactly what it is called, the green something. Do you anticipate any of these other agencies getting that green light or getting that green whatever it is called?

Mr. MIHM. I understand from Dan's testimony that they are looking to get it into the scorecard and kind of to get to green No. 45. And that is important. I mean it does create some visibility and focus on that. I would also take, and think it is very important, I would take Marcia's point that we need to be very careful that we will balancing not just time limits but also with the quality indicator to make sure that we don't lean too far in the wrong direction. It gets to a point that certainly you and Mr. Davis had a discussion with Ms. Kemp when she was here, and Marcia mentioned Tom

Tierney from Bain Associates, one of the preeminent consulting firms on this.

What Mr. Tierney has said that it is not so much the speed of the hiring for many positions, it is do people feel that their application is getting a serious consideration and are they actually—is someone in the agency aware in the process so that we don't get into a GSA situation where it sounds like a form email 7 months after the fact, "Call us and we may decide to interview you." As Mr. Tierney has put it, many applicants are willing to go through a lot of hoops as long as they have the sense that they are competitive hoops and not bureaucratic hoops that they are going through. And that is what is outrageous if we are putting people through bureaucratic hoops as opposed to competitive hoops.

Mrs. JO ANN DAVIS OF VIRGINIA. We heard today that the young lady didn't hear anything for 7 months.

Mr. MIHM. That is not—things like that when they happen, that doesn't show it is a serious hiring effort that is going on.

Mrs. JO ANN DAVIS OF VIRGINIA. I will probably come back with more questions, but I want to go now to Mr. Davis for a second round.

Mr. DAVIS OF ILLINOIS. Thank you very much, Madam Chairwoman. Ms. Marsh, what are the biggest barriers that exist in the processes that we are using to get the most qualified, and of course as quickly as we can get them, individuals to fill the positions that become available?

Ms. MARSH. I will give you first a kind of simplistic overview, but I think it is making it a priority, and when you make it a priority, you are out on the college campuses and you see the Krystal Kemps very early on, not when she is graduating. Under the GAO model, Chris is measured on his attendance at college campuses and getting to know people. So you spot that young talent early on, you are encouraging them through the process, so I think the priority piece. But I know there was a discussion that Dan Blair had earlier about the assessment process, and I think that is a problem from both the timeliness aspect, a problem from discouraging candidates and also quality. Because I knew we were coming here, I went out on the Web site and looked at Chicago jobs and I pulled one of them. I will not name the agency, but it came up with all the ACWA questions. So 156 what seemed to be nonsensical questions for the entry level college applicant. I am not even sure what ACWA stands for, I would have to look over to my other——

Mr. MIHM. Administrative Careers with America.

Ms. MARSH. It comes the entry level positions that would fall under the Luevano consent decree in 1981, so a number of the entry level positions, and if you are somebody graduating from college, and I am sure that ii among the things that Ms. Kemp looked at, the questions themselves really put the employee off completely. And agencies have the wherewithal to substitute other valid selection procedures, and only a few have. I mean Customs, I think Border Patrol did it a while ago when they were ramping up for 9,000 people. So attending to the assessment process so that the applicants look at something and it is in plain English and they feel like they have been approached by agencies is one thing. I think the whole responsiveness, there is no excuse with the automation the

way it is that applicants don't hear right away where they are and can't see through the whole process where they stand in that thing. That is just ludicrous that happens.

And then in the quantitative sense, managers need to be involved in the interviewing process, behavior interviews, structured interviews, assessment processes that are more appropriate. And then, finally, when we bring people on board, we want to make sure we hold on to these people that we spent a lot of time and money bringing in the door. So changing the orientation and assimilation process is something that we would want to focus on as well.

Mr. DAVIS OF ILLINOIS. Thank you. Mr. Mihm, much has been made of the fact that individuals like yourself and others at GAO have to go out and—or not have to go out but—yes.

Mr. MIHM. Have to.

Mrs. JO ANN DAVIS OF VIRGINIA. He loves it. [Laughter.]

Mr. DAVIS OF ILLINOIS. And go out to college campuses and recruit. I mean what do you say to individuals when you are out there? I mean what do you tell them?

Mr. MIHM. We have two big differences at GAO over most other recruitment programs that you see. And I should be reluctant to say this because I compete with many other Federal agencies on this, but here are the two secrets that we have. One is that for us recruitment is our responsibility not an HR responsibility, and so as Marcia was saying and as you are alluding, there are about 50 different universities across the country that we target for recruitment. We have individual senior executives that are assigned as lead recruiters at those agencies, it is made clear to us as part of our SES performance contracts that we will be successful there, we are measured and then data is provided to us in rank order among these colleges as to how many applicants we got, how many were accepted, their retention rates over time. That is all made very clear to us as part of my performance contract each year, the success or lack of success of what we have there. I regret, sir, I don't have the University of Chicago, I have just Washington University, but we do pretty well there.

But now directly to your question. The sales point that we have, and this is the second aspect that we are a little different than other agencies, is that we have college relations programs rather than college recruitment programs, meaning that most of the visits that I and my colleagues make to college campuses aren't at a jobs fair where we are putting out a banner that says, "Come work for the GAO." I mean we do that, but that is mostly the seal the deal type things. Most of my visits are meeting with classes, meeting with professors, having discussions with them, making sure that they are making lists of GAO work in the various courses.

Here is an example is that virtually every public affairs policy program in the country seems to have a homeland security course that they are offering now fairly routinely as part of the graduate programs. If you go through the syllabus, or at least the last time I did a while back, you often will not find government agency and Federal reports in there or agencies making available speakers to come in and talk about what their agencies are doing. Every Federal agency has a compelling story to tell. To the extent that they

are only waiting for a job fair to tell the story, you have missed your opportunity. You have to be in there as part of the college relations program. So it is those two things that we do differently than at least many other agencies that I am seeing.

Mr. DAVIS OF ILLINOIS. Well, thank you very much. And with all due respect to the University of Chicago comment, we don't have the University of Chicago either.

Mr. MIHM. Oh, I'm sorry. Once again, I miss congressional districts. [Laughter.]

Mr. DAVIS OF ILLINOIS. We do have 27 other colleges and universities in our district. I mean we have made downtown Chicago now a mecca for higher education, and South Loop has become the place to be. But the University of Chicago still remains the University of Chicago. Thank you all so very much. I have no further questions, Madam Chairwoman.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Davis. That is all right, Mr. Mihm, I don't know his district either. But I didn't make the faux pa you did. [Laughter.]

You know, it is interesting, we hear you talk, Ms. Marsh, about with technology being what it is today, it is ludicrous that—I think you say ludicrous that these applicants don't know where they stand. I am a busy person so I order everything online, and when I have one order the next day or the day after I can—if it is coming UPS or Fed Ex, I can go online and go tracking and find out where my package is. And these guys can't even go on and find out where their application is after 7 months, I don't know. I don't know that I could handle that.

Mr. Moore, it seems to me that the Census Bureau has done a good job.

Mr. MOORE. Thank you.

Mrs. JO ANN DAVIS OF VIRGINIA. And I guess my question to you is, No. 1, I would like to know what made you all do it? I am hearing that the agencies aren't doing it. What was your incentive to do it? And what was it that you learned from the automated process?

Mr. MOORE. Well, I think the line managers complained about the long period of time it took us to bring on professionals.

Mrs. JO ANN DAVIS OF VIRGINIA. So the folks within your agency complained that you weren't bringing anybody in.

Mr. MOORE. Right. And between the Bureau and the Department, you had to speed it up because you take a census for reinforcement and redistricting once every 10 years, and when that process rolls, you have to move fast. So it was great that they came up with that automation system. Before they were doing that, we were putting people in the accepted service once we identified a college grad or a person that we needed. But it was great for us, the automation system.

Mrs. JO ANN DAVIS OF VIRGINIA. You would highly recommend it to all the agencies?

Mr. MOORE. Oh, I would, definitely.

Mrs. JO ANN DAVIS OF VIRGINIA. And what is your turnaround time now on hiring?

Mr. MOORE. Well, it can take anywhere from—once I notify HR that I need a person and they send me a cert, I can get a person on in about a month or less than a month.

Mrs. JO ANN DAVIS OF VIRGINIA. That to me sounds reasonable. I am not sure why we are having trouble doing that. And you have no problem getting quality people?

Mr. MOORE. Our certs are open all the time. I mean we advertise college graduates all the time, and so there is a whole list of college graduates. And we are able to go into the system and look at all the names in the system and what their experiences are. And we are allowed to give weight to people that have worked in certain areas. Survey statisticians that have a map background or has a computer background, we put them on pretty fast.

Mrs. JO ANN DAVIS OF VIRGINIA. It sounds like you are doing a good job. Congratulations.

Mr. MOORE. Thank you.

Mrs. JO ANN DAVIS OF VIRGINIA. I want to thank all of you for being here today, and I don't want to take up any more of your time, but we need to move on to the third panel. But it is a pleasure to have you here, and it is really good to hear your comments. And I hope, Mr. Mihm, we can work together to do something. And Ms. Marsh, I may pick your brain a little bit to do something to fix the process that apparently seems to be broken.

Mr. MIHM. Yes, ma'am. Thank you.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you all very much. Thank you, Ms. Sladek and my best to you.

Ms. SLADEK. Thank you.

Mrs. JO ANN DAVIS OF VIRGINIA. I would like to now invite our third panel of witnesses to please come forward to the witness table. Again, we have already sworn you in, so I will remind you you are under oath. First, we will hear from Mr. Brent Pearson, senior vice president and general manager for Monster Government Solutions. Then we will hear from Mr. Ed Flynn. Mr. Flynn is the managing consultant of Federal Sector Programs for Hewitt Associates. And last we will hear from Mr. Andres Garza, the director of career placement services at the University of Illinois, Chicago campus.

Thank you all for your patience, and thank you for being with us today. Are we missing someone? And as soon as he is ready, we will recognize Mr. Brent Pearson. Take your time, Mr. Pearson, you are doing all right.

Mr. PEARSON. Thank you very much.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you very much for being here, and as with all the other panelists, we have your written statement for the record, so if you could summarize your statement, you are recognized for 5 minutes.

STATEMENTS OF BRENT PEARSON, VICE PRESIDENT, MONSTER GOVERNMENT SOLUTIONS; ED FLYNN, MANAGING CONSULTANT, FEDERAL SECTOR PROGRAMS, HEWITT ASSOCIATES LLC; AND ANDRES GARZA, DIRECTOR, CAREER PLACEMENT SERVICES, UNIVERSITY OF ILLINOIS

Mr. PEARSON. Thank you, Madam Chairwoman. I will cut to the chase pretty quickly. Monster Government Solutions has been

working with OPM over the past year to organize the USA Jobs Web site, and we also provide the recruitment automation technology for 19 Federal agencies. And what I wanted to do is, first of all, give you a quick update on some of the progress that was made and then just share some of my observations about areas where the process could still be improved.

The first chart you see on the left is the old USA Jobs site before we modernized it. The one on the right is the new look and feel. And what we have done in the two launches since August the 4th is basically put a new face onto the site. We have introduced a lot of the best practices from the private sector and really totally modernized the site.

A lot of people ask us how we are going and what still exists to do. On the right, the customer satisfaction chart, it is actually a third party audited measure of customer satisfaction. And what you see on the left hand side there is the score of the old USA Jobs site was scored a 71. When we launched you can see the score plummet, which is quite typical of any major change, and it shows how difficult change is for people to get their head around. Then you see it rebound pretty quickly, it rebounded up to around about a 72, 73, but probably the most important part of this graph is the way the line just keep trending up at the end. And in fact where we are at now is currently a 78. And to give you an idea of that 78, that is pretty much world class when it comes to career Web sites. ETrade is around about, I think, a 72, 73. The best career site—in fact, the best career site was just awarded to CIA site about 2 weeks ago. It scored an 80. So the point that I want to make follows a benchmark of a score. The USA Jobs site is actually pretty close to world class.

The one final chart that I wanted to just—if someone could just hold up that last board. Thanks. Our founder, Jeff Taylor, I think presented about a year ago in front of this committee, and I think during that presentation he unrolled a 17-page typical job posting and really showed the committee the sorts of unwieldiness that a job seeker has to go through. Well, what you are looking at there is the new redesigned vacancy announcement format, which has been implemented now for about 3 or 4 months. And what we have done is we have taken that information and we have presented it in a much more legible, readable manner for the job seekers so that they can actually start navigating the site in a similar way as if they were using any of the best of breed private sites.

So my point with all of that is I don't believe that issues with the Federal hiring process are anything to do with the Web site. I don't believe they are anything to do with technology either. I think it sort of comes down to three things, in my observation. I think the first is metrics. There is a distinct lack of metrics, so we don't even know how bad the Federal hiring process is. We don't know who is doing a good job and who is doing a bad job. There is no way to measure it, and I come from definitely the school that says you can't manage it if you don't measure it and hence the customer satisfaction gives us a very quantitative way of improving the work that we are doing.

The second area I think is the attitude and the lack of accountability. The previous speaker with GAO mentioned how account-

able he was, and I think that the metrics and accountability make it something that people should care about.

And then the last area where I think there is a real need in the education. I think that government HR staff do not view recruitment as a strategic function. They view it as an administrative or a processing function, and so they just try and get it done with the least amount of work, and they don't pay a lot of attention to it, and they don't use anywhere near the best practices. The world of recruitment has changed a lot in the last few years, and I think they still view recruiting as putting a vacancy up on USA Jobs and then managing the paper or managing the applications, and that is a long way from recruitment. Thank you.

[The prepared statement of Mr. Pearson follows:]

The Federal Hiring Process – Observations from Monster

It has been our pleasure to work with OPM over the past 17 months on the Recruitment One-Stop project. Over that period we have made excellent progress transforming the official federal government recruitment site (USAJOBS) to its current state. Before sharing some general observations of what could be improved with the federal hiring process, I thought it would be worth taking one minute to show you some of the progress we have made so far.

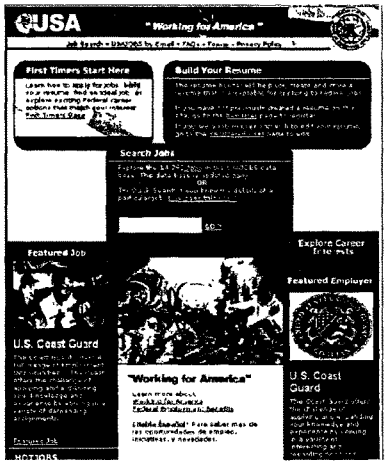

DIAGRAM 1 – THE ORIGINAL SITE

This is a snapshot of what USAJOBS looked like when we took over the contract in January 2003. In August 2003 we launched with a transitional design and then updated the site with the latest design in January 2004.

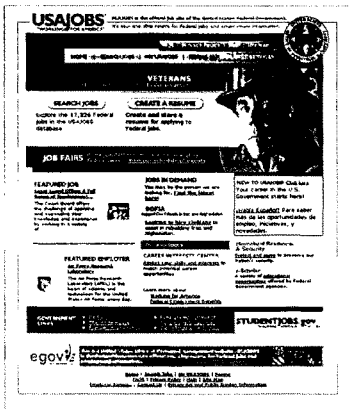

DIAGRAM 2 – THE CURRENT WEB SITE

This new website design represents the results of extensive research and user testing. USAJOBS now has all the functionality that the worlds leading job site (Monster.com) has and more.

One of the key measures we use to track the progress of USAJOBS is customer satisfaction which is monitored daily by a third party.

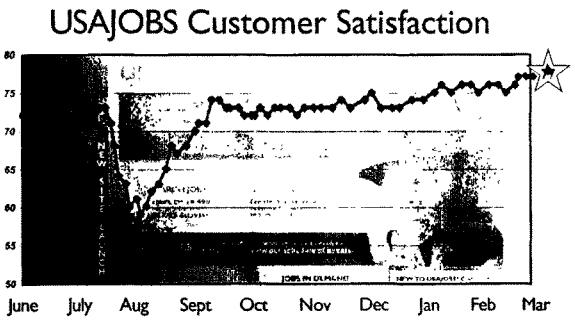

DIAGRAM 3 – THE CUSTOMER SATISFACTION CHART

This chart shows a standardized measure of customer satisfaction. You can see that before we launched the old USAJOBS site scored an average rating of 71. The impact of the launch caused on customer satisfaction is obvious. This sharp decline in customer satisfaction was predicted prior to launch, but what is interesting is how fast the satisfaction levels rose back to their previous levels. However the most important part of the chart is what you see post launch. OPM has worked closely with us to in a very systematic manner to analyze customer feedback and prioritize the enhancements to continuously improve satisfaction with the site. It has recently hit a high-water mark of 78, which is definitely world-class. (by comparison, Charles Schwab scores 75, Sears 73 and E*Trade 71).

One final improvement that has received tremendous feedback from both job seekers and federal recruiters are the changes that have been made to government job descriptions..

Last year our founder Jeff Taylor testified to this subcommittee and unrolled a typical government job description (which averages around 17 pages in length). Let me show you how we have transformed this with our new design.

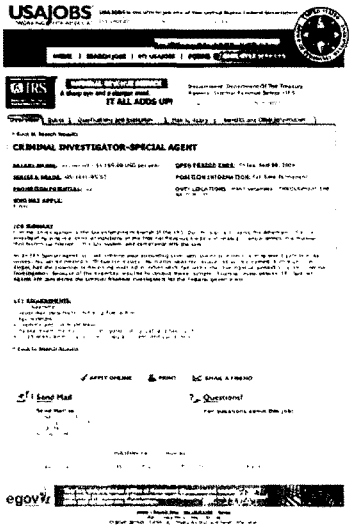

DIAGRAM 4 – NEW TABBED JOB DESCRIPTIONS

So the point to all this is that OPM and Monster have partnered to dramatically improve USAJOBS. There are still plenty more things we can do to make USAJOBS even better for both job seekers and recruiters, but no longer can anybody point the finger at the web site as the cause for problems with the federal hiring process.

So what else needs to be done to improve the federal hiring process?
Let me start by answering a question with a question...

- How bad is it right now?
- Which agencies have the biggest problems?
- Which agencies have figured out how to optimize the federal hiring process?

These questions are rhetorical, but they illustrate an important point. How can we improve a process that is not being measured very well? Certainly the

agencies that we talk to; do not have a good handle on many of the metrics that underpin recruitment (and other HR processes). We have been able to improve and measure the satisfaction of USAJOBS because we have measurement and tracking tools in place. Well-designed and implemented metrics clearly track progress and show you where you need to make improvements.

Another area that I believe hampers the federal hiring process is the attitude and education of the HR staff doing the recruiting. In my opinion recruitment is still viewed as an administration or processing function. Most recruiters think that recruiting equals placing your job description on USAJOBS. Unfortunately 55% of USAJOBS candidates are already federal employees, so a lot of the time you are just encouraging churn and not bringing in the best talent from outside government.

The labor market is improving; the pendulum of supply and demand is swinging back towards the demand side. Federal recruiters handicapped by their ignorance of current recruiting practices will find it increasingly more difficult to fill key positions with talent from the private sector unless they get on an even playing field.

We are already seeing shortages across government in law enforcement, military hiring and intelligence positions. The IT sector is also strengthening and we will soon find demand for IT staff increasing again. There is no doubt that shortages of critical functions will impact agencies abilities to fulfill their missions.

In summary, I don't believe that biggest issues that face federal government hiring have anything to do with infrastructure or undue restrictions on hiring practices. I believe the biggest impediments to improving government hiring today are:

1. The attitudes towards recruitment by agency HR staff

2. A lack of metrics to measure and optimize the process
3. Lack of knowledge regarding current recruiting best practices by agency recruiters

I thank you for your time and the opportunity to share some of our observations with you.

Brent Pearson
General Manager
Monster Government Solutions

Leadership

CASE STUDY

HHS: EMERGING LEADERS PROGRAM

Against a backdrop of global turmoil, the Department of Health and Human Services (HHS) is front and center in the war on disease and bio-terror. In these tough economic times, HHS employees are also our nation's advocates for the disabled, aged and homeless populations. In light of these formidable challenges, HHS is facing a long-term battle to ensure the well-being and safety of Americans. To be successful will require nothing less than inspired leadership, yet retirement projections show that HHS is in danger of losing much of its leadership corps over the next several years.

To respond to this potential crisis, HHS launched the Emerging Leaders Program (ELP), and early indications are promising. More than 8,000 applicants with advanced degrees competed for just 62 slots in the first year of the ELP. Based on the Career Intern framework, the program recruits talented employees and begins preparing them for leadership roles at the very start of their careers, through skills training and unique learning opportunities.

THE GOVERNMENT'S PREMIER HEALTH SERVICES PROVIDER

HHS is the "principal agency for protecting the health of all Americans and providing essential human services." [1] In that role, it serves as the departmental custodian of agencies crucial to the health and welfare of Americans. Some major HHS initiatives include the federal government's flagship health sciences research units, the National Institutes of Health and the Centers for Disease Control and Prevention, as well as the federal government's largest health

[1] The Department of Health and Human Services website, "What We Do," http://www.hhs.gov/news/press/2002pres/profile.html, (accessed March 1, 2003).

services programs, Medicare and Medicaid. At $500 billion, HHS's budget for 2003 would be the sixth largest national budget in the world, behind the U.S., Britain, Germany, France and Italy.[2] Its 65,000 employees work in 11 principal operating divisions with offices spread throughout the country.

AGING WORKFORCE THREATENS THE EFFECTIVENESS OF HHS

Like many of the departments and agencies in the executive branch, HHS consists of a rapidly aging workforce. As recently as 2000, over two-thirds of its workforce was over 40 years old, and well over half were over 50.[3] According to some estimates, from FY 2002 to FY 2006, more than half (56 percent) of HHS's employees are or will become eligible for retirement, a number that ballooned significantly from the 29 percent eligible in Fiscal Year 2001.[4] With employees age 30 and younger constituting less than 10 percent of HHS's personnel, the department desperately needed a strategy to revive its workforce. Using a comprehensive workforce analysis to identify areas of concern, the department honed in on entry level recruitment efforts in each of its operating divisions. In addition to addressing special needs areas, namely the recruitment of scientists and researchers, HHS faced a leadership deficit both at the agency and department level. A successful human capital initiative would have to address both recruitment and leadership

FINDING A FRAMEWORK FOR INNOVATIVE RECRUITING

The ELP was created as part of an effort to "recruit the highest caliber people to the Federal Government, develop their professional abilities, and retain them in Federal departments and agencies...to improve the internal management of the

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[2] Tommy Thompson, "Remarks at meeting of the Cabinet," http://www.results.gov/leadership.dec16*transcript.html (December 16, 2002)

[3] Office of Personnel Management, "2000 Demographic Profile of the Federal Workforce," http://www.opm.gov/feddata/demograp/damograp.asp (accessed September 30, 2000).

[4] GovExec.com, "HHS Seeks a New Generation of Leaders," http://www.govexec.com/dailyfed/0802/080202*2.htm (August 2, 2002).

executive branch."[5] In creating this innovative recruitment and training program, HHS utilized the Career Intern Program framework - authorized by Executive Order in July 2000 - and OPM's SES Core Qualifications. The goals of OPM's Career Intern Program clearly mirrored HHS's needs, and thus it served as the basis for HHS's internally developed leadership recruitment initiative, dubbed the Emerging Leaders Program (ELP). (View the Brochure.) While roughly half of the 15 cabinet level departments and several independent agencies have begun to implement some kind of career intern program, HHS's ELP has been the most visible thus far.[6] The program received roughly 8,000 applications for its inaugural class, according to HHS Secretary Tommy Thompson. The program's success attracting candidates has also received media attention, and was featured twice in the Sunday Edition of The Washington Post.[7]

The program's success attracting candidates has also received media attention, and was featured twice in the Sunday Edition of *The Washington Post.*

MAKING CHANGES HAPPEN AT HHS

The ELP is a two-year program geared towards recent bachelor's and master's graduates from all academic fields who are interested in pursuing careers in public service. (Read Frequently Asked Questions about the ELP.) Participants are selected through a competitive process and are hired (and paid by) one of HHS's 11 operating divisions. However, during the first year of the program, participants "belong" to the entire organization and spend their time completing a variety of activities and job rotations geared toward introducing them to the overall department and training them with vital personal and professional skills. In the second year of the program, participants put their newly gained training and expertise to work in operating division.

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[5] The White House, "Executive Order 13162" (July 10, 2000).

[6] The Departments of Agriculture, Defense, Energy, Housing and Urban Development, Interior, Transportation and Veterans Affairs, in addition to the EPA, NASA and the NLRB have all instituted some form of a career intern program. The Washington Post covered the oath of office ceremony conducted by Secretary Thompson during the ELP's orientation, "Meeting Call for Career Development...," METRO, Pg. C03 (July 21, 2002) along with a follow-up article on the program called "'Emerging Leaders' Offer Emerging Impressions," METRO, Pg. C02 (April 6, 2003).

7 The Washington Post covered the oath of office ceremony conducted by Secretary Thompson during the ELP's orientation, "Meeting Call for Career Development...," METRO, Pg. C03 (July 21, 2002) along with a follow-up article on the program called "'Emerging Leaders' Offer Emerging Impressions," METRO, Pg. C02 (April 6, 2003).

Armed with a better understanding of HHS and training in core leadership competencies, the ELP interns are better suited to understanding and leading the response to management challenges at HHS. In particular, participants' experiences working in several different areas of HHS help them think about individual agency problems in the broader context of the entire department, and allow them to think more holistically about management issues. Exposure to the high level management and the opportunity for professional networking breed loyalty and encourage interns to consider long-term careers at HHS. At the end of the two-year program, successful interns can move to an available permanent position in the Operating Division that hired them.

The Content of Emerging Leaders

The ELP used a two-part strategy to create a pipeline of qualified employees to fill the growing number of job vacancies at HHS. First, the department sought to attract talented young people - particularly those with skills in the scientific, administrative, information technology, public health and social sciences to public service. Second, HHS trained these new hires to better understand the department's organizational, management and leadership issues.

To attract talented people, HHS created a unique intern program experience that offered participants opportunities for growth and advancement that would not be part of an ordinary entry-level job with the department. Unlike other applicants, ELP candidates enjoy a streamlined application process, remarkably devoid of bureaucratic language. The process moves quickly from career fair meetings with ELP representatives, to an application, and, shortly thereafter, to finalist interviews in Washington, DC. Applicants are notified roughly two weeks after the interviews if they are extended an offer. Advancement up the ranks is also streamlined. ELP interns enter the program at the GS-7 or GS-9 level (depending on the level of education) and are promoted to GS-11 or GS-12 by the end of the second year. Upon successful completion of the program, participants are offered permanent positions with HHS.

The activities and experiences of the interns are built around a curricular core that takes into account HHS's staffing needs and interns' personal development needs. For HHS, this means focusing on institutional knowledge at both the agency and department-wide levels, giving interns a feel for the culture of individual agencies, and at the same time emphasizing how they mesh together to promote the department's greater mission. For the interns, this means strengthening their leadership and management skills through a program that emphasizes OPM's five core competencies for leaders (leading change, leading people, driving results, business acumen, and building coalitions), which have been modified for the GS-9 level.

A two-week orientation at headquarters in [illegible]ington, DC [illegible] in[illegible] ce[illegible] Secretary, a variety of high-level [illegible]S speakers, site visits and workshops.

The ELP's developers created a relatively structured program that includes classroom and web-based training, workshops, mentoring, special project work, job rotations and other activities in the first year, and a job assignment in the participants' area of interest during the second year. A two-week orientation at headquarters in Washington, DC. kicks off the program with a "swearing in" ceremony led by the Secretary, a variety of high-level HHS speakers, site visits and workshops. These two weeks provide a basic overview of the program and helps set participants' expectations for the coming two years. During orientation, interns are also introduced to their mentors. High-level HHS managers, like the Deputy Surgeon General, take an active role in the ELP mentoring program, meeting with their mentees regularly throughout the two years.

At the outset of the first year, mentor and mentee create an Individual Development Plan (IDP) for the intern based on skills and personality assessments. The IDP serves as the intern's plan for personal growth and addresses individualized training needs and preferences for the rotations where interns spend the bulk of their first year. Interns complete three to five rotations of approximately 60 to 90 days each in different HHS Operating Division, ideally including at least one rotation outside the main office.They learn the culture and mission of the selected agency and have the opportunity to work on a special project relevant to their skills and interests. Each operating division participates in the rotations, and prospective supervisors are encouraged to send advertisements for rotation positions.

In addition to rotations, interns participate in a group project focused on a specific management issue during their first year. At the end of the project, the group makes a high level presentation of their recommendations. Presentations from the first year of the ELP ranged from bio-terrorism preparedness to obesity in children.[8] Regular group meetings and week-long training classes every two to three months also help keep interns busy learning and growing in their first year.

The second year of the program is dedicated almost exclusively to working in a single operating division of the intern's choice (within the organization that hired them). At the same time, interns continue to attend workshops and classes and meet regularly with their mentors to revise their IDPs. In addition, they are encouraged to interact with one another on an informal basis through self-planned social activities.

CRITICAL/UNIQUE FACTORS OF SUCCESS

Support from High Level Management

One of the most prominent factors in the success of the Emerging Leaders Program's is the ongoing support it has received from high-level management at HHS. Secretary Thompson's interest in the program brought it significant publicity and alerted management within the organization that it was a high priority initiative (it is even included as one of four objectives in the human capital portion of HHS's long-term strategic management plan).[9] Program staff called this ongoing support from other senior staff "a huge plus for the program" and noted that it "opens a lot of doors" within the organization. As a result, ELP staff was able to gain the support of the operating divisions and create a highly customizable program. In addition, high level employees continue to invest time in the program by serving as mentors, and agency chiefs remain visible and accessible to ELP interns by leading site visits.

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8 The Washington Post, "Meeting Call for Career Development...," METRO, Pg. C03 (July 21, 2002).

9 Department of Health and Human Services website, "Strategic Plan FY 2003-2008," http://aspe.hhs.gov/hhsplan.

Centralized Coordination

The ELP is coordinated by a central unit within HHS, a fact that distinguishes the ELP from career intern programs in other departments. By organizing the program through a central HHS office, it is understood that the first year of the program is set aside for interns to build a true foundation of knowledge about the entire organization. Unlike programs that spend only a few days on institutional knowledge, the ELP devotes half of the program length to its interns' development of comfort with and loyalty to the department as a whole. This philosophy proves to be particularly helpful in dealing with some of HHS's most difficult management challenges, pushing interns to view agency problems not as turf battles or internal problems, but as challenges for the entire department.

> Program directors have a hand in selecting interns to work in their areas.

Responding to HHS's Individual Management Needs

The ELP designers took into account the specific management needs of the organization. They recognized that many HHS agencies have a tradition of independence, and that a significant number of HHS employees were hired into and spent their careers in a single HHS agency. As a result, employees sometimes demonstrated little understanding of the overall department. To prevent this, the ELP gives interns significant background knowledge about the department as a whole, resulting in a more holistic understanding of the organization. This philosophy supports the sense of a shared environment with department-wide, team-based problem solving.

Buy-in from the Rest of the Organization

In addition to the support of agency leaders, the ELP has achieved significant buy-in from the operating divisions of HHS. Employees from within each operating division sit on panels to interview applicants who are interested in

their specialty area. This empowers the operating divisions to have a major hand in selecting interns who will work in their area in the second year of the program and who will likely join their area as permanent employees. According to program staff, panel members take particular interest in challenging each other to pick the applicants who will emerge as the best leaders.

By giving outside staff a hand in choosing the group, the ELP works to ensure that interns will be accepted and integrated into their operating division of interest, and will serve as good matches for the needs of their particular parts of the organization.

Flexibility

Finally, the substantive scope of the program is vitally important. Unlike many intern programs that are focused on only one section of a department, often administrative, the ELP has a broad mandate that aims to include employees from across the entire organization. In keeping with this mandate, the ELP allows a great deal of flexibility in the specialized training that interns receive and in the job tasks they undertake during rotations.This allows the program to court talented people from across the career spectrum, from public administrators to scientists, sending the message to employees that people from all areas of HHS should and will have a role in the organization's management and leadership.

EVALUATION AND OUTCOMES OF EMERGING LEADERS

The ELP's applicant statistics are the best measure of the program's success in attracting people to public service. The first class of 62 interns, selected from a pool of 8,000 applicants, included physicians, numerous Ph.D.s, and over forty master's graduates. The surprisingly large response brought widespread attention, including a feature article in The Washington Post. After Secretary Tommy Thompson lauded the response, three of his Cabinet colleagues reportedly requested the list of rejected candidates.[10]

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10 The Washington Post, "Meeting Call for Career Development...," METRO, Pg. C03 (July 21, 2002).

In the short-term, individual progress is monitored by the interns themselves with their IDPs, and by the interns' rotational supervisors, who conduct performance reviews. In addition, the program implementer noted that interns' progress can be seen as they proceed through the training exercises and in their handling of the capstone group project presentation. Evaluating the implementation of the program has been mostly informal thus far, with interns interacting regularly with the program designer and implementer to give feedback on the activities or rotations. The ELP staff has indicated that a formal evaluation is planned for the future.

Program administrators will eventually look to longer-term metrics for program success such as participant outcome objectives, which are linked to the ELP's stated goals of recruiting and training. Upon completion of the program, participants are expected to:

HHS's second ELP [illegible] kicked [illegible] in July [illegible].

- Have gained significant institutional knowledge of HHS,
- Understand how each of HHS's agencies work together to support its overall mission,
- Have a solid understanding of the key leadership and management challenges that HHS faces,
- Develop a set of job skills and a professional network that will allow them to be more effective contributors to HHS, and finally,
- Develop a sense of loyalty to HHS.

HURDLES/CHALLENGES

Among the biggest challenges in creating the ELP was differentiating the program from other intern or leadership program experiences. It was important to program designers that both participants and the HHS organization understood that the ELP was "not just another program," but was designed to be a uniquely challenging and interesting initiative to draw in the most talented and enthusiastic candidates possible, and to train them in a way that had not been done before at HHS.

Another major hurdle was garnering internal support and buy-in from the operating divisions of HHS. Although Secretary Thompson holds the Emerging Leaders Program in high regard, it is always difficult to persuade a division to pay the salaries of employees they would not see for up to a year. Eventually, as noted earlier, the operating divisions accepted the arrangement and took an active part in designing the program and selecting participants.

The final notable challenge for the developers and implementers of the ELP was one of time. Program staff noted the exceptional amount of time it has taken to develop and to implement the program from the ground up, including not only development of the structure and content, but organization and operation of the application and selection process. As the first class of interns shifts into their second year and the department takes on a second class of interns, the program will continue to need crucial guidance and support from program staff.

VISION

The ultimate measure of the success of the program will be the effect that ELP participants, the "emerging leaders," have on the effectiveness and responsiveness of HHS in the long run. Not surprisingly, the long-term vision is to create a continuing cycle for the recruitment of bright and skillful employees into HHS. ELP staff hopes that these employees will eventually begin to fill leadership and management positions throughout the organization. The program has already recruited a slightly larger second class of 64 participants who began their time at HHS in July 2003.

CONTACT

For further information about the Emerging Leaders Program, visit its website at http://www.hhs.gov/jobs/elp/.

Recruitment

CASE STUDY

NASA: Searching for the Stars

Few agencies have a mission that captivates the public like the National Aeronautics and Space Administration (NASA). Its vision and mission are knowledge and discovery. The agency's ability to accomplish its unique mission ultimately depends on its people. Yet, as the 21st Century dawned, NASA found itself unable to attract the best science and engineering graduates. Faced with looming employee retirements and a shrinking talent pool, the Agency launched a comprehensive recruitment strategy that is attracting critical talent to NASA and saving time and money in the process.

EXPLORERS OF THE FINAL FRONTIER

As the world's preeminent organization for space and aeronautics research and development, NASA has, throughout its 45 year history, been on a pioneering journey of exploration and discovery. NASA is also a leading force in scientific research and in stimulating public interest in science, technology and aerospace exploration. The impact of NASA's research and work extends far beyond space. The Agency's cutting-edge technological innovations have influenced industries ranging from personal computers to satellites.

NASA employs more than 19,000 employees, 60 percent of whom are scientists or engineers, in Washington, DC and in nine Centers across the country.

SHRINKING SCIENCE AND ENGINEERING BENCH STRENGTH

In order to remain the leader in aeronautic and engineering innovation, NASA will need to continue to attract talented staff, especially scientists and engineers. However, the pipeline of science and engineering talent is shrinking at the same

time that the demand is increasing in the private sector. In his testimony before a House subcommittee this spring, Sean O'Keefe highlighted the serious talent pipeline issues that NASA faces:

- *The shrinking scientist and engineer pipeline* - numerous studies have shown a continued precipitous drop in engineering, scientific and aerospace undergraduate and graduate enrollments over the last several years.

"History is made every day at NASA; but to maintain our leadership position, a new generation must be forged to carry our Nation's innovation and exploration forward."

Sean O'Keefe
NASA Administrator

- *Increased competition for technical skills* - employment demand in scientific fields is projected to grow three times faster than the rate for all occupations between 2000 and 2010.

- *Skills imbalances, gaps and lack of depth within the NASA workforce* - NASA has current shortages in many key areas such as nanotechnology, systems engineering, astrobiology and robotics. Management talent in financial management, acquisition and project management is equally thin.

- *Significant loss of knowledge due to looming retirements* - Fifteen percent of NASA's talent can retire now and 25 percent of the total population will be eligible within the next five years. In many positions, the talent bench is only one person deep so that any loss of personnel could be mission critical.

- *Increased recruitment and retention problems* - the Agency has trouble competing with private sector offers and has been experiencing sharply increased attrition of new hires in the last ten years.

None of these challenges was new to NASA. For the last few years, their leadership team has been grappling with how to deal with this talent crisis.

BUILDING A NEW MODEL

In May 2001, NASA launched the National Recruitment Initiative (NRI) to develop hiring strategies and tools that focus on its current and future science and engineering recruitment needs. This initiative included an Agency-wide detailed analysis of their key issues, development of near-term tools and solutions and longer-term strategies to make NASA the "employer of choice" in the scientific arena. This effort reinforced the Agency's commitment to a more unified approach to recruiting, capitalizing on the strength of the NASA brand to win the War for Talent.

NASA Recruitment Model:

- Focus on the Candiate
- Leverage Partnerships and Alliances
- Tailor Recruitment Opportunities

The NRI produced a new recruitment model for NASA and a series of innovations that are delivering results and contributing to significant efficiencies and savings. (See NASA's National Recruitment Initiative.) The model consists of three strategies: Focus on the Candidate, Leverage Partnerships and Alliances, and Tailor Recruitment Opportunities.

Focus on the Candidate

Feedback from prospective and recently recruited employees reinforced what NASA already knew. The Agency's attention had previously centered on the process rather than on the people they were trying to attract. Offers took too long, and many candidates lost interest in the meantime. Managers had parallel complaints that the process consumed inordinate amounts of their valuable time and failed to deliver results. The hiring process varied among the Centers and Laboratories, and each was investing separately in uncoordinated attempts to make improvements.

To reconnect with candidates and speed up the process, NASA created several new tools. The centerpiece of their candidate-friendly model is NASA STARS, an automated Agency-wide hiring process. In typical NASA fashion, a series of working sessions was held where the Center teams mapped their respective processes and shared innovations. This effort evolved from a consensus reached by the NASA centers on the use of a single business process throughout NASA. (See the NASA STARS web site.)

In the 21st century, your generation is going to lead the world... and possibly, even leave this world to live on another. These opportunities might lead to adventures such as living on the International Space Station; or working on a research station on a near-Earth asteroid; developing a colony on Mars; or peering thousands of trillions of miles into the vastness of space, looking for Earth-sized planets, and searching for an answer to the big question: Are we alone?

Source: NASA STARS

NASA STARS Key Features

- Automated rating and ranking tools for applicants' resumes
- On-line resume guide and resume builder
- Job search, application status, and job notification service to applicants
- On-line vacancy builder and library for human resource staff
- Electronic referral of certificates to managers
- On-line archiving of information and report production capability

NASA leaders understand that automating application and hiring processes requires more then simply "throwing a switch" on a new system. Through their Integrated Financial Management program, NASA is engaged day-to-day in reengineering its business infrastructure and then developing and implementing transition plans to ensure success. The transition to NASA STARS, for example, involved a well developed communications and training campaign with outreach to all who would be impacted by the system, including managers, HR teams, employees and unions.

In addition to utilizing NASA STARS to meet its day-to-day hiring and staffing needs, the program is also being used to make more timely offers of employment at job fairs and during on-campus interviews. This expedited hiring program, coupled with the use of hiring and pay flexibilities, makes NASA more competitive on college campuses. Moreover, the NASA STARS system has also been used to select educators to join NASA's astronaut corps through the Educator Astronaut Program.

Planned a mission to Mars lately? Ever replaced a gyro on an orbiting telescope traveling at 17,600 mph in a full vacuum? As a NASA civil servant, you will participate in or provide critical support to activities just like these. Each day you will be helping to make our Nation's history...and create our future.

Source: NASA's online recruitment brochure

Leveraging Partnerships and Alliances

NASA conducts its work through an extended family of employees, partners, contractors and research institutions, leveraging many of the organization's natural business partnerships for recruiting assistance:

- NASA uses its research grant network to help identify candidates for employment. Every research grant awarded by NASA is monitored by a Principal Investigator, usually a professor. These Principal Investigators supervise the campus talent that conducts important research and are ideally suited to recommend the "best and brightest" to NASA.
- NASA works to increase candidate diversity through the Minority University Research and Education Division (MURED) programs. In FY 2001, MURED spent $82,000,000 on internships, tuition assistance, research grants and developing math, science and engineering curricula.

Tailoring Recruitment Opportunities

NASA's National Recruitment Initiative emphasized the fact that one-size-fits-all solutions are not effective in recruiting the diverse array of talent NASA needs to attract. Different employee groups value different benefits. Experienced professionals, for example, value job security while college graduates are more concerned with growth opportunities.

To help managers target specific audiences, NASA created an Agency-wide recruiting toolkit. This web-based resource includes a wide array of tools like workforce planning links, recruiting event calendars, tips for marketing to targeted audiences and interviewing skills, and NASA branding materials. The toolkit also includes guides for managers and HR teams on "closing the deal" using flexibilities to craft customized offers. For instance, managers are encouraged to package student loan repayments, recruiting and relocation bonuses in offers of employment. Updated NASA marketing materials round out the toolkit, and managers agree that the NASA brand "sells." (See NASA's Hiring Brochure and the NASA Recruiting Page on nasa.gov.)

RESULTS AND NEXT STEPS

NASA's focus on its future workforce needs has resulted in the development of an agency-wide strategy for recruiting and retaining top talent. The development of recruitment tools and new websites has also helped both managers and applicants alike to identify career opportunities at NASA.

While it is relatively new, NASA STARS has had a significant impact on how staffing and hiring activities are conducted at the Agency. The most notable result is that the NASA STARS system has saved one million dollars per year in lost productivity due to rating and ranking of job applicants. Applicants have also responded positively about the system: 97 percent use the online resume builder and over 98 percent indicate they are satisfied with the process. Applicants now receive notification of receipt of their resume within a day and can track the status of the vacancy. Managers now receive hiring certificates in less than 30 days from the date of initial request to fill a position. This streamlined process is making NASA more competitive and the Agency is losing fewer good candidates to discouraging and lengthy delays. Finally, the system is saving HR professionals time - time they can now spend assisting NASA management with workforce planning and strategic management issues.

Managers now receive hiring certificates in less than 30 days from the date of initial request to fill a position.

NASA has truly made great strides in its recruitment and staffing programs by maximizing internal and external human capital flexibilities. In the future, NASA will continue plans to enhance its human capital management by focusing more on workforce planning efforts. By making the most of existing authorities and employing sound workforce planning, NASA is positioning itself to be able to attract and retain the critical talent it needs for the 21st Century.

CONTACT

For further information about NASA STARS, contact Candice Irwin, NASA Staffing Program Manager, (202) 358-1206 or cirwin@nasa.gov.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Pearson.

Mr. Flynn, it is good to see you again, and we have your complete statement on the record, so if you would summarize, you are recognized for 5 minutes.

Mr. FLYNN. Chairwoman Davis, Mr. Davis, it is good to see all of you again as well. I appear before you today as a representative of Hewitt Associates, a global human resources delivery and consulting firm with over 15,000 associates in 38 countries. We work with private companies day in and day out on their recruiting programs, and I am hoping I can share some of that work and some of the challenges we have helped companies overcome today.

It might be helpful, though, to talk just for a moment about some of the challenges that companies face in today's recruitment environment. You have heard this morning already, and I needn't repeat, the projections of pending retirement of baby boomers and the aging of the American work force. Increasingly, we see a lack of skilled workers in the United States. Over the next 10 years, to be quite honest, we don't have enough workers, and there will be particularly acute shortages in areas like technology and health care.

Employees today are more mobile than ever, including Federal employees. That means that Federal employers and others will have to recruit aggressively and create and maintain incentives to retain their top performers.

And in the recruitment arena, as you have heard all too often this morning, there are often unique and often conflicting needs of different stakeholders in the process. Business leaders want a competitive work force, positions filled, people productive quickly. Job seekers want efficient interviews, equitable selection processes, access to decisionmakers and timely feedback. If you don't manage those seemingly conflicting needs well, the recruitment program, to be quite honest, will yield mediocrity, dissatisfaction, long hiring cycles and ultimately will produce a negative impact on the overall organization. And the challenges won't go away, and new ones will emerge.

Fortunately, there are successful strategies and tools to overcome them, and, as I said earlier, we have worked with many organizations to help them do that. First, as you have heard from many witnesses, a sustained effort, a sustained leadership commitment is needed to really force the idea that people are the lifeblood of an organization. A study just completed by Hewitt looked at the people practices of companies that consistently experience double-digit growth. One key finding was that the leaders of these organizations constantly reinforce their importance of talent.

Second, leading organizations embrace a clearly articulated employment brand. Branding is a unique, clearly stated message from the employer to the employee or prospective employee about the job its doing as an organization. In a survey of companies using an employment brand, Hewitt found that over 90 percent reported an increase in employee retention and their satisfaction, and they were better able to attract job candidates. Seventy percent of those companies experienced improved business results.

Leading organizations find ways to overcome those conflicting or perceptions of conflicting needs that I spoke about a minute ago. They take a methodical approach. They forecast hiring, they fore-

cast hiring needs based on where the organization is heading, and they systematically roll those forecasts up to the corporate level. To avoid being inundated with job seekers, they conduct targeted recruitment campaigns to find qualified candidates. As one example of this technique, a large consumer product company in Atlanta recently formed an alliance with the United Negro College Fund to sponsor summer internship programs and to serve as a source for job candidates for that particular company.

Almost all of the Fortune 500 companies have a career section on their Web site. With these Web sites, they build virtual relationships with prospective job seekers. Brent has talked with you about some of the functionality of the USA Jobs Web site, and some of that enables individuals to go in, identify the job characteristics they are interested in and to get emails back when jobs they are interested in go up and are posted.

Another thing that we have found is that all companies with double-digit growth have rigorous assessment processes. They use valid tools to make sure that they get the best applicants. They look beyond the job requirements when hiring people in considering not only their current capabilities but future potential and cultural fit. And, finally, leading employers power their recruitment processes with today's technology. They provide instant information to applicants and managers throughout the process. These systems interface with third party providers to keep the process moving forward and, as importantly, they provide reporting capabilities, allowing measurement and tracking of the recruitment process.

In conclusion, successful companies use many techniques, but organizational leadership, branding, process redesign and technology are key. They are key because people, as I said earlier, are the lifeblood of an organization, and how an organization recruits, whom it recruits, the accountabilities in place and the process itself all dramatically impact on results, whether those results are in the private or the public sector.

Thank you, Ms. Davis, Mr. Davis. I would be happy to answer any questions you may have for me.

[The prepared statement of Mr. Flynn follows:]

STATEMENT OF ED FLYNN ON BEHALF OF HEWITT ASSOCIATES

SUBMITTED TO

THE SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY REORGANIZATION OF THE HOUSE COMMITTEE ON GOVERNMENT REFORM

June 7, 2004

Good morning Madam Chairwoman, Mr. Davis and members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss how leading companies approach recruitment, and why those efforts are important components of their success.

My name is Ed Flynn and I am a managing consultant for federal sector programs with Hewitt Associates LLC ("Hewitt") in Falls Church, Virginia. I appear before you today on behalf of Hewitt at the invitation of this Subcommittee to talk about how our experience, perspective and hands-on service delivery help private-sector employers design and execute their recruitment programs toward achieving their strategic mission. Prior to joining Hewitt, I was a senior executive with the U.S. Office of Personnel Management, the Government's HR agency. During 2002, I served as Senior Policy Advisor to OPM Director Kay Coles James, and was instrumental in the development of the HR program for the new Department of Homeland Security. Prior to that, I managed the Federal retirement systems, the Federal Employees Health Benefits Program, the Federal Employees Group Life Insurance Program,

and helped secure passage and implementation of the Federal Long Term Care Insurance Program.

Hewitt, which was founded in 1940, is a global human resources service delivery and consulting firm. Headquartered near Chicago, Illinois we employ more than 15,000 associates who work in 38 countries worldwide. Our clients include more than two-thirds of the *Fortune 500* and more than a third of the *Global 500*. As the largest multi-service human resources delivery provider in the world, we provide HR services to 18 million participants. We have been recognized by *Industry Week* magazine as one of the most innovative users of Information Technology in the U.S.

In my testimony today, I would like to begin with a description of the HR challenges employers face in today's recruitment environment. Then, my testimony summarizes some concrete strategies and actions used by leading-edge private-sector employers to manage these challenges.

The Challenges

Organizations in both the private and public sector face significant challenges in their ability to attract, assess, and hire top talent. Despite the soft job market in 1999-2003, the next 10 to 15 years will likely represent the most difficult recruiting environment in history.

Here is why we believe that to be true:

We are faced with an aging workforce and the impending retirement of baby boomers. By the year 2010, the United States workforce will see a 29% increase in workers age 49-64. Millions of workers will retire over the next 10 years, and fewer people will be available to take their place.

Increasingly, we see a lack of skilled workers in the United States. Recent estimates indicate that over the next 10 years, 32 million jobs will become vacant due to retirements, and 20 million new jobs will be created. However, the projected labor force will grow by only 29 million, leaving a 23 million worker job gap. Serious shortages are predicted in the areas of high tech professionals—including computer engineers, customer support specialists, and system analysts, as well as healthcare workers, ranging from personal care and home health aides to medical assistants.

A "free-agency" workforce will increasingly be the norm. It is unreasonable to expect employees to stay with an employer for more than a few years. This means that employers will be required to continually recruit aggressively, and create and maintain incentives to retain top performers.

Economic activity is increasingly global, producing keen global competition for talent.

Predictions indicate that over the next ten years, the United States and Europe will only account for 3% of the world's entering work force, while 75% of the new workers will come from Asia.

In the recruitment arena, there are unique and often conflicting stakeholder needs.

Business leadership desires a competitive workforce that is highly productive in a short amount of time in order to maximize their return on recruiting and training costs and minimize loss of productivity while the position is vacant.

Hiring Managers want the "perfect candidate" as quickly as possible.

Employees want access, consideration and equitable selection processes to positions for career development. If they don't find it at their current employer, they'll find it somewhere else.

External job seekers want a fast, efficient interview experience, access to opportunities and hiring decision makers, and timely feedback and communication regarding their status.

Recruiters want access to qualified candidates, minimal administration, and cost effective recruiting programs.

Unfortunately, these challenges often result in a recruiting process that yields mediocre hires, an unsatisfactory customer experience for candidates and managers, long hiring cycles, higher-than-expected recruiting costs, a low return on the recruitment investment, low retention rates, and a negative impact on the organization's employment brand in the marketplace.

Practical Ways to Improve Recruiting Processes and Maximize Results

These challenges will not go away, and new ones will emerge. Fortunately, there are successful strategies and tools to overcome them. Hewitt has worked with hundreds of large, private sector organizations over the past several years to improve their talent acquisition and management processes.

In doing so, we have identified the following themes.

First, a sustained effort is needed from senior leadership to champion and support the notion that talent is the lifeblood of the organization. The notion that people are important has been around a long, long time. The great industrial leader of General Motors, Alfred Sloan, once said, "take my assets, leave my people, and in five years I'll have it all back." More recently, Bill Gates of Microsoft said, "Take our 20 best people and virtually overnight we become a mediocre company." A study just completed by Hewitt looked at the people

practices of companies that consistently experience double digit growth. One key finding was that these organizations view talent as their lifeblood. In these companies, leaders are always talking about the importance of talent and are heavily involved in the talent acquisition and development process.

The second theme that leading organizations embrace is a clearly articulated employment brand or employment value proposition. Branding is much more than a flashy ad or a cleverly worded job posting. It is a unique, clearly stated message from the employer to current and potential employees about the employment experience. I should note that this goes beyond a simple recruiting brand used to attract new talent. Rather, when done correctly, the employment brand can be used throughout the employment experience to reinforce the commitment that the employer makes to the employee, and in some ways the commitment the employee makes to the employer.

The employment brand is a narrative proclamation of how the employer will carry out its responsibilities to employees and uphold the values in the employment relationship. The statement is used to guide decisions on a day-by-day basis that impact the employment relationship. It ideally serves as the framework for all human capital programs such as talent acquisition, orientation, performance management, total rewards, and benefits.

The advantages of a well designed and executed employment brand are significant. In 2000, during a period when employers were engaged in what was then called "the war for talent", Hewitt conducted a survey of more than 200 companies that had implemented an employment brand. The results were telling. Of the companies surveyed, over 90 percent reported an increase in employee retention and an increase in employee engagement or satisfaction. Ninety percent of respondents indicated they were better able to attract job candidates. The financial benefits were also impressive. Over 70 percent of the respondents experienced improved business results that could be attributed to the employment brand, and this is largely due to a more engaged workforce—that is, employees were apt to stay with the company, had positive things to say about the organization, and were productive in their roles.

While the benefits of implementing an employment brand are impressive, it is not something that can be put into place overnight or even in a matter of weeks. It affects every aspect of human capital management. It requires sponsorship and participation from senior leadership. It is unlikely to succeed if viewed solely as an HR initiative. It also must support strategic business intent and differentiate the organization in the market. It certainly cannot be a simple slogan or graphic without substance or commitment from leadership. Finally,

organizations that implement an employment brand must be willing to make certain commitments and balance aspirations with business realities.

3. The third aspect that leading organizations focus on is creating a talent acquisition and internal deployment process that meets the needs of business leadership, managers, recruiters, employees, and external job candidates. As I mentioned earlier, stakeholders often have conflicting needs in the recruitment process. Leading organizations have developed ways to overcome or mitigate these conflicts in such areas as identifying open positions, sourcing talent, assessing and selecting staff, and on-boarding new associates:

- **Identify open positions**—It has been our experience that the best employers take a very systemic and methodical approach to understanding the talent required to drive business results over a three- to five-year horizon. That is, they forecast hiring needs based on where the organization is heading strategically. They carefully identify roles, skills, and attributes needed to get future business results. They also forecast talent demand separately from identifying where the talent resides. These organizations provide managers tools that allow them to systematically predict and roll-up talent forecasts to the enterprise level. Often, these organizations have a developmental competency framework in place, which allows them to perform a skill

assessment and gap analysis to identify areas of concentration and development in order to meet longer-term business demands.

- **Source talent**—Over the past several years, companies have been inundated with job seekers. It is not uncommon for hundreds of job seekers to apply for a single opening. There is no doubt that the volume of resumes received has steadily increased over the past four years. A major shift is underway around the manner in which employers find high quality talent.

  Employers are conducting targeted, relationship-based candidate sourcing campaigns to find qualified job candidates. The concept behind this approach is to network with contacts who understand the organization and the positions available. Examples of this are employee referral programs, vendor relationships, and even referrals from existing job seekers. Increasingly, employers are becoming reluctant to attend open call job fairs because these events rarely yield the quantity of highly skilled, qualified candidates the employer is seeking.

  Employers are also establishing relationships with organizations to creatively develop pools of targeted job candidates. These organizations include diversity groups, university alumni, and veterans returning to the workforce. A large consumer product

company headquartered in Atlanta, GA, for example, recently formed an alliance with the United Negro College Fund to sponsor a summer internship program. A large home-improvement retailer based in the southeast recently announced an alliance with AARP to source store employees who are knowledgeable about home improvement, and can help customers in need of advice.

Nearly 100% of *Fortune 500* companies have a career section on their corporate web site. An emerging trend is to build Candidate Relationship Management processes into the Careers section. Companies are increasingly using their Career Section to build virtual relationships with prospective job seekers. For example, on the USAJOBS web site (the Federal Government Career portal), job seekers can search for open positions, complete a career interest inventory to identify matching job profiles, and receive automated job alerts via email when a job matching their specifications becomes available.

- **Internal Deployment**—Hiring great talent only helps if the organization has the courage to move people and get the best person into the critical roles. Just as an organization needs to take some risks in order to grow the company, it also has to be willing to take some risks on people. When Hewitt interviewed Business and HR leaders during our recent double digit growth study, it was most interesting to see that

most of these leaders had been in multiple areas of the company and most had spent time in functional areas outside of their area of formal training.

- **Assessment and Selection**—Another finding of Hewitt's double digit growth research was that these companies all have rigorous talent assessment processes. We observed that many of the double digit growth companies used cognitive or behavioral testing to make sure they were getting the best applicants. They look beyond the job requirements when hiring people. They consider not only current capability, but future potential and cultural fit. They look for that elusive "hungry" quality—people who are always unsatisfied with their achievements and willing to outwork and out hustle competitors. These are the kinds of people who are going to contribute to an organization's success rather than maintain the status quo. Specifically, these leading organizations do the following to assess job candidates:

  — Identify developmental competencies and success factors in advance, and interview all job candidates against these characteristics. This approach helps to reduce the subjectivity of the assessment and the personal style of the interviewer.

  — Use automated, web-based selection and screening to quickly qualify job candidates. This helps to narrow the large volume of resumes and applicants down to a manageable number of qualified candidates. A computer manufacturer located in the southwest uses an electronic self-selection tool for candidate assessment. Candidates perform a "fit

check" by answering a series of questions to find out the degree of compatibility between the company and themselves.

— Understand the selection process is a two-way street, and provide opportunities for job applicants to interact with various levels of management and potential future peers. Best employers will provide opportunities for the applicant to experience the work environment, work team, and leadership.

— Offer flexible interview schedules to accommodate job applicant's needs. Increasingly, interviews are being conducted before and after standard work hours.

— Communicate with job applicants frequently and consistently to keep them informed as to their progression in the recruitment process. Leading companies give as much information to candidates as they get from them.

— Use validated behavioral-based assessments that require the applicant to describe a past situation, action and result they achieved. A large commercial airline company assesses job candidates on customer service, teamwork and attitude. Part of their assessment includes a panel interview to see how a candidate performs in front of a group, and behavioral questions are used to predict future success.

— Make swift hiring decisions to avoid losing job candidates to competitors.

— Develop training and coaching tools to develop managers' assessment skills and assure legal compliance during interviews.

- **Onboarding and Orientation**—We have found that there is no one best way to onboard and orient new talent into the organization. However there are a few guiding principles we have observed that leading employers use to assimilate new employees.

  First, these companies ensure employees at all levels understand the importance of a seamless onboarding experience. They also appreciate the link between a strong orientation experience and performance.

  Leading employers view orientation as a long-term process, not an event. Orientation may last nine months or more. These activities often start before the new employee arrives for the first day of work. Senior leadership is often highly visible in the orientation process. There is a focus on cultural assimilation, and ownership of the process is shared between HR, business leadership, managers, and the employee. A leading computer chip manufacturer headquartered in the Silicon Valley sends a welcome packet as soon as the job offer has been accepted. They also have a web site where the new employee can visit to learn more about the initial orientation, training, and submit employment forms online. New employees attend a session that includes a welcoming video from the CEO and a briefing from a senior manager regarding the company's business strategy, mission, and objectives. They also meet face to face with their manager to have a "no nonsense" discussion about what will be expected.

During the first month, every new hire attends a mandatory class that covers corporate values and governance. Over the next six months, new employees attend briefings with executives from various business departments where the new employees can ask questions and learn more about the business.

A strong orientation program increases the ability of new employees to become productive faster. The new employee gets a good grasp of organizational history, values, and goals. They better understand what the company expects in terms of work content, behavior, policies, and procedures. The new employee also knows the importance of their job and how it fits within the larger mission of the organization.

Finally, leading employers power their recruitment processes with effective technology.

Over the past ten years we have witnessed incredible advances in technology and its adaptation within the recruiting function. As mentioned earlier, nearly all large employers have a career section attached to their web site. Now, leading edge organizations are using web-based technology to conduct online screening of job candidates to aid in determining the best qualified.

Leading employers are also using recruiting management technology solutions such as Deploy Solutions, Hire.com, Peopleclick, and Taleo to manage all recruiting activities. These

solutions allow companies to build virtual relationships with job seekers and employees. They provide functionality for managers to review applicant information via email or even on a Blackberry without logging into a system. These solutions can send email correspondence to candidates with a click of a button, notifying them of their status in the process. These recruitment management systems can also interface with other third party providers such as relocation, background checking, drug screening and staffing agencies. These interfaces help speed up the process and maintain the security of candidate data. Finally, these solutions provide reporting capabilities that allow employers to measure the effectiveness of recruiting activities. Employers can also track progress related to diversity goals and monitor EEOC compliance.

When administered properly, these solutions make the process more user friendly for managers, candidates and employees. Recruiters also see significant benefits from the use of these solutions. Using technology to automate the process frees recruiters to spend more time meeting with qualified candidates to sell the job openings and consulting with hiring managers regarding recruiting activities. They waste less time on piles of resumes and paperwork.

One caveat: while technology can enable recruiting processes, it cannot fix flawed or broken processes. Careful attention must also be given to ensure the processes are aligned with organization needs and strategy.

Conclusion

Successful private-sector companies, because of their culture and business, often impose unique requirements that affect the development and successful deployment of their recruitment programs. So does the Federal Government; Veterans' Preference is an example of one of its unique recruitment requirements. While the requirements may be different from one setting to another, they can be honored without diminishing the effectiveness of the recruitment program. In other words, having unique requirements does not mean that an organization has to succumb to confusion, frustration and delay. There is ample evidence that organizational leadership, branding, process redesign and technology can be harnessed and synthesized in ways that make a marked contribution to an organization's strategic goals.

Whatever the setting, employees are the lifeblood of an organization. How an organization recruits, whom it recruits, the accountabilities in place and the process, all have a dramatic impact on private-sector business results–the same as they do for results in the public-sector.

hank you, Madam Chairwoman and members of the subcommittee, for offering Hewitt the opportuni

ı share some of its views on this important topic. I would be pleased to answer any questions you maj

ıve for me.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Flynn. Mr. Garza, thank you for being here today. You didn't have to travel quite as far, but we appreciate you coming and look forward to hearing your testimony.

Mr. GARZA. Thank you, Madam Chairwoman, Congressman Davis, for allowing me this time to testify. I have been asked to testify about some of the obstacles that face recent graduates, particularly minority students, in obtaining employment from the Federal Government. While I speak today about the experience that university students have encountered in process, I believe that many of the issues can easily work to deter other potential job seekers. Attracting the best and the brightest of all racial and ethnic groups to public service is an admirable goal that can only strengthen the Federal Government and ultimately reinforce the concept of democracy upon which this government was founded.

The initial goal of any prospective employer is to provide employment and career information that generates excitement within the pool of job seekers. The Federal Government competes with other public and private sector employers to get their story out. This is a task made more difficult if one believes that shrinking the size of government is an objective of the powers in Washington. The message that government employees can be easily replaced by outside contractors or that the Federal bureaucracy is seen as an obstacle to progress does little to generate enthusiasm in pursuing a career with the government.

Federal agencies use a number of programs that are notable as stepping stones to hire students into full-time permanent employment. The Stay-in-School Program works with students as early as high school to encourage them to complete their education and to consider the Federal Government as an employer of choice. The Student Temporary Employment Program places students and graduates in temporary positions within the Federal Government—it is the second program. The graduates can also use the Outstanding Scholar Program as a supplement to competitive examining for some entry level positions, helping to streamline the hiring process. Unfortunately, not enough students know about these programs and take advantage of their benefits.

Federal agencies use a variety of strategies to recruit students on college campuses, including participation in career fairs, hosting information sessions, providing printed recruitment materials and some limited advertising in college papers. In addition, there are special initiatives to enhance the recruiting activities at colleges, such as participation in the Government College Relations Council, the GCRC, here in Chicago that seeks to strengthen partnership between government and higher education. The Diplomat on Campus Program places an ambassador on a university campus to meet and recruit candidates for the U.S. Department of State. The Partnership for Public Service, it is called the Cert Program, which works to publicize careers in the Federal Government, also helps to publicize our positions on campus. The redesigned USA Jobs Web site has also done much to reach the Internet generation. Notably absent is on-campus interviews, which is an effective tool used by many employers to identify the best candidates for their positions and organization.

Despite attempts to simplify and streamline the Federal hiring process, it remains the biggest obstacle in getting a potential candidate to a job with the Federal Government. I will list some of the hurdles that face candidates in this long and rigorous process. While this process has an adverse effect on most candidates, it places a major obstacle in the path of minority candidates who may not have access to the Internet 24–7, may not know persons able to guide them through the process or may not be able to wait out the lengthy process due to financial concerns.

The first problem that candidates face is the months that go by from the initial application to the actual hiring by the agency. While there may be perfectly understandable reasons for the delay in hiring, it can place college applicants in a difficult financial situation that discourages some from even applying. There are few things that make a graduate or the parents happier than to walk away after graduation with a job in hand. Employers who are able to make offers early in the process frequently grab the best and the brightest and also generate an amount of excitement about the recruitment on campus.

Graduates waiting for a hiring decision are faced with living expenses, loans to pay off and a strong desire to get on with the next chapter in their lives. Many find themselves forced to look for work at this time but are handicapped in their search if they are honest with their prospective employers about their long-term plans. They struggle to get by while many of their friends who are already employed are beginning to reap the rewards of their education. The contact between the agency and the applicant, which may be limited, often leaves the applicant with the sense that little or nothing is happening. Parents or spouse may be supportive or add to the pressures as the applicant sits and waits.

The actual vacancy announcement available on the USA Jobs Internet site is an imposing and comprehensive listing that often intimidates potential applicants. While gathering my thoughts for this testimony, I visited the Web site and printed off a vacancy announcement for what appears to be an entry level position. I was rewarded with 11 pages of instructions for a posting that is open for only 1 week. They only have 1 week to apply and get through this. The information is extremely thorough and can be of great use for anyone who reads and follows directions carefully. Unfortunately, for most applicants, the vacancy announcement uses terminology not easily understood, requires that the resume be redone to fit Federal guidelines, may require written pages in which the applicant describes their knowledge, skills and abilities, their KSAs, and in general causes anxiety and frustration. Moreover, one misstep, such as missing documents and the application is not considered and the applicant is never notified about the results.

Some vacancies are open only to previous Federal Government employees or veterans, which excludes the majority of college graduates. Others have very short periods of time in which to apply, and the applicant either needs to have someone on the inside keeping them informed or needs to be in the right place at the right time. The concept of continuous hiring for some vacancies discourages applicants who mistakenly believe that it is a waste of time to apply because there are no jobs currently available.

For those who work through the application process, and there are many who do, they may find themselves placed on a certificate list. This list ranks the candidates and is used to determine the order of interviews by the hiring agency. Applicants may or may not get a letter stating that they were placed on this list and usually aren't aware they are placed on the list. The onus is on the applicant to contact the Human Resource person in charge of the hiring process for information about their status. The contacts, phone numbers listed in the vacancy announcement. What follows is an extensive and necessary background check and further delays an already lengthy hiring process. Those candidates who are cleared are then ready to start their jobs with the hiring agency. Are they still willing or have they moved on and taking permanent jobs with another employer?

In short, the process is long and cumbersome. To be honest with you, while there are career service professionals who fully understand the process, there are many others who rarely use it, and are not in a position to guide someone through it. Even if our level of expertise about the process is better, not every student uses our office to the extent that we would like to see. Consequently, graduates are often not around to investigate and navigate the pitfalls to the Federal hiring process.

There are many highly qualified motivated students who would consider working for the Federal Government if there were more of a recruitment presence on college campuses. While I understand that government jobs should be open to everyone, I believe that college graduates have particular skills and abilities that make them excellent candidates. Identifying college campuses with diverse student bodies and designing a recruitment plan which would help to increase diversity in the Federal work force is a great idea. It would be good for students and good for the Nation.

And if you have any questions, I would be happy to answer them.

[The prepared statement of Mr. Garza follows:]

The Federal Hiring Process: The Long and Winding Road

Testimony by: Andrés Garza
Director, Office of Career Services
University of Illinois at Chicago
June 7, 2004

I have been asked to testify about some of the obstacles that face recent graduates, particularly minority students, in obtaining employment with the Federal government. While I speak today about the experience that university students have encountered in this process, I believe that many of the issues identified can easily work to deter other potential job seekers. Attracting the best and the brightest of all racial and ethnic groups to public service is an admirable goal that can only strengthen the Federal government and ultimately reinforce the concept of democracy upon which this government was founded.

The initial goal of any prospective employer is to provide employment and career information that generates interest in the pool of job seekers. The Federal government competes with other public and private sector employers to get their story out. This is a task made more difficult if one believes that shrinking the size of government is an objective of the powers in Washington. The message that government employees can be easily replaced by outside contractors or that the federal bureaucracy is seen as an obstacle to progress does little to generate enthusiasm in pursuing a career with the government.

Federal agencies use a number of programs that are notable as stepping-stones to hire students into full-time permanent employment. The Stay in School Program works with

students as early as high school to encourage them to complete their education and to consider the Federal government as an employer of choice. The Student Temporary Employment Program places students and graduates in temporary positions within the Federal government. Graduates can also use the Outstanding Scholar Program as a supplement to competitive examining for some entry-level positions helping to streamline the hiring process. Unfortunately, not enough students know about these programs and take advantage of their benefits.

Federal agencies use a variety of strategies to recruit students on college campuses including: participation in career fairs, hosting information sessions, providing printed recruitment materials, and some limited advertising in college papers. In addition, there are special initiatives that enhance the recruiting activities of the government such as participation in the Government College Relations Council (GCRC) that seeks to strengthen the partnerships between government and higher education; the Diplomat on Campus Program that places an Ambassador on a university campus to meet and recruit candidates for the U.S. Department of State; and the Partnership For Public Service with its Call to Serve Program which works to publicize careers in the Federal government. The redesigned USA Jobs website has also done much to reach the Internet generation. Notably absent is the on-campus interview, which is an effective tool, used by many employers to identify the best candidates for their positions and organization.

Despite attempts to simplify and streamline the federal hiring process, it remains the biggest obstacle in getting a potential candidate to a job with the Federal government. I

will list some of the hurdles that face candidates in this long and rigorous process. While this process has an adverse effect on most candidates, it places a major obstacle in the path of minority candidates who may not have access to the Internet 24/7, may not know persons able to guide them through the process, or may not be able to wait out the lengthy process due to financial concerns.

The first problem that candidates face is the months that go by from the initial application to the actual hiring by an agency. While there may be perfectly understandable reasons for the delay in hiring, it can place college applicants in a difficult financial situation that discourages some from even applying. There are few things that make a graduate or their parents happier than to have a job offer in hand shortly after graduation. Employers who are able to make offers early in this process frequently grab the best and the brightest and also generate a fair amount of excitement on the campus that helps with their recruitment activities.

Graduates waiting for a hiring decision are faced with living expenses, loans to pay off, and a strong desire to get on with the next chapter in their lives. Many find themselves forced to look for work during this time but are handicapped in this search if they are honest with their prospective employers about their long-term plans. They struggle to get by while many of their friends, who are already employed, are beginning to reap the rewards of their education. The contact between the agency and the applicant, which may be limited, often leaves the applicant with a sense that little or nothing is happening.

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Some vacancies are open only to previous Federal government employees or veterans which excludes the majority of college graduates. Others have very short periods of time in which to apply and the applicant either needs have someone on the inside keeping them informed or needs to be in the right place at the right time. The concept of continuous hiring for some vacancies discourages applicants who mistakenly believe that it is a waste of time to apply because there are no jobs currently available.

For those who work through the application process and there are many who do, they may find themselves placed on a certificate list. This list ranks the candidates and is used to determine the order of interviews by the hiring agency. Applicants may or may not get a letter stating that they were placed on this list and usually aren't aware of their place on the list. The onus is on the applicant to contact the human resource person in charge of this hiring process for information about their status. The contact's phone number is listed at the end of the vacancy announcement.

What follows is an extensive but necessary background check that further delays an already lengthy hiring process. Those candidates who are cleared are then ready to start their jobs with the hiring agency. Are they still waiting or have they moved on and taken permanent jobs with another employer?

In short, the process is long and cumbersome. To be honest with you, while there are career services professionals who fully understand the process, there are many others who rarely use it and are not in a position to guide someone through it. Even if our level of expertise about the process was better not every student uses our offices to the extent that we would like to see. Consequently, graduates are often on their own to investigate and navigate the pitfalls of the federal hiring process.

There are many highly qualified and motivated students who would consider working for the Federal government if there were more of a recruitment presence on college campuses. While I understand that government jobs should be open to everyone, I think

that college graduates have particular skills and abilities that make them excellent candidates. Identifying college campuses with diverse student bodies and designing a recruitment plan would help to increase diversity in the federal workforce. It would be good for the students and good for the Nation.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Garza, and thank all three of you for your patience. We will move now to the question and answer period, and now I will yield to Mr. Davis.

Mr. DAVIS OF ILLINOIS. Thank you very much, and I too want to thank you for your patience. We always say that patience is a virtue, and of course there are other times when we say, "Everything has already been said but I haven't said it yet." [Laughter.]

So we are a victim of our vote. Mr. Flynn, let me ask you, you talked about sustained, effective executive leadership, meaning that those at the top with serious decisionmaking opportunity and responsibility, should be actively involved in the recruitment process. Do you have any time allocation? Say if a guy is the head of an agency or the head of a department, head of a division, head of a company, is there any amount of time that individual perhaps ought to be spending dealing with human resources issues and recruitment, you know, personnel selection, that kind of thing?

Mr. FLYNN. Mr. Davis, I don't know that there is any particular benchmark or frame of reference specifically that one could point to, but the two examples that you heard this morning from prior witnesses suggest that for the head of an organization or a chief executive, somewhere in the neighborhood of 20 to 30 percent of the time is involved in emphasizing the importance of talent within an organization, be that through visiting college campuses, spending time on succession planning with your senior staff and similar kinds of activities.

To point to just two other examples that while the don't have a timeframework to them, which suggests that these are really important strategic activities that deserve substantial blocks of time. There is a quote by Alfred Sloan who headed General Motors some years back who said, basically, "Give me my top 20 people, and I will go somewhere else, and I will be as successful as I was in General Motors in 5 years." And even more recently, Bill Gates said something to the effect of, "Take my best 20 people away from me and I will be a mediocre company the next day."

I think you see in those examples the kind of importance that leadership has in this particular arena. So I would look to that and say probably a day a week, on average, is not unusual and is indicative of the measure of importance that this issue holds for chief executives.

Mr. DAVIS OF ILLINOIS. Thank you, very interesting. Mr. Pearson, how does USA Jobs take into account unique needs of an agency? I mean like, for example, the Census Bureau might need statisticians, individuals with a math background or computer background. How do you attempt to handle that?

Mr. PEARSON. Sure. USA Jobs is the one central government portal, and personally I believe this is part of a mistake that agencies when they recruit using USA Jobs. While you may satisfy posting requirements to put your vacancy up there, 55 percent of the traffic that visits USA Jobs are government employees, so you're attracting people from within the government. I don't think that many agencies do a good job of actually thinking like private sector companies and saying, "Where do I go to strategically source it up people that I want." And if I was going to be hiring entry level mathematicians or statisticians, I would be looking at the specific prop-

erties on how to go out and advertise. And I don't think they do that. I think they put a vacancy up on USA Jobs and they think that is it, and it is not.

Mr. DAVIS OF ILLINOIS. Mr. Garza, I was very interested in the job description that you had been able to obtain and the information contained in it. If we are to improve on—the Federal Government is to improve the way in which we recruit on college campuses to provide perhaps the most information and the most likelihood that recent college graduates are going to be able to want to come in and come into the Federal service, what do we need to do?

Mr. GARZA. Well, I think that on-campus recruiting, coming in to actually interview people on campus generates a lot of excitement on campuses. Those employers who do and do it early in the fall during the early part of the recruitment season generate a lot of enthusiasm on campus. People do come to the job fairs, people do participate—agencies participate in many of the activities, but that is one that they never participate in, and there may be very good, logical reasons why they can't, but it is something that is missing, it is something that is really missing from their recruitment strategies.

I think feedback is important. I think one of the prior witnesses talked about not getting any feedback, and nothing can be more discouraging than to apply for a job and never hear anything. I admire her persistence in applying to other agency jobs when she has never gotten a response from a number of agencies that she applied for, but a lot of college students aren't going to do that. They are not going to follow through with agency after agency if they never get a response in a friendly way or at all.

I think they need to work a little bit more closely with colleges. There are national organizations, mid-west organizations. We have the National Association of Colleges and Employers, and we have regional organizations, the Mid-West Association of Colleges and Employers. We have people from Hewitt and other places that are members of these organizations. They are constantly talking to use the career services people from across the country or in a region about processes, about opportunities. Those things need to be reinforced, I think.

Mr. DAVIS OF ILLINOIS. Are there any things that colleges and universities can do, on the other side, that would perhaps better assist students to know what is available within the Federal Government as well as the process that must be used to prepare themselves to try and enter government services?

Mr. GARZA. Well, I think we need to know the process better as well. When I got the call to testify, I sent out an email to about 40 or 50 career services directors and other people that I work with in the region, asking if anybody else would like to testify or give me some feedback, their experience with the process. I think I got four or five emails back, and most of it was information about the length of the process, stuff that I already knew. But I don't think despite some of the efforts, both agencies and the college side, that there are necessarily a lot of experts in this area.

I know that I co-chair a conference that we are having here in August, the Mid-West Association of Colleges and Employers, and one of the workshops that is being presented is on Federal hiring.

So people are trying to get out the word and try to make people realize how to navigate through the process so that we can work better with the college students, but we need to become better experts at this as well.

Mr. DAVIS OF ILLINOIS. Well, gentlemen, thank you so very much, and I really do appreciate your patience and endurance and the fact that you have been here with us throughout the entire morning to provide this information and interact with us. Thank you.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Davis. Again, I thank you for your patience, because it has been a rather long morning so far.

We heard in the last hearing and in this hearing that the agency heads have to be a part and take up a strong leadership role in this, but, as we all know, many of the agency heads serve at the discretion of the President. So, therefore, many of them are not permanent. They may only serve 4 years, typically, maybe 8 years. Do you think that would affect their desire, willingness, ability, what have you to become engaged in taking a leadership role and going out and letting their agency know how important the hiring process is, the recruitment is? And can we do about it if that is the case? And that is for any of you or all of you.

Mr. PEARSON. Personally, I don't think the 4-year tenure is going to impede making progress in that area. I think that a lot of the changes can be made very effectively. We work with a lot of different agencies, and we are working with someone that is pretty passionate at the top and believes in the importance of this, they can impact and effect change very, very quickly. And quite often they like doing that because they can make their mark quickly. So I don't think the 4-year tenure is really a barrier.

Mr. FLYNN. I think I would like to just very quickly echo what Brent is saying. We have heard also this morning some examples of current administration appointees, Administrator Sean O'Keefe with NASA being one, and there are others as well. I know from firsthand experience that Kay Coles James is a pretty strong proponent of the importance of recruiting and its place in an organization. So I think that different agency leaders, different heads of cabinet department and agencies will come to this with differences that are borne of their own personality and perspective, but the passion can be there.

I think also, Madam Chairwoman, that this is something that the top senior career leadership within an organization has to embrace. These are people who stay from one administration to another, who often have a breadth of exposure and experience within the agency that enables them to get things done perhaps more quickly than others, and I think this is a responsibility that senior career leadership should embrace as well. I don't think there is enough of that. I think there can be more, and we ought to find ways to make that happen.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you. Mr. Garza, do you have any comments on that?

Mr. GARZA. Well, I am not sure but I would think that whether it is 4 years or 50 years that you work in an agency, you still want to move forward with things that are important to you, and the

people that work with you, as Mr. Flynn said, are very important. Success requires an infusion of enthusiasm, new people, new ideas, and it has to be a priority for everybody and certainly someone at the top.

Mrs. JO ANN DAVIS OF VIRGINIA. I agree with you, Mr. Flynn, it needs to be the career executives that really get in there and the question is whether they can convince the department heads that are just there for 4 years that is a priority as opposed to whatever maybe that department head came in with their idea of what is the most important.

Mr. Flynn, let me ask you again, there is some concern about shortening the hiring process and keeping it fair. How do you think the Federal Government—and any of you can answer this as well—but how do you think the Federal Government can do it in a shorter period of time but keep it a fair process? A tough question?

Mr. FLYNN. No, it is a very insightful question. What makes the process fair? The process is made fair because it is open, because we provide opportunities for qualified people to apply, because there is an assessment process that is objective and valid, and none of those elements of fairness need be compromised by a focus on swiftness or speed. To be quite honest with you, Madam Chairwoman, I am not aware of any private sector company on the face of the United States who would characterize its selection process as unfair at the expense of speed, and yet we see private sector companies, particularly those who are leading edge companies who are growing their businesses, are able to recruit successfully but also to recruit swiftly. So I don't think there is this tension that you have to give up something on one end to gain on the other. I actually think you can accommodate both quite nicely, particularly today with all of what we have learned in process redesign and what we can gain through the application of technology.

Mrs. JO ANN DAVIS OF VIRGINIA. I happen to agree with you. I just wonder if any of the departments or agencies are concerned about lawsuits because we live in a day of lawsuits? Are they concerned about—I mean I am just trying to figure out why the agency heads don't use what we have given them.

Mr. FLYNN. Yes.

Mrs. JO ANN DAVIS OF VIRGINIA. It is frustrating to me. Are they worried about lawsuits? Is that why they are reluctant?

Mr. PEARSON. As I mentioned, we provide the automation tools that power over 90 agency systems, and what they do is they force the implementation of the merit-based hiring principles. Now, we see some agencies and from the time the vacancy closes they can generate a cert in under 2 days and the whole process has been audited by OPM many times, so we know that if they set things up correctly, it is really defensible and they can work quickly. And it is fair. It is fair. I think, again, it is just how important is it in the minds of the people responsible for recruitment? How important is it to grow quickly?

Mr. FLYNN. And just to emphasize what Brent said earlier, it is really important what you measure and how you measure it. I actually think that there is less concern about exposure to lawsuits and litigation than there perhaps is not enough concern over what the process actually looks like today and what the aspirational

goals of that process are to look like going forward. I think it is probably there more than—certainly more so than a fear of litigation that we could make some good progress.

Mrs. JO ANN DAVIS OF VIRGINIA. Mr. Davis, do you have any questions?

Mr. DAVIS OF ILLINOIS. I have no further questions, Madam Chairwoman, other than to want to again thank all of the staff persons who worked with us and helped to make this hearing possible and to thank you and the witnesses, especially, do I want to thank my professional staff person, Tania Shand and Dan Cantrell, Kaleb Gilchrest, for the work that they have done, and I want to thank our sound person, Maurice King, for making sure that we had audible opportunity.

We generally try to hold hearings away from downtown in the Federal buildings because it makes it much easier for people to come if they don't have to fight the downtown traffic. Some other people don't have to pay parking fees, so we have come out in the neighborhood as much as possible. So I want to thank all of them for working cooperatively to help make that possible.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Danny, and I will say my staff just said, "You never thank us." [Laughter.]

So thanks for putting me on the spot, Danny. We do have a great staff, and they do work well together, and they make all this possible, quite frankly. And if it were left up to Mr. Davis and I, we would probably still be sitting here trying to figure out how to use the microphones.

I just have one more question for Mr. Garza. This will put you on the spot, but it is because I want to know how the career placement directors. Are you reluctant to push students to apply in the Federal Government because of the way the process is?

Mr. GARZA. Well, college students really are looking for instant gratification, many of them. They want a job today, and if you tell them that this process can take anywhere from 2 to 7 or 8 months, they are real reluctant to get involved in this process. They say, "No, no, no. Tell me about something that is open today, I can apply for it today, I can hear from an employer in maybe a week, 2 weeks, get some feedback and know whether I have a possibility of getting a job or I move on to something else."

Mrs. JO ANN DAVIS OF VIRGINIA. So if we got it down to a 30-day process?

Mr. GARZA. I think that would make it a lot more realistic to sell that to college students.

Mrs. JO ANN DAVIS OF VIRGINIA. I didn't mean to put you on the spot there, but I don't know till I ask.

Mr. GARZA. I think it is a great question, and I do think the time is an issue. It really is an issue for college students.

Mrs. JO ANN DAVIS OF VIRGINIA. Would you say that is the biggest issue?

Mr. GARZA. The complexity of some of this is probably the second biggest issue. They look at this and say——

Mrs. JO ANN DAVIS OF VIRGINIA. And that complexity is done by each individual agency?

Mr. GARZA. Yes.

Mr. PEARSON. You know what is interesting, when we redesigned the vacancy announcement format, we created a brand tool with new simple language, but what has happened is a lot of the administration folks that post this up want to keep cutting and pasting their old vacancy announcements. They want to find the easiest route up rather than rethinking the language and making it user friendly. So OPM has provided the tools to create a much more user friendly, and in fact there are some good examples, but still a lot of agencies are just rehashing their old vacancy announcements rather than reinventing them.

Mrs. JO ANN DAVIS OF VIRGINIA. So we have to change the culture of the agencies.

Mr. PEARSON. Absolutely.

Mrs. JO ANN DAVIS OF VIRGINIA. Called reinvent the wheel. Think we can do that?

Mr. DAVIS OF ILLINOIS. I think we can do almost anything. [Laughter.]

When you get the Davis' working together——

Mrs. JO ANN DAVIS OF VIRGINIA. Well, because we have been working together, but more than that, Danny, we have the greatest staff on the—[laughter]—thank you, gentlemen, for being here today, and, again, thanks for your patience and input. And if you have any suggestions, we would sure love to hear them and if you have anything else you want to put into the record. We may have some other questions for you that we would ask you to submit answers for the record.

Thank you for being here, and with that, this hearing is adjourned.

[Whereupon, at 12:22 p.m., the subcommittee was adjourned.]

THE FEDERAL HIRING PROCESS II: SHORTENING THE LONG AND WINDING ROAD

JULY 13, 2004

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:10 a.m., in room 2154, Rayburn House Office Building, Hon. Jo Ann Davis (chairwoman of the subcommittee) presiding.

Present: Representatives Jo Ann Davis of Virginia, Blackburn, Davis of Illinois, and Norton.

Staff present: Ronald Martinson, staff director; Chad Bungard, senior counsel; John Landers, OPM detailee; Christopher Barkley, and James Boland, professional staff members; Detgen Bannigan, clerk; Tania Shand, minority professional staff member; and Teresa Coufal, minority assistant clerk.

Mrs. JO ANN DAVIS OF VIRGINIA. The Subcommittee on Civil Service and Agency Organization will come to order.

I would like to welcome everyone and thank you for being here today.

Last month, the subcommittee held a field hearing in Chicago entitled, The Federal Hiring Process, the Long and Winding Road, to try and get to the bottom of why, as OPM estimated, it takes an average of 5 months or 102 business days to fill a vacancy through the competitive process. OPM appears to be working hard on improving and expediting the hiring process and making it one of its key initiatives.

Although I appreciate OPM's dedication to this area, the hearing revealed much more has to be done to improve and streamline the hiring process. Hiring top talent in a timely and effective manner should not be a difficult process, and I want to see results. The Federal Government cannot keep missing out on the best and brightest applicants merely because of cumbersome job announcements and a lengthy hiring process.

I called this followup hearing to see how we can move forward in improving that hiring process.

[The information referred to follows:]

TO: MEMBERS OF THE HOUSE SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION

FROM: JO ANN DAVIS, CHAIRWOMAN

DATE: THURSDAY, JULY 8, 2004

SUBJECT: SUBCOMMITTEE HEARING, "THE FEDERAL HIRING PROCESS II: SHORTENING THE LONG AND WINDING ROAD," TUESDAY, JULY 13, 2004, WASHINGTON, DC

The purpose of this hearing is to follow up on several key issues raised during the June 7, 2004 hearing in Chicago entitled, "The Federal Hiring Process: The Long and Winding Road." During that hearing, the General Accounting Office (GAO) released a report, "Further Collaboration Between OPM and Agencies Is Key to Improved Federal Hiring," finding that agencies are not taking advantage of the two new hiring flexibilities available to them because of rigid Office of Personnel Management (OPM) regulations and a lack of guidance from OPM on how to use the flexibilities. During the June 7th hearing, however, OPM Deputy Director Dan G. Blair insisted the responsibility to use the hiring flexibilities lies with the individual agencies. This follow-up hearing will again examine the need for improvements in the federal hiring process, whether agencies are using recently granted hiring flexibilities, the frustrations applicants face in applying for a federal position, and what is currently being done to streamline the process and make the Federal Government an employer of choice for the best and the brightest. Moreover, this hearing will seek to put an end to this "blame game" by determining why agencies are not using the hiring flexibilities and what steps are necessary to put them to use.

Panel 1

The Honorable Dan G. Blair, Deputy Director, Office of Personnel Management

Deputy Director Blair will testify about OPM's efforts to reform the Federal hiring process, and will specifically respond to a GAO report that found that two major reasons agencies are not using the newly granted hiring flexibilities are due to "the lack of OPM guidance for using the flexibilities" and "lack of flexibility in OPM rules and regulations." Deputy Director Blair has also been asked to bring a copy of one successful and one unsuccessful agency request for direct-hire authority and should be prepared to discuss this process.

Claudia Cross, Chief Human Capital Officer, Director, Office of Human Resource Management, Department of Energy

Claudia Cross will testify about DOE's particular hiring needs and its experience with the current hiring process. DOE is one of several Federal agencies to have requested both category rating and direct-hire authority and the DOE representative will testify about DOE's use and need for these flexibilities.

J. Christopher Mihm, Managing Director, General Accounting Office

Comptroller General Walker will testify about the GAO report detailing the key problems in the Federal hiring process and identifying the lack of coordination between OPM and the agencies to improve the efficiency and effectiveness of Federal hiring.

Ed Sontag, Assistant Secretary for Administration and Management, Chief Human Capital Officer, Department of Health and Human Services

Ed Sontag from HHS will testify about HHS's particular hiring needs and its experience with the current hiring process. HHS is one of several Federal agencies to have requested direct-hire authority and Secretary Thompson will testify about HHS's use and need for this flexibility.

Dr. David Chu, Undersecretary for Personnel and Readiness, Department of Defense

Dr. Chu serves as Chairman of the CHCO Council Subcommittee on the Hiring Process. He will testify about his role in that capacity, his vision for that subcommittee, what actions the subcommittee is undertaking to improve recruiting and streamlining the hiring process, and discuss any reports or official findings by the subcommittee and challenges the Department of Defense faces in hiring talented employees.

BACKGROUND

In May 2003, GAO released a report finding widespread recognition among the twenty-four largest federal agencies that much of the competitive hiring process is inefficient or ineffective. The deficiencies in the process have led to substantial hiring delays, which discourage many qualified candidates from applying. The fact remains that although there are continuing efforts to reduce inefficiencies and reform the hiring process, the Federal Government lags far behind the private sector in its ability to recruit, hire, retain, and manage a skilled workforce.

The GAO report identified the following five key problems in 2003: (1) the outdated and complex job classification processes, (2) the vague and minimal content of job vacancy announcements, (3) the ineffective assessment tools and hiring programs, (4) the time consuming and paper intensive manual process of rating and ranking applicants, and (5) the under-utilization of human capital flexibilities.

Classification Process

The Classification Act of 1949 established the framework for classifying positions and created fifteen grade levels of the General Schedule (GS). The classification process categorizes jobs according to the type of work performed, the level of difficulty, and the qualifications necessary for the position. The classification process was developed decades ago when many jobs were more narrowly defined, making it difficult to define many jobs today that require a broad range of unique skills into the roughly 400 Federal occupations.

During the June 7th hearing, OPM stressed that the job classification standards remain antiquated. For example, one of the primary problems with the outdated classification system is that it does not take into consideration factors such as workload, quality of work, and results. OPM maintains that its ability to reform this classification process is limited under the current law and that new legislation is needed to relax the current restrictions.

Job Vacancy Announcements

Another problem, according to human resources directors, is the content of job vacancy announcements, which obstructs and delays the hiring process. Announcements are often lengthy and use unfamiliar language while only giving vague descriptions of the actual duties to be performed. Additionally, job announcements often fail to include information about benefits such as health, retirement, and vacation time that might otherwise entice well-qualified candidates to apply.

During the June 7th hearing, Krystal Kemp, a law student and applicant for Federal employment, explained one of the many obstacles she met:

> [T]he language of many job announcements was incomprehensible. Many of the announcements used special government code talk that I had not previously encountered. I do not understand how the average citizen could read those announcements and know clearly what the jobs' duties entailed or what the requirements were. I had the feeling that the announcements were not written for me but were created for people already initiated into the fraternity of government jobs.

Interestingly, all 22 Chief Human Capital Officer (CHCO) Council members responding to a GAO survey said they have made efforts to improve their job announcements and Web postings.

As part of its interagency project to modernize federal job vacancy announcements, OPM continues to encourage agencies to enhance and improve their job announcements. OPM is currently working with agencies to implement Recruitment One-Stop, an electronic government initiative that incorporates the USAJOBS Web site to assist individuals in finding federal employment. Monster Government Solutions acquired the contract to restructure and streamline the USAJOBS website and launched the new site last year. All agencies now have access to post new job listings on this one central Web site containing all Federal job openings.

Brent Pearson, Vice President of Monster Government Solutions, testified, "I don't believe that [the] issues with the Federal hiring process [have] anything to do with the Web site." He then assessed the problem as threefold: (1) there is no existing way to measure which agency is doing a good job and which agency is doing a poor job, (2) the poor attitude of agency heads and HR staff and lack of accountability, and (3) lack of education of HR staff fostering the notion that recruitment is simply an administrative function rather than a strategic function.

OPM maintains that individual agencies bear the primary responsibility of improving the content of their job announcements, and suggested that agencies continue to review and modify their job announcements to ensure the postings are unambiguous and enticing to potential applicants.

Assessment Tools and Hiring Programs

The Luevano Consent Decree of 1981 was an agreement resulting from a lawsuit alleging the written Professional and Administrative Careers Examination (PACE), used for entry level Federal positions, had an adverse effect on African-American and Hispanic job applicants. The consent decree eliminated the PACE and as a result, OPM created the Administrative Careers with America (ACWA) self-rating examination.

GAO reported that the use of the ACWA was burdensome, often delayed hiring, and did not necessarily provide quality candidates. Marsha Marsh, Vice President of Strategic Human Capital Planning, testified during the June 7th hearing that the ACWA amounted to 156 "nonsensical questions for the entry level college applicant" and that "the questions themselves really put the employee off completely."

Marsh further testified that "agencies have the wherewithal to substitute other valid selection procedures, and only a few have." The GAO report also noted that many agencies have chosen not to use the ACWA because of their prior experience with unqualified candidates.

Manual Rating and Ranking Applicants

One of the most time consuming aspects of the hiring process is the manual rating and ranking of job applicants. Human resources staff must screen all applicants to determine if they satisfy the minimum eligibility requirements, including education and citizenship. Assessment panels are typically convened to evaluate the applicant's paperwork and qualifications. The panel then assigns a numerical score to each applicant after evaluating their related education and experience. Agencies spend a significant amount of time recording the rationale for rating and ranking applications. This process can become excessively burdensome when an agency receives a large volume of applications.

In order to improve the screening process, the U.S. Census Bureau, for example, has developed an electronic hiring database that enables an applicant to file his application electronically and respond to a series of screening questions. Stanley D. Moore, Regional Director of the U.S. Cense Bureau, noted during his June 7th testimony that applicants are reportedly pleased with this automation system. Moore testified further:

> This streamlining has reduced from about four months to a matter of weeks the amount of time it takes to complete the hiring steps and extend an offer of employment to an applicant. We believe this has been a very successful effort, especially in our attempts to hire entry level employees.

Use of Human Capital Flexibilities

The Homeland Security Act of 2002 authorized federal agencies to make use of two new hiring flexibilities to enable managers to choose the best candidates. Although data on the use of these two flexibilities is not fully available, interviews with human resources directors from the 24 largest Federal agencies along with the testimonies on June 7th indicate that agencies are not taking advantage of the hiring flexibilities now available.

CHCO Council members cited several barriers to using the hiring flexibilities, including: (1) rigid OPM rules and regulations, (2) the lack of OPM guidance on their use, (3) the lack of policies and procedures within the department or agency on their use, and (4) concerns about potential inconsistencies when the flexibilities are utilized.

However, OPM Deputy Director Blair stressed at the June 7th hearing that the individual agencies are primarily responsible for improving the hiring process, noting that "OPM doesn't hire for the agencies" and that "it is important to recognize that hiring is an important component of an agency's human capital management strategies." Blair testified further, saying:

> [W]e can offer guidance, direction and help, but the rubber meets the road where it comes to the agencies and departments. Agency leaders must take it and own it and make it a priority to hire more effectively and efficiently . . . if agencies don't avail themselves of these flexibilities, I find that terribly frustrating . . .

Category Rating

Category rating is an alternative selection procedure in which candidates are assigned to various quality categories such as "best qualified" or "highly qualified." The selecting officer has the option to choose candidates from the entire list. Category rating thus permits an agency to opt out of the "rule of three" system in which the selecting officer chooses a candidate from a list of the top three numerically ranked candidates provided by the

assessment panel. The rule of three limits the selecting officer's discretion and choice for the best quality candidate.

The Homeland Security Act requires each agency that uses a category rating system to report annually to Congress on the number of employees hired under category rating, the impact category rating has had on veterans and minorities, and how managers were trained to administer category rating. OPM says that no agencies have reported use of category rating thus far. Data on agencies' use of category rating is not maintained in OPM's Central Personnel Data File (CPDF).

Direct-Hire Authority

Direct-hire authority enables agencies to appoint candidates directly when OPM believes there is a severe shortage or a critical hiring need. Under direct-hire, agencies are not required to rank applicants numerically or apply the rule of three or veterans' preference, but agencies are still required to provide public notice and follow the typical screening procedures. OPM may decide on its own whether a severe shortage or critical hiring need exists for a specific occupation, grade level, or geographic location, or an agency may request OPM designation in writing.

Unlike category rating, agencies are not required to report to Congress on their use of direct-hire authority. Agencies are, however, required to report data on their use of direct-hire for use in the CPDF. As of December 31, 2003, fewer than 50 individuals had been hired under this authority.

OPM's 45-day Hiring Model

The Director of OPM issued a memorandum in May 2004 to agency heads in response to reports of slowness in the hiring process, urging them to implement OPM's 45-day hiring model. The model is based upon the 30-day hiring model in place for members of the Senior Executive Service. This guidance supplies agencies with a detailed plan for how long agencies should take once a vacancy is closed to screen and rate applicants, conduct interviews and extend a job offer to a qualified candidate.

OPM, which is responsible for the Strategic Human Capital Management portion of the President's Management Agenda, will begin scoring agencies' use of the 45-day model beginning in the fourth quarter of fiscal year 2004. For an agency to receive a "yellow" score, it must have an auditable system in place for collecting and analyzing data on the hiring process. A score of "green" will go to agencies that make significant progress towards the goal of hiring applicants within 45 days.

During the June 7th hearing, Deputy Director Blair testified about this new model:

> . . . the selecting officer took an inordinate amount of time to screen applicants. And so we proposed that the process be broken down and we propose what days should be taken . . . all of this in an effort from close of the vacancy announcement to the time the job is offered, it can be done within 45 days.

However, this 45-day hiring model does not include the time to advertise the job and only includes work days. In reality, OPM's 45-day hiring model will likely require an applicant to endure a process lasting three to four months. As Blair noted, "one would argue that is not a very high bar for agencies to meet."

Lack of Accountability

A significant issue raised during the June 7th hearing was the apparent lack of any mechanism to keep agencies' hiring methods accountable. At this time, there is little way to measure which agencies are doing a good

job and which agencies are doing a poor job, including details of individual agencies' time-to-hire and use of hiring flexibilities. As Deputy Director Blair pointed out, "if you don't measure it, then it won't get done."

Additionally, J. Christopher Mihm, Managing Director of GAO, testified:

> [i]t is entirely appropriate . . . for Congress to be expecting discussions of how agencies are using those flexibilities or using the tools that Congress has granted recently . . . as part of the accountability reports that agencies are required [to submit] at the end of the year. . . there can be no greater penalty in the sense of holding the bar for agencies, as consistently asking agencies when they come up and request additional authorities, 'What have you done with the authorities that Congress has already granted?' To making sure, in other words, that they have a sound business case, that they have explored all the available opportunities . . . that they have used the available flexibilities... so that we don't get in this situation where Congress is constantly being asked for additional authorities, additional flexibilities without any evidence that the previous ones have shown to not fully meet the need . . .

This hearing will address this issue in particular, and will gather from the testimonies current problems and recommendations on what steps are necessary to hold agencies accountable.

CHCO Council Subcommittee on the Hiring Process

The Chief Human Capital Officer Council, also created in the Homeland Security Act, has dedicated one of its five subcommittees to the improvement of the federal hiring process. At the subcommittee hearing on May 18, 2004, examining the new position of Chief Human Capital Officers, the Director of OPM—who also heads the Chief Human Capital Officer Council—stated that the hiring process was such a high priority that the topic would receive its own subcommittee. Congress will look to the Council in the coming years as it seeks to reform how the Federal Government hires employees.

CONCLUSION

This follow-up hearing will continue to review the insufficiencies and inefficiencies prevalent in the federal hiring process, as well as address the key issues raised during the June 7th hearing. In order to maintain and improve a successful and effective civil service, it is essential that we examine the shortfalls and evaluate the efforts to remedy the system. Together with OPM and the various federal agencies, the subcommittee will pursue solutions that will enable the civil service to better compete with the private sector.

Staff Contacts:
Ronald Martinson, Staff Director at 5-5147
Chad Bungard, Deputy Staff Director at 5-5147

Mrs. JO ANN DAVIS OF VIRGINIA. Several important issues were raised during the June 7 hearing. First, GAO reported that agencies are making limited use of the two new hiring flexibilities contained in the 2002 Homeland Security Act, category rating and direct-hire authority. This was disturbing to me in light of the fact that many Agency officials from across the Federal Government sought these flexibilities.

Some of the reasons for the lack of use of these flexibilities include the lack of agency policies and procedures, lack of OPM guidance, rigid OPM rules and regulations, lack of OPM technical assistance and concern about possible inconsistencies in the implementation of the flexibilities within the department or agency. OPM and the agencies must work through these obstacles.

I am pleased to hear that, since our last hearing, OPM has provided further guidance to agencies in using these two new flexibilities through the issuance of final regulations, which apparently provide clarification, and, just 2 weeks ago, conducted a training symposium for Federal agencies to improve and expedite the hiring process. Agencies must also do their part and be committed to improving the hiring process at their particular agency.

A second problem highlighted at the hearing was the content of job vacancy announcements, which can often obstruct and delay the hiring process. Krystal Kemp, a stellar law student and frustrated applicant for Federal employment, testified at the hearing that, "The language of many job announcements was incomprehensible," and, "use special Government code talk and seemed to be written for people already initiated into the fraternity of Government jobs."

OPM agencies seem to be making strides in improving the content of job vacancy announcements, but more work needs to be done to be sure that the Federal Government does not lose top talent like Krystal Kemp simply because the postings are too cumbersome.

Another significant issue raised during the last hearing was the apparent lack of any mechanism to keep agencies' hiring methods accountable. It seems there is nothing in place to measure which agencies are doing a good job and which agencies are doing a poor job, including details of individual agencies' time to hire and use of hiring flexibility. As deputy director Blair, pointed out, "If you don't measure, then it won't get done." Agencies' hiring methods should be measured to assist Congress and OPM in improving the hiring process.

I look forward to hearing from our witnesses what steps are in place to make this happen.

I am also delighted to have Dr. David Chu here this morning as both Under Secretary for Personnel and Readiness at the Department of Defense and as chairman of the Chief Human Capital Officers Council Subcommittee on Hiring. In addition to hearing about the challenges the Department faces in hiring talented employees, I look forward to hearing his vision for the Hiring Subcommittee and what actions the subcommittee is undertaking to improving recruiting and streamlining the hiring process.

I look forward to hearing from our witnesses. And I thank you all for being here. And I look forward to the discussion of how the

Federal Government can keep pace with the private sector and stop losing out on talented employees ready to serve their country.

I would like to recognize our Ranking Member Danny Davis for an opening statement.

Mr. DAVIS OF ILLINOIS. Thank you very much, Chairman Davis.

As you know, in June, we held a Federal hiring process hearing in my district in Chicago, and I want to thank you and all of those who came to testify.

Based upon the testimony from the hearing, I am convinced of two things: First, the Office of Personnel Management and the Federal agencies need to do more to improve their hiring processes. Second, Federal agencies do not need new hiring flexibilities. The Homeland Security Act of 2002 contained new Government-wide hiring flexibilities that would help agencies to expedite and control their hiring processes. The act permitted category ranking, which is an alternative ranking and selection procedure that can expand the pool of qualified job applicants for agency managers. Agencies also were given direct-hiring authority, which allows agencies to appoint individuals to positions without adhering to certain hiring requirements. And finally, the act established a chief human capital officer in each of the 24 Federal agencies to advise and assist the head of each agency with human capital management efforts.

Federal agencies are not taking advantage of these much requested flexibilities, and it appears they have not been taking advantage of long existing personnel flexibilities as well. The Government Accountability Office has released two reports that document the importance of succession planning and the need to incorporate diversity as a management initiative in the senior executive service. Federal agencies must ensure that they are hiring a diverse pool of candidates for Federal jobs, particularly at the senior management levels.

Federal Government is at an important crossroads. We have an opportunity to improve the effectiveness of the Federal hiring processes and the diversity of the work force, particularly at the senior levels of Government. We can and should do better, and I am certain that we will.

I look forward to the testimony of today's witnesses, and thank you very much for calling this hearing.

[The prepared statement of Hon. Danny K. Davis follows:]

STATEMENT OF CONGRESSMAN DANNY K. DAVIS AT THE COMMITTEE ON GOVERNMENT REFORM HEARING ON FEDERAL HIRING PROCESS APRT II

Tuesday, July 13, 2004

Chairwoman Davis, as you know, in June, we held a federal hiring process hearing in my district in Chicago. Based on the testimony from that hearing, I am convinced of two things. First, the Office of Personnel Management (OPM) and federal agencies need to do more to improve their hiring processes. Second, federal agencies do not need new hiring flexibilities.

The Homeland Security Act of 2002 contained new governmentwide hiring flexibilities that would help agencies to expedite and control their hiring processes. The Act permitted category ranking, which is an alternative ranking and selection procedure that can expand the pool of qualified job applicants for agency managers. Agencies also were given direct hiring authority, which allows agencies to appoint individuals to positions without adhering to certain hiring requirements. Finally, the Act also established a Chief Human Capital Officer (CHCO) in each of the 24 federal agencies to advise and assist the head of each agency with human capital management efforts.

Federal agencies are not taking advantage of these much requested flexibilities, and it appears they have not been taking advantage of long-existing personnel flexibilities, as well.

The General Accounting Office (GAO) has released two reports that document the importance of succession planning and the need to incorporate diversity as a management initiative in the senior executive service. Federal agencies must ensure that they are hiring a diverse pool of candidates for federal jobs, particularly at the senior management levels.

The federal government is at an important crossroads. We have an opportunity to improve the effectiveness of federal hiring processes and the diversity of the workforce, particularly at the senior levels of government. We can and should do better.

I look forward to the testimony of today's witnesses.

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Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Davis.

I ask unanimous consent that all Members have 5 legislative days to submit written statements and questions for the hearing record and that any answers to written questions provided by the witnesses also be included in the record.

Without objection, so ordered.

I ask unanimous consent that all exhibits, documents and other materials referred to by Members and the witnesses may be included in the hearing record and that all Members be permitted to revise and extend their remarks.

And without objection, it is so ordered.

First, we are going to hear from the Honorable Dan Blair, Deputy Director of the U.S. Office of Personnel Management. Second, we will hear from the Honorable Dr. David Chu, Under Secretary for Personnel and Readiness at the Department of Defense. Third, we will hear from Ed Sontag, Assistant Secretary for Administration and Management and is Chief Human Capital Officer at the U.S. Department of Health and Human Services. Then, we will hear from Ms. Claudia Cross. Ms. Cross is Chief Human Capital Officer and Director of the Office of Human Resources Management at the U.S. Department of Energy. And finally, we will hear testimony from Christopher Mihm. Mr. Mihm is the Director of Strategic Issues at the U.S. Government Accountability Office. I thought that name has changed?

Mr. MIHM. Yes, ma'am. And thank you very much.

Mrs. JO ANN DAVIS OF VIRGINIA. If the witnesses could please stand, including those who may also be assisting in answering questions, I will administer the oath.

[Witnesses sworn.]

Mrs. JO ANN DAVIS OF VIRGINIA. Let the record reflect that the witnesses have answered in the affirmative.

And you may be seated.

We will begin first with Mr. Blair.

Mr. Blair, thank you again for agreeing to appear before our hearing. And we have all the full written statements in the record, so if each of you will summarize your statements in 5 minutes.

Mr. Blair, you're recognized for 5 minutes.

STATEMENTS OF DAN BLAIR, DEPUTY DIRECTOR, U.S. OFFICE OF PERSONNEL MANAGEMENT; DAVID CHU, UNDERSECRETARY FOR PERSONNEL AND READINESS, U.S. DEPARTMENT OF DEFENSE; ED SONTAG, ASSISTANT SECRETARY FOR ADMINISTRATION AND MANAGEMENT, CHIEF HUMAN CAPITAL OFFICER, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES; CLAUDIA CROSS, CHIEF HUMAN CAPITAL OFFICER, DIRECTOR, OFFICE OF HUMAN RESOURCES MANAGEMENT, U.S. DEPARTMENT OF ENERGY; AND J. CHRISTOPHER MIHM, DIRECTOR, STRATEGIC ISSUES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. BLAIR. Madam Chair, I am glad to be back here, and glad to be back in familiar surroundings.

OPM has provided consistent leadership and guidance on the critical issue of Federal hiring. We have and will continue to take steps to assist agencies in improving their hiring practices.

I detailed to you last month in my testimony a number of initiatives which OPM has undertaken to issue guidance and provide increased flexibility to agencies. Since that time, OPM has pursued other opportunities to provide hiring or recruitment information as well as guidance to agencies. For example, on July 1, we hosted a briefing on the results of two surveys relating to recent recruitment fairs. Our job fairs attracted a highly educated and motivated applicant pool who wanted to engage in public service. From our surveys of these applicants, we found an interest in Federal jobs was high, that Federal jobs have appeal, and that appeal has increased over the last few years.

This past June, OPM twice hosted events targeted for agency chief human capital officers and human resources professionals. The hiring symposium offered agency HR staff to gain up-to-date information on efforts to improve the Federal hiring process. That event was so successful, with over 230 in attendance, that OPM is making plans to visit the 26 Federal executive board cities and conduct the same presentation. So we are taking it on the road.

We also hosted a CHCO Academy for OPM to offer hiring authorities and flexibilities applicable to veterans, students and recent college graduates. On June 15, OPM hosted a best practices showcase featuring NASA's strategic human capital initiatives as a way of exposing other agency personnel to successful HR practices. Over 200 agency HR professionals attended as well.

But we know the work is far from done. That's why we have tasked our staff at OPM to identify and develop the next steps that we need to take to continue our own leadership role. Based on this analysis, we've initiated a sequence of actions to make key materials for training HR professionals available to our website.

We will be building on our work with the Department of Housing and Urban Development by extending our efforts at reengineering agency-specific hiring practices and other departments and agencies. We will continue our training efforts by conducting additional hiring flexibility symposiums, utilizing these Federal executive boards as a conduit for bringing and training this mission to the field. We also plan to host another symposium in D.C. in early August.

In the long term, OPM is looking to develop competency models and manage what is called a community of practice. OPM could then share with agencies the general nature of the competencies developed and utilize this information. We also want to explore automating the Administrative Careers With America assessment tool in order to speed the examination process. And finally, we plan to continue updating and disseminating information regarding hiring flexibility through OPM's human capital officers.

The subcommittee's letter of invitation specifically asked about direct-hire authority. GAO characterized our lack of flexibility and rules and regulations as impediments to agency utilization. In this area, we are following congressional intent. For example, direct-hire authority permits agencies to hire qualified employees without putting them through a formal rating and ranking process. It is limited to occupations for which there is a severe shortage of candidates or a critical hiring need. We believe Congress intended this authority to be used in limited circumstances since regular merit

procedures, including the applications of veterans' preference, are bypassed.

To date, this year, we granted agency-specific direct-hire authority to six agencies and are currently reviewing one additional request. Just last week, we granted direct-hire authority to the Department of Defense for auditing positions in their Office of Inspector General. These authorities are in addition to the Government-wide authority for three positions granted last year. We have denied only one request, and that was a partial denial of some positions. Other positions within the request were approved. A full list of this is included in my written statement.

Let me address one final issue. The subcommittee's letter of invitation characterized concerns about Federal hiring as a blame game. We don't see it that way. Agencies and OPM each have specific roles within the Federal hiring process. In fact, that is what we were asked to comment on by GAO. We answered by differentiating the specific responsibilities of OPM and the specific responsibilities of the agencies. There is plenty of work to go around, and we understand the different responsibilities before the Federal hiring process will be fixed.

You can be assured that OPM is committed to working cooperatively both with the agencies and the subcommittee in Congress if we are going to bring to the Federal Government the best and brightest. I am happy to answer your questions.

[The prepared statement of Mr. Blair follows:]

United States
Office of
Personnel Management Washington, DC 20415-0001

STATEMENT OF

THE HONORABLE DAN G. BLAIR
DEPUTY DIRECTOR
OFFICE OF PERSONNEL MANAGEMENT

BEFORE THE

SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION
COMMITTEE ON GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE FEDERAL HIRING PROCESS II: SHORTENING THE LONG AND WINDING ROAD

JULY 13, 2004

Good morning Madam Chairwoman, Ranking Member Davis and members of the Subcommittee. I am pleased to follow up this Subcommittee's June 7, 2004, hearing in Chicago, and welcome the opportunity to appear before you again today.

As President George W. Bush's principal advisor on human resource (HR) matters and the strategic management of human capital initiative of the President's Management Agenda, the Director of the Office of Personnel Management (OPM), Kay Coles James, has consistently provided leadership and guidance on many critical issues facing the Federal Government today. Areas such as pay-for-performance for the Senior Executive Service, telework, diploma mills, emergency preparedness and veterans' preference rights are just a few examples where OPM has provided briefings, symposiums and training sessions for agency HR staff. However, as I am sure we would all agree, improving Federal hiring will impact the Federal Government for many generations to come.

OPM is very aware that recruitment and retention are critical human capital issues for the Federal Government. To fulfill our role in this process we have – and will continue to – take steps to assist agencies in improving their hiring processes. OPM has undertaken a number of initiatives to issue guidance and has provided increased flexibility to agencies in hiring authorities and tools.

Use of Direct Hire and Category Rating by Agencies

Your letter specifically asked about direct hire authority and category rating. Direct hire authority permits agencies to hire qualified employees directly into the competitive services without putting them through a formal rating and ranking process after public notice has been given. It is limited to occupations for which there is a severe shortage of candidates or a critical hiring need for the agency. These restrictions were enacted, in part, because veterans' preference is not applied under direct hire authority.

When agencies use category rating examining procedures, those agencies can utilize a streamlined approach to rating and ranking applications for Federal jobs. Category rating procedures maintain veterans' preference and allow agencies to place candidates in broad quality groupings, rather than assigning candidates specific numerical ratings. It also gives the selecting official more candidates from whom to select, rather then limiting that official to just three, as is the case with the traditional numerical rating system.

As requested, my testimony includes two examples of direct hire authority requests:

> Direct hire authority that has been approved: The Department of Homeland Security received direct hire authority for administrative and program support positions that were in direct support of the intelligence activities and functions of the agency.
>
> Direct hire authority that has been denied: The Department of Agriculture (USDA) requested a direct hire authority to cover a number of technical and scientific positions, as well as administrative and program support positions to deal with a crisis situation. While the direct hire request for the technical and scientific positions was approved, the request for the administrative and program support positions was denied because USDA could not justify a critical need for the support positions because they were not directly involved in the efforts to deal with the crisis situation.

In enacting this hiring tool, Congress intended agencies to use direct hire authority in a limited manner. The law is very specific in prescribing the circumstances of where and when it can be used. We do not believe that Congress intended this authority to be granted in a random manner nor to be used by the agencies as the "default mode" for agency hiring.

On the other hand, the statute authorizing category rating as an alternative examining procedure provides greater latitude. As a result, OPM has given agencies the ability to be creative. OPM works very closely with the agencies to ensure understanding of the maximum flexibilities allowed by law.

In this year, we have granted agency-specific direct hire authority to six agencies and are currently reviewing one other request. Just last week, we granted direct hire authority to the Department of Defense for auditing positions for the Office of the Deputy Inspector General. These authorities are in addition to the Governmentwide authority granted by OPM last year. These authorities will provide agencies with a streamlined process to

quickly get mission-critical skills or individuals on board. A list of these agencies has been provided to you.

OPM Activity to Improve Hiring Since June 7 Hearing

Since the previous Subcommittee hearing on June 7, 2004, OPM has aggressively pursued opportunities to provide hiring and recruitment information as well as guidance to a large Federal workforce manager audience.

- On July 1, 2004, OPM hosted a briefing on the results of two professional surveys relating to recent recruitment fairs. OPM has conducted 12 job fairs coast to coast over the past year, with an attendance of more than 57,000. The New York City Fair alone had more than 15,000 attendees with 44 agencies and departments represented. In many cases, the attendees had college or advanced degrees. By a ratio of almost 6 to 1, respondents who had a preference said they would rather work for the Federal Government (41%) than have a job in the private sector (7%). Eighty-five percent of the respondents indicated that "helping people and making a difference" is an appealing feature of a Federal job. The surveys point to an overall positive environment within the labor market for Federal managers as they look to recruit and hire talented and qualified individuals for positions in the Government.

- On June 29, 2004, OPM hosted a training symposium for agency Chief Human Capital Officers (CHCOs) and human resources professionals from 30 Federal agencies on hiring flexibilities currently available to improve the Federal hiring process. The all-day symposium featured sessions on various hiring flexibilities, including sessions on veterans hiring and student and excepted service employment authorities. This event was so successful (over 230 attended), that OPM is making plans to visit 26 Federal Executive Board cities and conduct the same presentation.

- On June 26, 2004, OPM, in partnership with Representative Danny Davis (7th District, Illinois), hosted a recruitment fair in Chicago. The fair was part of a two-day conference that included seminars and health screening events. In addition to OPM, the Social Security Administration, the Department of Labor, the Census Bureau, the Federal Bureau of Investigation and the Central Intelligence Agency also participated. The conference drew approximately 1,500 to 2,000 people.

- At our June 17, 2004, CHCO Academy meeting OPM offered a review of hiring authorities and flexibilities applicable to veterans, students and recent college graduates. The meeting included a detailed discussion of the appointing authorities agency managers and HR officials have at their disposal to hire qualified veterans, including those with service-connected disabilities, reviewed the Veterans' Recruitment Appointment, Veterans Employment Opportunities Act Appointment, and the hiring authority for veterans with a 30 percent or more service-connected disability rating.

The meeting also focused on direct hire authority, a human resources tool OPM can make available to agencies to expedite the hiring of qualified individuals. The meeting also included dialogue about the Government's Presidential Management Fellows (PMF) Program, which attracts people with post-graduate degrees in public administration and a variety of other disciplines, and prepares them for ascension into top leadership posts. The new Senior Presidential Management Fellows Program, a component of the PMF Program, is designed to attract mid-level, private-sector employees for appointment to the upper professional ranks.

Finally, OPM clarified how the general authority to use category rating gives agencies an alternative method to examine competitively in a way that offers selecting officials more candidates to select from, while preserving veterans' preference.

- On June 15, 2004, OPM hosted a Best Practices Showcase featuring the National Aeronautics and Space Administration's (NASA's) strategic human capital initiatives as a way of exposing other agency personnel to successful HR practices. Over 200 agency senior human capital leaders, senior executives and managers, and human resource professionals attended. The showcase highlighted proven practices that other Federal agencies can adopt to improve human capital systems. The showcase included presentations by several of NASA's senior management, and breakout sessions on performance culture, leadership and knowledge management, and talent - the key drivers in transforming Federal agencies into results-oriented employers that attract, retain and reward a highly performing workforce. During a panel discussion, NASA fielded questions on how they obtained the NASA Workforce Flexibilities Act of 2004, how they plan to use the various employment flexibilities provided by OPM and this legislation, and their expected results in revitalizing their workforce.

Summary of Work over the Past Three Years

Our work in this important area spans the last three years. Under the leadership of Director James, the Office of Personnel Management has initiated an aggressive effort to streamline and reform the hiring process within the Federal Government. Departments and agencies now have new flexibilities and improved tools to ensure they can recruit and hire the best and the brightest. These include enhancements to OPM's USAJOBS vacancy listing, and major efforts to reach out to students, veterans and the public at large through a number of initiatives including a series of recruitment fairs across the country.

OPM continues to provide leadership in its customer service relationship with our agency teammates as well. In May of this year, we began the first in what we anticipate will be a series of agency "extreme makeovers." Working directly with the senior leadership and human resources staff of the Department of Housing and Urban Development (HUD), OPM has provided its knowledge and expertise by completing a process map of the

agency's entire hiring program, conducting field and headquarters focus groups, and assisted in developing a process re-engineering to improve HUD's hiring program. We are committed to working with every Executive agency in order to ensure that agencies are making the best and most appropriate use of all hiring flexibilities available to them, including category rating.

OPM recently hosted a briefing on the results of our Federal hiring survey to inform interest groups about progress being made in the on-going effort to streamline the Federal Government's hiring process. Attending the briefing were representatives from the Partnership for Public Service, National Academy of Public Administration, National Hispanic Association of Federal Executives and the Society for Human Resource Management. During the briefing, OPM senior staff highlighted the critical role that the managers who are selecting among applicants, as well as human resources professionals, play within Federal agencies. The briefing included discussion on existing hiring flexibilities, expediting the hiring process, and using the available appointing authorities, including those for veterans and students. At the conclusion of the meeting, pertinent materials on the results of the survey and other aspects of the Federal hiring process were distributed.

At the last Subcommittee hearing, we discussed the 45-day hiring model. OPM staff found in a recent survey of agency hiring practices that a large number of agencies report they are already meeting a 45-day standard for some portion of their hiring process. Most other agencies reported that they will be able to meet OPM's proposed 45-day model. Consistency in when the measuring starts, however, must still be addressed. OPM has briefed the CHCO Council and President's Management Council and other interested parties on the viability and importance of a 45-day model. In addition, OPM has implemented the 45-day model internally.

Also, we have worked with a number of agencies to identify gaps in their current time-to-hire measuring tool. For example, many agencies currently measure time-to-hire, but do not measure all of the steps contained in the OPM model.

Finally, at OPM, we have worked on a continuous basis with members of the CHCO Council since its inception to increase their knowledge about the availability of hiring flexibilities. In an effort to educate Council members and to share best practices in an informal setting, Director James, as the Council Chair, created the CHCO "Academy." The Academy is held on a monthly basis and two of the sessions have included briefings on the availability of HR flexibilities including category rating and direct-hire authorities.

Future Plans

Much work remains for OPM and the agencies. We realize OPM must focus its efforts on many fronts in order to accommodate agency needs. Every day, we are growing, learning, improving and identifying new activities for OPM to undertake. Director James has tasked staff with developing next steps for OPM to continue its leadership role.

Based on this analysis, we have already initiated a sequence of actions to make key materials for training HR professionals available through our GoLearn website.

And, we know we must do more. In the short term, we will be looking at additional ways to develop future human capital leadership in the Federal Government through the recruitment and training of high potential candidates over the next three to five years. We will be building on our work with the Department of Housing and Urban Development by extending our efforts at re-engineering agency-specific hiring practices at other departments and agencies. We will continue our training efforts by conducting additional Hiring Flexibilities Symposiums, utilizing Federal Executive Boards as a conduit for bringing the training to the field. We also plan to have an additional Symposium on August 3 to educate agency human resources officials and program managers on the availability of Human Resources flexibilities.

In the long term, OPM is looking to develop competency models for the HR field and manage a "community of practice." OPM could then share with all agencies the general nature of the competencies developed and utilize this information in our web-based GoLearn e-government project. We also want to explore automating the Administrative Careers with America assessment tool in order to speed the examination process. And, finally, we plan to continue updating and disseminating information regarding hiring flexibilities through OPM's Human Capital Officers.

Conclusion

Let me address one final issue. The subcommittee's letter of invitation characterized concerns about Federal hiring as a "blame game". We do not see it that way. Agencies and OPM each have specific roles within the Federal hiring process; in fact, that is what we were asked to comment on by the General Accounting Office. We answered by differentiating the specific responsibilities of OPM and the specific responsibilities of the agencies. There is plenty of work to go around but we must understand the different responsibilities before the Federal hiring process will be "fixed".

The problems associated with the hiring process did not develop overnight and we should not assume that there is a quick fix. Within our Nation, though, we can see there is an excellent labor market for Federal managers as they seek to hire talented individuals. OPM is committed to working cooperatively with agencies to ensure that current hiring flexibilities are fully utilized and to working with Congress to ensure that the Federal Government is able to hire the best and the brightest.

I would be happy to answer any questions you or the Subcommittee might have.

Attachment A

LIST OF DIRECT HIRE AUTHORITIES ISSUED
under 5 CFR 337, subpart B

Governmentwide:

? Medical Occupations– All grade levels at all locations for the following: **June 20, 2003**

Diagnostic Radiologic Technologists
Medical Officers
Nurses
Pharmacists

? Information Technology Management (Information Security) – General Schedule (GS) grades GS-9 and above at all locations. **June 20, 2003**

? Positions involved in Iraqi Reconstruction Efforts that require fluency in Arabic or other related Middle Eastern languages at all Federal Wage System levels, single-grade interval occupations in the General Schedule, and two-grade interval GS occupations at GS-9 and above. Agencies may appoint U.S. citizens to positions at all locations. **July 1, 2003**

Agency-Specific:

o Securities and Exchange Commission (2 authorities) – Information Technology Specialist, grades GS-9 and above, Office of Information Technology – **March 12, 2004 and,** at grades GS-9 and above at all locations for the following occupations: **June 20, 2003**

Accountants
Economists
Securities Compliance Examiners

? U.S. Department of Agriculture – At all locations for the following occupations and grades: **September 3, 2003**

Veterinary Medical Officer, grades GS-9 through GS-13
Animal Health Technician, grades GS-2 through GS-10
Plant Protection and Quarantine Officer, grades GS-5 through GS-13
Plant Protection and Quarantine Aid/Technician, grades GS-2 through GS-7
General Biological Science (Agriculturalist, Biological Scientist,

etc.), grades GS-9 through GS-13
Biological Science Technician, grades GS-2 through GS-7
Microbiologist, grades GS-9 through GS-13
Entomologist, grades GS-9 through GS-13
Botanist, grades GS-9 through GS-13
Plant Pathologist, grades GS-9 through GS-13
Ecologist, grades GS-9 through GS-13
Chemist, grades GS-9 through GS-13

? U.S. Department of Energy – Substation Operator, positions at the Bonneville Power Administration. **December 9, 2003.**

? Office of Federal Housing Enterprise Oversight – Accountant and Examiner positions in the Washington, D.C. area. **February 27, 2004.**

? Department of Justice– Information Technology Specialist, grades GS-9 and above, in the Criminal Division's Child Exploitation and Obscenity Section and Computer Crime and Intellectual Property Section. **March 18, 2004.**

? Department of Health and Human Services-- for the Centers for Medicare and Medicaid Services, in the following occupations and grades: **May 25, 2004**

Health Insurance Specialist, grades GS-9 through 15
Economist, grades GS-12 through 15
Actuary, grades GS-12 through 15

? Department of Homeland Security- for the Directorate of Information Analysis and Infrastructure Protection (IAIP) and the Office of Security at all locations in the following occupations and grades: **June 2, 2004**

Intelligence Research/Operations Specialist, grades GS-11 through GS-15
Security Specialist, grades GS-12 through GS-15

in the IAIP Directorate in the following occupations and grades:

Telecommunications Specialist, grades GS-13 through GS-15
Computer Engineer/Electronics Engineer and Computer Scientist, grade GS-13

and in the IAIP Directorate only to positions requiring technical expertise and specialized knowledge of terrorist threats and activities in the following occupations and grades:

Program Manager, grades GS-13 through GS-15 and Senior Level
Program Analyst, grades GS-13 through GS-15

Various specialist positions, grades GS-9 through GS-15

- Department of Defense – Office of the Deputy Inspector General for Auditing, Defense Financial Auditing Service, Auditors, grades GS-11 through GS-15 in Arlington, VA; Cleveland and Columbus, OH; Denver, CO; Indianapolis, IN; and Kansas City, KS. **July 9, 2004**

Request pending for:

Department of Agriculture – On hold awaiting additional justification. To date: received additional information this week and have set up a teleconference with USDA to bring closure to remaining issues.

Attachment B-1

EXAMPLE OF DIRECT HIRE AUTHORITY GRANTED

MAY 12 2004

The Honorable Kay Coles James
Director
U.S. Office of Personnel Management
1900 E Street, NW
Washington, DC 20547

Dear Mrs. James:

This is to request direct-hire authority under the critical hiring needs provision of 5 CFR 337.205 for certain positions in the Department of Homeland Security (DHS) that perform intelligence activities and functions related to our national security mission in the Information Analysis and Infrastructure Protection (IAIP) Directorate and the DHS Office of Security.

Specifically, we are seeking this authority for both IAIP and Security for the following series:

- GS-132 - Intelligence Research/Operations Specialist; and
- GS-080 - Security Specialist;

In addition, we are seeking this authority for IAIP for the following series:

- GS-391 - Telecommunications Specialist;
- GS-854/855/1550 – interdisciplinary positions - Computer Engineering/Electronics Engineering/Computer Scientist;
- GS-340, Program Manager, GS-343, Program Analyst, and GS-301 various specialist positions that support intelligence activities and functions in IAIP. These positions require technical expertise and specialized knowledge of terrorist threats and activities involving land, air and maritime transportation, cybersecurity, weapons of mass destruction (e.g., biological, chemical, radiological, nuclear); terrorist and criminal alien smuggling and document counterfeiting (e.g., travel documents such as passports, visas); and counter terrorist surveillance and intelligence strategic threats. These positions integrate and evaluate all source threat information from the intelligence community, law enforcement agencies, the private sector and open sources. This information is used to assess the nature and scope of terrorist and criminal threats to the Homeland; identify actual and potential vulnerabilities; provide actionable advisories to relevant Federal, state and local government agencies, the private sector and the public as appropriate; identify emerging terrorist threats; and perform risk assessments.

The applicant pool which possesses the requisite knowledge and expertise for these positions is limited and in high demand due to intense competition within the government and in the private sector for homeland security related positions. The pool consists largely of individuals employed in the military, the private sector, or in other Federal agencies that have a national security mission. In addition, our primary competitors for this expertise are other Federal agencies that are excepted from title 5 hiring rules and regulations (e.g., CIA, NSA, DIA, FBI) and the private sector. Based upon follow up work to determine why applicants decline our positions, we have learned that people who are willing to change jobs in these series have multiple, competitive offers both from the Federal government and the private sector. For those who are willing or eligible to leave Federal service, the private sector offers far outweigh what we are able to offer in terms of a total compensation package. Notwithstanding compensation issues, the primary reason for these declinations is the lengthy,

cumbersome hiring process we must follow. This process serves as a significant disincentive to viable candidates in our applicant pool which results in candidates accepting other offers outside of DHS.

Consequently, examining for these positions has proven to be ineffective and not practicable given the specialized nature of the work and the limited applicant pool available to perform the work. Despite our recruitment efforts to outreach within the Intelligence community, extended announcement periods and the offering of recruitment incentives our hiring levels still remain inadequate. Following are some examples of our recruitment efforts and the results we have encountered:

- Despite extensive recruitment efforts, there were no applicants for the IAIP Chief, Critical Infrastructure Protection Division position, GS-391, or for multiple vacancies for the interdisciplinary professions discussed above.
- We announced and attempted to fill 30 GS-132 and GS-301 positions as described above. There was an average of 15-20 applicants for each job posting with only one to two applicants referred as qualified. In each case, offers were extended to the top candidate that the selecting official determined actually met the job requirements and in each case the selectee declined and those positions remain vacant.
- We announced and recruited for 39 Intelligence Operations/Research positions for which there were no applicants.
- Lack of candidates for announced positions for various Security Specialist positions such as those involved in protective security, technical security countermeasures, facility security and information security. Either candidates did not possess the requisite knowledge and expertise, there were no applicants or candidates accepted offers outside of DHS.

As you are aware the Department is under intense pressure from both the Administration and Congress to fulfill our mission, especially in the national security arena. In fiscal year 2004 alone, we must fill approximately 490 positions as discussed above. Moreover, we expect the applicant pool and competition for talent to remain limited and in high demand. In order to meet our national security mission, especially as it relates to the protection of the American people, it is imperative that we are able to move quickly, but thoroughly, to identify and hire the best candidates for the positions. Direct-hire authority will help us to do this while increasing our competitive position in the relevant labor market and, ultimately, will facilitate our national security mission.

Please do not hesitate to contact me directly on 357-8204 if you have any questions about our request. Should your staff need further information, they may call Monica Doyle, our point of contact for this issue, on 357-8244.

We request an expeditious response to our request and look forward to a positive response.

Sincerely,

Kay Frances Dola

for Ronald J. James
Chief Human Capital Officer

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, DC 20415-0001

OFFICE OF THE DIRECTOR

JUN 0 2 2004

Mr. Ronald J. James
Chief Human Capital Officer
U.S. Department of Homeland Security
Washington, DC 20528

Dear Mr. James:

I have approved your request for direct-hire authority for a number of occupations located in the Department of Homeland Security (DHS) Directorate of Information Analysis and Infrastructure Protection (IAIP) and in the DHS Office of Security. I am granting this authority through December 31, 2005, based on the critical hiring need to fill 490 positions

This direct-hire authority is number DHS-001 and has been approved for the following occupations and grade levels in both the IAIP Directorate and the DHS Office of Security:

- Intelligence Research/Operations Specialist, GS-132-11 through 15; and
- Security Specialist, GS-080-12 through 15.

This authority also covers the following occupations and grade levels in the IAIP Directorate:

- Telecommunications Specialist, GS-391-13 through 15; and
- Interdisciplinary positions in Computer Engineering, Electronics Engineering, Computer Science, GS-854/855/1550-13.
- The following positions are covered by this authority only if the duties include a specific requirement for technical expertise and specialized knowledge of terrorist threats and activities. The positions must be in direct support of the intelligence activities and functions:
    - Program Manager, GS-340-13 through 15, and SL;
    - Program Analyst, GS-343-13 through 15; and
    - Various specialist positions at the GS-301-09 through 15.

This direct-hire authority may be used to make competitive service career, career-conditional, term, temporary, emergency indefinite, or overseas limited appointments, as appropriate. These appointments are subject to public notice requirements in 5 U.S.C. 3327 and 3330, and the displaced employee procedures found at 5 CFR part 330, subpart G.

You must use two authority codes when documenting personnel actions using direct-hire authority. The first is "AYM" which will automatically fill in "Reg. 337.201," and the second is "BYO" which will reflect your use of this agency-specific authority. Using these two authority codes will help us evaluate the use of the authority without requiring agency reports.

On a periodic basis, we will review your use of this direct-hire authority to ensure it is being used properly and to determine if the continued use of the authority is still supportable. If you determine a need for this authority still exists after December 31, 2005, you must submit a request and justification to have it extended.

We hope this authority will help you quickly fill these critical positions. If you have questions about this direct-hire authority, please contact Barbara Bell on (202) 606-0830.

Sincerely,

Kay Coles James
Director

Attachment B-2

EXAMPLE OF DIRECT HIRE AUTHORITY DENIED (in part)

United States Department of Agriculture

Marketing and Regulatory Programs

Animal and Plant Health Inspection Service

Washington, DC 20250

JUL 15 2003

SUBJECT: Request for Direct-Hire Authority

TO: Ruthie Jackson, Director
Office of Human Resources Management

The purpose of this memorandum is to request Direct-Hire Authority in order to provide greater flexibility in hiring sufficient numbers and types of personnel by the Animal and Plant Health Inspection Service (APHIS) in order to respond to an increasing focus on addressing emergency situations.

The mission of APHIS is to provide leadership in ensuring the health and care of animals and plants, improving agricultural productivity and competitiveness, and contributing to the national economy and the public health. APHIS is responsible for taking emergency action when pests and/or diseases are found or blocking the emergence of such pests or diseases and fighting domestic animal diseases to ensure safe, pure, potent and effective agriculture products.

Agriculture has become the focus of escalating attention due to its vulnerability and susceptibility to the growing threat of wide spread terrorists activities. Spotlighting the importance of this issue, Government Executive Magazine, June 2003, published an article emphasizing the 'growing agriculture threat'. The story author evidenced that "It shouldn't be surprising that a determined enemy like al Qaeda would consider ways to disrupt U.S. food supplies. The history of warfare is full of examples of burned crops, poisoned wells and slaughtered herds. Agriculture is an obvious target for terrorists: infecting plants or animals with deadly disease is easier, cheaper and less risky than infecting humans directly; the economic consequences of a wide-spread attack would be enormous; and the panic and fear such an attack might reap could lead to wide-scale social disruption." Captions linked to the article and portraying agricultural scenes heighten the degree of interest as, "Consumers would almost immediately feel the consequences of an attack on the food supply. Such an attack could easily spread fear and panic and quickly undermine public confidence in government." "An outbreak of foot-and-mouth disease could spread within days, before animal health officials would even be able to provide a definitive diagnosis." Also, "No cases of foot-and-mouth disease have been diagnosed in the United States since 1929, but even a limited outbreak on just 10 farms could have a $2 billion economic impact."

APHIS: Protecting American Agriculture
Phone (202) 720-5209, FAX (202) 720-6306

An Equal Opportunity Employer

In support of homeland security protocols stemming from the current global situation, APHIS must be able to respond to a crisis (whether natural or human-induced) quickly and effectively. A speedy response is crucial when an outbreak of disease or infestation is discovered. Multiple outbreaks, excessive demands on program services and sheer numbers of persons needed to respond to emergencies create an extreme challenge in gathering the necessary personnel with critical skills and experience to support eradication and abatement efforts. Permanent staffs are dwarfed by the scale of the outbreak and stretched beyond limits to cope with the demands of an emerging crisis.

In order to obtain greater flexibilities in addressing personnel hiring issues generated by outbreaks declared an emergency by the Secretary of Agriculture or by the APHIS Administrator, we request you petition OPM for Direct-Hire Authority to hire Temporary or Term employees for the following positions:

GS-701-9 through 13 Veterinary Medical Officer (VMO)
GS-704-2 through 10 Animal Health Technician (AHT)
GS-436-5 through 13 Plant Protection and Quarantine (PPQ) Officer
GS-421-2 through 7 Plant Protection and Quarantine Aid/Technician
GS-401-9 through 13 General Biological Science (Agriculturalist, Biological Scientist, etc.)
GS-404-2 through 7 Biological Science Technician
GS-403-9 through 13 Microbiologist
GS-414-9 through 13 Entomologist
GS-2210-9 through 13 Information Technology Specialist ?
GS-341-9 through 12 Administrative Officer ?
GS-560-9 through 12 Budget Analyst ?
GS-561-5 through 7 Budget Technician ?
GS-430-9 through 13 Botanist
GS-303-5 through 7 Administrative Support Assistant ?
GS-434-9 through 13 Plant Pathologist
GS-408-9 through 13 Ecologist
GS-1035-9 through 13 Public Affairs Specialist ?
GS-1320-9 through 13 Chemist

To complement our regular cadre of first responders, APHIS uses multiple avenues to meet personnel needs -- Temporary Duty Assignments (TDY's) and 30-Day Emergency Appointments. We utilize the services of reemployed annuitants who possess the critical skills, knowledge and expertise to supplement the current workforce. Employees detailed from other USDA agencies, various other Federal Government Departments, State employees, contractors and temporary staff are utilized.

The severity of these crises poses a potential threat to life and enormous economic damage to agricultural markets. In addressing these emergencies, use of conventional recruitment and staffing measures is inadequate and delays reaction, consequently increasing the response time.

Due to the fact that many of our most skilled and experienced employees are choosing to retire, as well as the multitude and diversity of critical animal/plant pest/disease issues currently impacting the Agency, APHIS is uniquely challenged in convening teams exceptionally qualified to control the devastation and prevent the spread of pests and pathogens. Direct-Hire Authority would increase flexibility in assessing applicants and facilitate prompt hiring of professional, technical and staff support during times of urgent agricultural outbreaks which directly threaten life or property.

This request for Direct-Hire Appointing Authority is justified due to the evolving threat of terrorists activities, the threat of tremendous loss of life and/or property, the extraordinary volume of people needed immediately to address, contain and eliminate the disease/pest incident, and the absolute necessity to respond without delay.

Enclosed are Federal Register Notices that describe and document various crises agriculture has encountered in the recent past. These types of incidents have increased not only in volume and number but also in severity and scope. It is incumbent upon us to plan ahead for certain inevitable situations and equip our programs with the most efficient tools possible to fight and overcome agricultural threats and outbreaks.

We appreciate any assistance you may render in obtaining from OPM Direct-Hire Appointing Authority to assist APHIS programs in responding to animal/plant pest/disease outbreaks as they erupt and enable APHIS to fulfill its mission to keep agriculture safe for America. If you have any questions, please contact Linda Lane at (202) 720-3519.

Ellen King

Ellen Y. King
Assistant Human Resources Officer

Enclosures

United States
Department of
Agriculture

Office of the
Assistant Secretary
for Administration

Office of
Human Resources
Management

1400 Independence
Avenue SW
Washington, DC
20250-9600

JUL 2 2 2003

Dr. Ronald P. Sanders
Associate Director for
Strategic Human Resources Policy
Office of Personnel Management
Room 6566
1900 E Street, N.W.
Washington, D.C. 20415

Dear Dr. Sanders:

We are requesting departmental direct-hire authority for a variety of positions, i.e., Veterinary Medical Officers (VMOs), Animal Health Technicians, and Plant Pathologists. This authority will enable us to hire immediately the staff needed to address, contain, and eliminate any crisis, i.e., disease/pest incident that affects our food supply. Our Animal and Plant Health Inspection Service has provided supportive documentation for our request, which is enclosed.

The Department of Agriculture is responsible for ensuring the health and care of animals and plants, improving agricultural productivity and competitiveness, and contributing to the national economy and the public health. In order for us to meet these responsibilities, we must be able to respond quickly to any crisis that may affect the safety of our agricultural products.

In addition, our Food Safety and Inspection Service has requested direct-hire authority for VMOs. We are aware that other agencies outside of USDA hire VMOs. The other agencies are: Air Force, Army, Commerce, Environmental Protection Agency, Health and Human Services, Interior, Smithsonian, and Veterans Affairs.

Dr. Ronald P. Sanders
Page 2

We have been in discussion with several of your staff members, Tina Vay, Diane Tyrell, and Barbara Bell about our request. We appreciate the guidance and assistance they have given us.

If you have any questions, please contact Mary Ann Jenkins at (202) 720-0515.

Sincerely,

Mary Jo Thompson

for Ruthie Jackson
Director

Enclosure

United States
Office of Personnel Management
Washington, DC 20415-0001

SEP 3 2003

In Reply Refer To: Your Reference:

Ms. Ruthie Jackson
Director
Office of Human Resources Management
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250-9600

Dear Ms. Jackson:

Office of Personnel Management Director Kay Coles James has approved your request for direct-hire authority for a number of occupations that will enable you to quickly staff positions involved in protecting the health and safety of our food supply. We are approving a direct-hire authority for the U.S. Department of Agriculture (USDA) based on a critical hiring need for positions in the following occupations and grade levels at all locations:

- Veterinary Medical Officer, GS-701-9 through 13
- Animal Health Technician, GS-704-2 through 10
- Plant Protection and Quarantine Officer, GS-436-5 through 13
- Plant Protection and Quarantine Aid/Technician, GS-421-2 through 7
- General Biological Science (Agriculturalist, Biological Scientist, etc.), GS-401-9 through 13
- Biological Science Technician, GS-404-2 through 7
- Microbiologist, GS-403-9 through 13
- Entomologist, GS-414-9 through 13
- Botanist, GS-430-9 through 13
- Plant Pathologist, GS-434-9 through 13
- Ecologist, GS-408-9 through 13
- Chemist, GS-1320-9 through 13

Your request also included the following administrative and program support occupational series: GS-2210, Information Technology Specialist, GS-341, Administrative Officer; GS-560, Budget Analyst; GS-561, Budget Technician; GS-303, Administrative Support Assistant; and GS-1035, Public Affairs Specialist. At this time we are not approving a direct-hire authority for these occupations as your request did not establish that they are directly involved in the efforts to deal with crisis situations that affect the country's food supply.

CON 114-24-3
July 1995

This direct-hire authority may be used to make competitive service career, career-conditional, term, temporary, emergency indefinite, or overseas limited appointments, as appropriate. These appointments are subject to public notice requirements in 5 U.S.C. 3327 and 3330, and the displaced employee procedures found at 5 CFR part 330, subpart G.

You must use two authority codes when documenting personnel actions using direct-hire authority. The first is "AYM" which will automatically fill in "Reg. 337.201", and the second is "BYO" which will reflect your use of this agency-specific authority. Using these two authority codes will help us evaluate the use of the authority without requiring agency reports.

On a periodic basis, we will review your use of this direct hire authority to ensure you are using it properly and to determine if your continued use of the authority is supportable. We will modify or terminate the authority if we determine that there is no longer a critical hiring need.

We are confident this authority will help you quickly fill these critical positions. If you have questions about this direct-hire authority, please contact Diane Tyrrell on (202) 606-0830.

Sincerely,

Dr. Ronald P. Sanders
Associate Director
Division for Strategic Human
Resources Policy

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Blair.

Dr. Chu.

Mr. CHU. Good morning, Madam Chairwoman. Thank you for the opportunity to be here.

Mr. Davis, it is a pleasure to appear before you.

Let me submit my written statement and speak to the two subjects of interest to you: First, the Chief Human Capital Officers Council and the work of the subcommittee for which I am responsible specifically; and second, the use of flexible authorities within the Department of Defense that the Congress has been generous in granting the executive branch.

First, to the Chief Human Capital Officers Council: As you appreciate, it is an advisory body. It does not have authority in and of itself, but it is an excellent forum in which the agencies can come together and exchange views on common issues before us and at least the best practices we might employ in resolving those issues if not a common solution to the challenges we face.

I was delighted that Ms. James asked me to lead the Subcommittee on the Federal Hiring Process. Indeed, I was gratified that the council as a whole endorsed our view that the hiring is more than just process. It includes, importantly, the issue of attracting, as one might say, the best and the brightest to the Federal Government, the whole question of recruiting: How do we get young Americans excited about Federal careers, and especially, how do we replace the current generation of civil servants, many of whom will retire in the next decade? I will return to that in a second.

To respond to the issue you raised in your opening statement, Madam Chairwoman, the subcommittee has met several times since its inception. We have sent our first report to the full council, and I expect a second report very shortly.

Second, to the issue of the use of flexibilities with the Department of Defense, as Mr. Blair indicated, we are one of those who have sought additional direct-hire authority from OPM, and OPM has been gracious in granting that authority. We have two specific authorities, both the auditor authority that he mentioned a moment ago and authority relating to Iraq. And we are very much gratified at the payoff to that authority in terms of our current operations.

We will be putting in place our approach to categorical ranking now that OPM, as you noted, Madam Chairwoman, published the final regulations affecting this area. The Department does have a broader set of flexibilities, National Security Personnel System, that you helped to shepherd to passage last year, and that will be unfolding in the next several years. But we intend to use the Government-wide authority as promptly as we can now that the final regulations have been published.

I do want to say, in response to your challenge, that what is measured is what gets done, that we are proud that we believe we are already meeting the OPM standard for the portion of the Federal hiring process that is easily measured, and that is from close of vacancy announcement to extension of tentative offer. The OPM guideline is 45 days. The Department of Defense believes it is approximately 35 days for that segment of process.

And finally, in response to, I think, your correct challenge, Madam Chairwoman, regarding the nature of our job vacancy announcements, I think this is an area where the Federal Government has needed improvement. I am proud of the efforts by the Department of Defense. I looked yesterday at what is called the Hot Jobs Section of our Web page where we post the positions of greatest interest in terms of our needs, one of which, of course, is auditors, as Mr. Blair has indicated. And I would like to quote—and I will submit for the record the entire statement—just a few sentences from the way the Inspector General has now started to advertise these posts, which I think is up there with the best private-sector practices. Under the heading, it says, "Office of Inspector General, Auditor. Do you see yourself making a real difference in your career? Are you interested in performing professional financial audits and helping to build sound, financial systems? Then the Defense Financial Auditing Service is for you." And it goes on to say, "If you are an experienced professional auditor looking for exciting, rewarding work in the field of financial or information technology auditing and want to build a resume of professional experience and education, come join the Defense Financial Auditing Service." This is, I think, the kind of positive view, not the numbing words in which we have written these statements in the past. And I want congratulate our IG for having risen to the challenge just within a week or so of getting the direct-hire authority from OPM. Thank you madam.

[The prepared statement of Mr. Chu follows:]

Statement of

The Honorable David S. C. Chu
Under Secretary of Defense for Personnel and Readiness

Before the
Subcommittee on Civil Service and Agency Organization

On
"The Federal Hiring Process II: Shortening the Long and Winding Road"

July 13, 2004

Good morning Madame Chairwoman, Ranking Member Davis and members of the Subcommittee. I appreciate the opportunity to testify before you on the current efforts and progress made by the Chief Human Capital Officer Council Subcommittee on Federal Hiring, and the challenges the Department of Defense faces in attracting talented employees.

Hiring Subcommittee

Nothing is more important than ensuring we have the right talent at the right time to support the Federal Government. The Hiring Subcommittee has met on a regular basis to discuss actions to improve recruiting and streamline employee hiring. We have reported our first group of recommendations to the full CHCO Council for consideration, and our second report will soon be submitted. These findings are under consideration and I expect will be the subject of lively debate.

Hiring, of course, is just one element in the process of ensuring the right talent is there at the right time to support Federal needs. Equally important is persuading Americans, especially young Americans--the next generation of talent--that they should consider a Federal post. The Chief Human Capital Officers Council properly views recruiting--broadly defined--as an important part of the Subcommittee's charter. Our challenge is quite clear from surveys of young Americans. Brookings' survey of college students, for example, reports that many seek public service--but that a government job is not necessarily their first choice in pursuing that preference. Changing these perceptions and improving the recruiting process is therefore on of the Subcommittee's priorities.

Department of Defense Hiring Initiatives - Overcoming the Challenges

The Department is keenly aware of these issues and is actively working to address them as highlighted in our Civilian Human Resources Strategic Plan and quarterly reports.

The Department continues to face an enormous challenge in recruiting talent in a highly competitive labor market. Our challenge is not attracting sufficient applicants, but attracting the right applicants. Technological advances, contract oversight, and complex missions have generated the need for employees with advanced education and greater technical skills. Inability to hire the right civilian talent would put at risk the vital capabilities needed to support our military and decrement the efficiency of the Department's "Total Force."

Another concern is overcoming the retirement wave. As more individuals become eligible for retirement, the pressure rises to retain the knowledge that only they possess. We consistently look for creative ways to retain this knowledge and for flexibilities that allow these talented individuals to ease into retirement. A holistic approach must be undertaken to achieve our strategic goals to ensure we have the right mix of talent for the future.

The flexibilities that Congress granted through the National Security Personnel System last year go a long way to improve the Department's ability to recruit, competitively compensate and retain talented individuals. We will also be taking advantage of the government-wide hiring flexibilities included in Title XIII of the Homeland Security Act of 2002, as well as special authorities granted by the Office of Personnel Management, to meet our hiring challenges, especially in Iraq.

Improving Candidate Outreach and Application Process

There must be a very active campaign for recruitment of a diverse workforce. We take seriously the responsibility to foster and promote an environment that is attractive to individuals from all segments of society. Our strategic plan focuses on the recruitment of entry-level, minority, disabled, and female applicants. We will continue to develop a diverse workforce based on an assessment of current workforce demographics, awareness of representation issues, and commitment to actions that will result in a highly qualified and representative workforce.

Additional outreach and heightened recruitment efforts are needed to educate the American public on the benefits of being a potential Department employee. Last year we established the Defense Applicant Assistance Office (DAAO) to help job applicants considering DoD civilian careers by providing a conduit between them and DoD recruiters, using web technology, electronic mail and, most important, live interaction with DAAO staff advisors. The staff offers assistance with completing required documentation and forms and provides advisory guidance on responding to vacancy announcements. DAAO facilitates a Department-wide recruitment outreach program, especially to colleges and universities, advocates changes in human resources recruitment and staffing processes, and maintains a DoD corporate branding identity that promotes DoD "as the employer of choice." The DAAO website http://www.go-defense.com/ has received over 82,000 hits since February 2003.

Efforts continue to market the Department as an "employer of choice." Marketing needs to be multi-faceted in identifying or "branding" to educate the public. This branding will showcase the Department's mission and civilian occupations using various mediums.

Maximizing Use of Hiring Flexibilities

We appreciate the government-wide flexibilities granted by Congress and are actively pursuing the use of these authorities. The Department has taken advantage of the direct hire authority granted by the Office of Personnel Management. The authority has been

delegated down to the lowest appropriate level in the Department, providing mangers the greatest flexibility possible to timely recruit talented individuals.

This is evident in the use of direct hiring authority for Iraqi reconstruction efforts. It allowed for the expedient appointment of individuals with fluency in Middle Eastern languages, including special "excepted" appointment for non-U.S. citizens. The Department is currently in the process of implementing the use of alternative (category-based) rating and selection procedures as granted in the June 15, 2004, Federal Register.

Incentives for Talent

In order to compete with the private sector for skilled and competent workers the Department must continue to implement flexible work arrangements, support and services for childcare and elder care, student loan repayment, benefits tailored to meet their needs, and a safe and healthy work environment. We must invest in our employees and ensure that they have the skills and developmental activities available to continue to grow and meet changing mission requirements.

We are reviewing our intern programs to ensure they meet the intake needs for the Department and match changing demographics of possible new hires. On-going efforts are in place to continue to assess and develop new fellowship programs in specialized functional areas. Fine-tuning is taking place on department-wide development programs, such as the Defense Leadership and Management Program (DLAMP). DLAMP is the

premier leadership and executive development program for senior Department civilians and a key component of our secession planning strategy. As the Department works to transform the force, reform human resources, and plan for the workforce of the future, DLAMP fills a vital need. All these initiatives require a paradigm shift in the way we currently think and manage our workforce.

Time to Hire and Assessment Tools

On average it takes the Department 35 workdays from the time a vacancy announcement closes until a tentative offer is extended to the candidate. Three steps would significantly reduce the time from closing to offer, while preserving merit system principles and institutional values:

- reduce security clearance processing time
- eliminate the difficulty in hiring at the entry level (Luevano)
- create efficient and effective assessment tools

We have made improvements in our assessment tools, but they still would benefit from further development. Effective and efficient assessment tools are required to assist in predicting the relative success of applicants on the job and selecting the relatively best person for the job. Properly placed candidates with the right skills increase job satisfaction and enhance mission effectiveness.

Force Shaping

The Department has experienced significant downsizing, base closures, and organizational realignment over the last fifteen years. In support of pending Base Realignment and Closure Activities the Department is relooking at transition initiatives to ensure drawdowns are handled strategically, not only to take care of employees, but to make sure we maintain and continue to recruit the talent needed to support the Department's mission.

At the same time, the Department recognizes that a number of positions now filled by military personnel could equally well be filled by civilians. The Department is engaged in a reassessment of these positions, planning to move approximately 10,000 in FY 2004 and an additional 10,000 in FY 2005—some to contract personnel, some to civil service. Many of the civil service positions are likely to be in exactly the technical areas where we need an improved hiring process. They will add to the challenge we face in recruiting the next generation of civil servants. We deeply appreciate the new flexibilities that the Congress has given us with which to meet the challenge.

CONCLUSION

The Department will continue to pursue initiatives to transform civilian personnel policies to meet the needs of the Nation. We will continually evaluate the viability of delegation of approval authorities to the lowest practicable level. We are faced with an

enormous challenge in recruiting our total force: we will take a strategic approach to ensuring we have the right mix of talent to sustain our mission, and meet the nation's needs.

The Department's effort must not end with recruiting a talented workforce. We must provide a challenging work environment, and opportunity for growth and advancement. And, we must reward the best performers properly, to attract the strongest performers in the first place.

Let me thank you again, Madame Chairwoman, Ranking Member Davis, and other members of the subcommittee, for the opportunity to testify this morning. This concludes my remarks. I will be glad to answer your questions.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Dr. Chu.

Mr. Sontag, you are recognized for 5 minutes.

Mr. SONTAG. Good morning, Madam Chairwoman and members of the subcommittee.

On behalf of Secretary Tommy Thompson, I appreciate the opportunity to be here this morning and talk about our Department's efforts to improve the Federal hiring process and specifically our use of recently granted hiring flexibilities. HHS is the principal agency that protects the health of all Americans and provides essential human services, especially for those who are the least able to help themselves.

The ability to fulfill our ambitious mission depends on the quality of our work force. An agency is only as strong as its people, and to be successful, we must be world-class as we break new ground in science and technology, increase food and drug safety and control and prevent disease. We need the best and brightest, and this means not only the scientists and researchers who form the core of our work force but highly competent professionals who can support our technical programs and address our financial, human capital acquisition and business management challenges.

Let me begin by talking about one of our most successful hiring initiatives, the Emerging Leaders Program, which is a 2-year program for recent college graduates that leads to permanent employment. We have been surprised at times and nearly overwhelmed with the quality, the abundance of candidates with graduate degrees who are eager to come and work for their Government, who are given a chance to succeed beyond all of our expectations. This program is, as I said, is one of our most successful recruitment initiatives, and it is the centerpiece of Secretary Tommy Thompson's One Department vision of human capital management.

The program has generated incredible numbers of highly talented young people competing for the opportunity to come work for their Government. Now in its third year, the program has attracted an unprecedented number of applicants. On July 26, we will bring on board 93 more Emerging Leaders, bringing our 3-year total to 250 recent college graduates. Managers and supervisors throughout the Department are continually amazed that employees right out of school are able to come in and make such an immediate impact. This is a true testament to the strength of the applicants. As you can see, we are very, very proud of this program.

The next story I would like to cover is streamlining of HHS hiring process. This past January, the Department completely restructured its human capital resource function by consolidating over 40 separate human capital offices into four human resource centers. At the same time, we implemented a series of automation initiatives to help us standardize business practices and facilitate performance management. These automation initiatives have already helped us by making it possible to forward lists of qualified candidates to selection managers within 5 days after a vacancy announcement has occurred.

As you know, OPM recently announced the creation of a 45-day hiring model for the Federal community that focuses on the time between the closing of the vacancy announcement and the making of the job offer to the candidate. I am pleased to report, as my col-

league at Defense Department did, we are within a 35-day window on average for general grade employees.

I am also pleased to report that HHS is using the direct-hiring authority throughout the Department to recruit medical officers, nurses and pharmacists. We are using it to fill positions at the Centers for Medicare and Medicaid Services, as they implement the Medicare Prescription Drug Improvement and Modernization Act.

Although HHS has yet implemented the category rating flexibility, we have written internal guidelines for its use and are now partnering with several other agencies to automate the category rating process. It will likely take another 6 months to get there, but we will get there, and we are appreciative of that flexibility.

The last area I would like to discuss is specific HHS hiring needs. One of our primary challenges is the seeming inability to hire employees at the entry grade professional level. This is the GS–5 and GS–7 level. The process in place right now prevents most young people who have just completed their undergraduate degree from making the selection list because the assessment tool used is heavily experience driven.

The current assessment process makes it nearly impossible for recent college graduates to be rated or ranked higher than the current Federal employees and those who have been in the work force for some time. We must have a vehicle that allows us not only to reach those outstanding scholars but all individuals who are qualified to work in the Government, particularly the recent college graduates.

Once again, I have been grateful for the opportunity to be here this morning and would be happy to respond to any questions you may have.

[The prepared statement of Mr. Sontag follows:]

Statement of

Ed Sontag
Assistant Secretary for Administration and Management
and
Chief Human Capital Officer
Department of Health and Human Services

Before the

Subcommittee on Civil Service and Agency Organization
Committee on Government Reform
United States House of Representatives
Washington, DC
July 13, 2004

Good Morning Madam Chairwoman and members of the Subcommittee. On behalf of Secretary Tommy Thompson, I appreciate the opportunity to appear before you today to discuss the current efforts of the Department of Health and Human Services (HHS) to improve the federal hiring process and to discuss the Department's use of recently granted hiring flexibilities.

HHS is the United States Government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves. We have responsibility for more than 300 programs, covering a wide spectrum of activities, including biomedical research, food and drug safety, disease prevention and health promotion, comprehensive health care services for Native Americans, health insurance for elderly and disabled Americans (Medicare) and health insurance for low-income people (Medicaid), financial assistance and services for low income families, and services for older Americans, including home-delivered meals. Among our many important programs, we are also the Nation's largest health insurer, handling more than 900 million Medicare claims per year and we're the Nation's largest grant-making agency, providing some 60,000 grants per year.

Throughout its history, the HHS workforce has continuously evolved and responded to internal and external factors such as major reorganizations, new legislative mandates, new initiatives, public health crises, technological advances and volatile job markets. Today, the challenges are no less daunting and these challenges have major implications for our workforce. We face a series of unprecedented internal business and external environmental challenges that have major implications for the workforce and accomplishment of the Department's mission. These challenges include growing legislative mandates; the threat of bioterrorism; rapid and significant changes in health care delivery, protection of critical infrastructure; an emerging strategic role and active health

care presence, and challenges related to an aging workforce and increased competition for skilled workers.

We administer our programs through eleven Operating Divisions. The workforce includes approximately 65,000 employees who are spread around the United States and abroad. We employ physicians, nurses, and other health professionals as researchers, clinicians and administrators; statisticians and actuaries; specialists in financial management, grants management, and information systems; legal and regulatory experts; and experts in public health, social sciences and many other fields.

HHS faces tremendous challenges as we lead Americans to better health, safety and well being.

Today, HHS is here to address issues related to our hiring needs, our efforts to streamline the hiring process, how we're using recently granted hiring flexibilities and to highlight some of our ongoing hiring initiatives within the Department.

Let me begin with one of our most successful hiring initiatives - the Emerging Leaders Program which is a 2-year internship for recent college graduates that can lead to permanent employment.

We have been surprised, and at times nearly overwhelmed, by the abundance of candidates with Masters, PhD, JD and MD degrees eager to come and work for the Federal government, and who, given the chance, exceed well beyond expectations.

This program, as I said, is one of our most successful recruitment initiatives and it's the centerpiece of Secretary Thompson's "One Department" vision for human capital management. The program has generated incredible numbers of highly talented young people competing for the opportunity to come work for HHS. Now in its third year, the program has attracted an unprecedented number of applicants.

In the first year of the program, we recruited both undergraduate and graduate students and received almost 8,000 applications. For the second and third years, we recruited at the graduate school level only and received more than 2,000 applications each year. That's 12,000 people in three years!

On July 26, we will bring on board 93 more Emerging Leaders, bringing our 3-year total to nearly 250 recent college graduates. Managers and supervisors throughout the Department are continually amazed that employees right out of school are able to come in and make such an immediate impact. This is a true testament to the strength of the applicants.

As you see, we're very proud of this program.

Another current initiative is our outreach effort to the Hispanic community – a community which has been historically under represented in the HHS work force and throughout the federal government. Right now we have human resources and subject matter managers attending conferences and career fairs in Hispanic communities to try and fill critical vacancies such as medical officers, nurses and pharmacists.

Our third initiative involves an analysis of our workforce demographics. We are now analyzing data to identify hiring trends in mission and support positions, as well as occupational and diversity profiles and succession indicators. The results of this analysis will be used to assist managers in identifying future recruitment needs and HR approaches to meeting those needs.

The next area I'd like to cover is our efforts to streamline the hiring process.

HHS has aligned and integrated its human capital programs with the Department's mission and other President's Management Agenda initiatives. In January 2004, the Department completely restructured its human resources management service delivery by consolidating what was once over 40 separate Human Resources organizations into 4 Human Resource Centers. At the same time we implemented a series of automation initiatives to help us standardize business processes and facilitate a much more rigorous performance management system in our Human Resources programs. In time, the consolidation will substantially reduce duplication of effort throughout the Department, improve service delivery and achieve FTE and cost savings.

One of our major accomplishments in this area is the implementation of *QUICKHIRE* – which is a program that helps us with recruiting, evaluating and hiring the very best people available. We use this web-based program to fill GS and wage grade positions. The system helps our HR offices to significantly improve timeliness, reduce paper processing and improve customer service. Applicants can review vacancy announcements, answer position-specific questions and apply for vacancies on-line. They can also create, edit and archive an electronic résumé by cutting and pasting from existing information. After the vacancy announcement closes, an initial assessment/screening is performed by the system based on the applicants responses. Applicants are then rated and ranked according to pre-established criteria. The best-qualified candidates are identified and forwarded to selecting officials, generally within 5 days of the closing date of the vacancy announcement.

As many of you know, OPM recently announced the creation of a 45-day hiring model for the federal community that focuses on the time between closing the vacancy announcement and making a job offer to the candidate. I am pleased to report that, on average, HHS already has a 35-day window between the closing date of the vacancy announcement and making a job offer now that we have an automated process.

Another accomplishment is the system that we use once an employee has been selected for a position. This too is a web based application, called *E-Induction*, which assists selected employees with completing the forms required to enter on duty. This system saves a significant amount of time for new employees since it automates the completion of personnel, benefits and payroll forms, including health insurance, life insurance, tax withholdings and salary direct deposits. The information is transmitted to the appropriate HR Center prior to the first day of work.

Now I'd like to discuss our use of recently granted hiring flexibilities, specifically direct hire authority and category rating.

Direct Hire Authority, which is sometimes called "on-the-spot" hiring, is one of the flexibilities provided by the Chief Human Capital Officers Act. This authority permits agencies to evaluate the credentials of qualified candidates and hire them without putting them through the formal rating and ranking process used to fill most federal jobs. The authority is limited to occupations for which there is a critical shortage of candidates or a critical hiring need for the agency. OPM has approved the use of direct hire authority, government wide, for medical officers, nurses, pharmacists, diagnostic technicians, and Information Technology (IT) security specialists.

In order to use direct hire authority, agencies are required to issue a public notice of the vacancy. In June 2004 HHS published Department-wide vacancy announcements for medical officer, nurse and pharmacist positions and those announcements will remain open throughout the summer 2004. Right now we are participating in career fairs, conferences and other recruiting events in an effort to fill jobs. Agency managers are traveling to these activities to interview applicants and offer jobs on the spot; subject matter recruiters are attending medical association meetings and conferences to seek applicants; and the HR community is fully engaged in supporting these activities. While it is too soon to know the outcome of this effort, we do expect to fill positions, especially nurses, which is one of our critical occupations.

We also requested approval of direct hire authority to fill positions at the Centers for Medicare and Medicaid Services (CMS) as they implement the Medicare Prescription Drug, Improvement and Modernization Act. OPM approved the request in May 2004. We now have authority to fill health insurance specialist, economist and actuary positions, through grade 15. This authority is in effect through 2005 and CMS is actively filling those vacancies.

Traditionally, applicants for Federal jobs are rated and ranked against pre-established criteria and then assigned a numerical score. The 3 candidates with the highest scores are then considered for selection based on the "rule of three." Category rating, which provides authority to refer more than three candidates for selection, has not been implemented within HHS at this point. We have

partnered with representatives from the Treasury Department, Department of Labor, Department of Homeland Security, General Services Administration, Environmental Protection Agency and OPM to develop an automated category-rating module that can be used with our automated system, *HHS Careers/QUICKHIRE*. It will likely take six months or more to develop the module. We will use this flexibility within HHS following development of the automated process.

Once again, I am grateful for the opportunity to discuss these matters with you, and I would be happy to respond to any questions you may have.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you very much, Mr. Sontag. Good to hear that you and Dr. Chu are working on bringing the timeline down.

Ms. Cross, it is good to have you here today, and you are now recognized for 5 minutes.

Ms. CROSS. Thank you and good morning, Madam Chairwoman and members of the subcommittee. Thank you for the opportunity, allowing me to testify this morning.

I wish to speak to you today on the Department of Energy's need for improvement in the Federal hiring process. DOE's use of newly granted hiring flexibilities, specifically category rating and direct-hire authority and our efforts to streamline the hiring process to make the Federal Government, especially DOE, the employer of choice.

We understand and appreciate Congress's interest in streamlining the hiring process. We, too, want the best and brightest, and we always seem to need them quickly. There are two points we would like to emphasize regarding improvements in the hiring process. The first point is DOE would like to express its gratitude for the interest, concern and zeal of the Office of Personnel Management in its exploring various flexibilities that will assist us and other agencies in the search for good talent. OPM's help has been discerning and responsive. OPM has a tough job. It has to meet the needs of many disparate agencies with processes and initiatives that are flexible and yet protect the merit principles.

Our second point is that, while DOE may not be in the market currently for all of the flexibilities established by OPM, we recognize the potential for future benefit to us and that the various flexibilities present. The fact that these flexibilities are present and available will save us time and effort when our need arises.

Currently, we use a number of flexibilities to streamline our hiring process. Recently, DOE did use the Government-wide direct-hire authority for information technology specialists to place IT employees within a total of 2 weeks, which is remarkable in and of itself. Other similar authorities that we routinely use include the career intern hiring authority, which is an excellent tool for our use on college campuses, and the President's management fellows authority, another excellent tool for acquiring employees with academic backgrounds but little Federal expertise. Finally, DOE, along with the National Nuclear Security Administration, makes extensive use of our agency-specific accepted-service appointment authorities for our scientific and technical employment needs.

As to the two hiring flexibilities referenced in your letter, DOE has yet had an occasion to avail itself of OPM's process for requesting an agency-specific direct-hire authority, but we are in the process of developing our case right now. We are exploring that option for acquisition specialists, which are difficult to recruit in the Washington, DC area, for engineers and scientists with nuclear backgrounds, which are needed by the Office of Nuclear Energy, Science and Technology within DOE, and specialists in nuclear engineering, nuclear safety and safeguards and security, which the NNSA is finding to be in short supply throughout the country.

We are anticipating to have great success with OPM in achieving and receiving some of those authorities. We have found, initially at

least, that a category rating flexibility is less amenable to our current skill needs, which are concentrated in the scientific and technical series and for which there are rarely large number of applicants. Category ranking, which is most efficient when a substantial number of applicants apply, may take time to be fully understood and utilized in our agency, but we're working along those lines.

We have been fully cooperating with OPM in our effort to shorten the time that it takes to hire employees. We are working with our human resources directors, both in headquarters and in the field, to measure the time that elapses. And our current average is between 31 and 45 days, we are pleased to report. Although the final statistics have yet to be compiled on all of our various appointment types, our preliminary indication is that, most of the time, it is not spent in the ranking and rating process but in the interview process. The amount of time it takes to arrange interviews and reference checks alone can be daunting.

I would like to offer three observations on DOE's and OPM's efforts to streamline the hiring process. First, we are grateful that OPM is listening to us and to our needs. OPM's initiatives to speed hiring, to provide good quality candidates to improve the Government's human capital performance management system and to ensure managerial accountability can send a message to us and to our perspective employees that we want to be the employer of choice, and that is powerful.

Second, DOE is one of many kinds of Federal agencies. No two are alike. We cannot expect every initiative to meet our needs nor can OPM expect us to adopt every initiative.

Third, in pursuit of our four-prong national security mission, DOE will not sacrifice quality for speed. We want the best, even if it takes just a little bit more time.

Thank you, again, for allowing me the opportunity today to testify, and I will be happy to answer any questions.

[The prepared statement of Ms. Cross follows:]

Testimony by

Claudia Cross
Chief Human Capital Officer
U.S. Department of Energy

Before the
Subcommittee on Civil Service and Agency Organization
Committee on Government Reform
U.S. House of Representatives

July 13, 2004

Madame Chairwoman and members of the Subcommittee:

Thank you for allowing me to testify today. My name is Claudia Cross. I am the Chief Human Capital Officer for the Department of Energy. I wish to speak to you today on the Department of Energy's, or as we say, DOE's need for improvement in the Federal hiring process, DOE's use of the newly granted hiring flexibilities, specifically category rating and direct hire authority, and DOE's efforts to streamline the hiring process to make the Federal government, especially DOE, the employer of choice.

THREE ISSUES RELATED TO HIRING FLEXIBILITIES

We understand and appreciate the Congress' interest in streamlining the hiring process. We, too, want the best and the brightest and we always seem to need them quickly. There are two points that we would like to emphasize regarding improvements in the hiring process:

The first point is that DOE would like to express its gratitude for the interest, concern and yes, zeal, of the Office of Personnel Management in its exploring various flexibilities that will assist agencies in their search for good talent. OPM's help has been discerning, responsive and, within the constraints of the sheer size of the Federal bureaucracy, quite timely. OPM has a tough job—meeting the needs of many disparate agencies with processes and initiatives that are flexible yet protect merit principles.

Our second point is that while DOE may not be in the "market" for all the flexibilities established and advocated by OPM, we recognize the potential for future benefit to our agency that the various flexibilities represent. The fact that the flexibilities are present and available will save the agency time and effort when the need arises.

Currently, DOE uses a number of flexibilities to streamline its hiring process. Recently, DOE used the Government-wide direct hire authority for Information Technology specialists to place IT employees within two weeks—this is remarkable in and of itself. Other similar authorities used routinely by DOE include the "career intern"

hiring authority, an excellent tool for DOE's use on college campuses, and the Presidential Management Fellows authority, another excellent tool for acquiring employees with academic backgrounds but little Federal experience. Finally, DOE, along with the National Nuclear Security Administration, also makes extensive use of their agency-specific excepted service appointing authorities provided under statutes authorizing the creation of DOE and the support of its scientific and technical employment needs.

As to the two hiring flexibilities referenced in your letter, Madam Chairwoman, DOE has not yet had occasion to avail itself of OPM's process for requesting agency-specific direct hire authority. However, we are exploring that option in our search for acquisition specialists, which are difficult to recruit in the Washington, D.C., area, engineers and scientists with nuclear backgrounds; which are needed by the Office of Nuclear Energy, Science and Technology; and specialists in nuclear engineering, nuclear safety and safeguards and security, which the National Nuclear Security Administration is finding to be in short supply throughout the country.

We have found that, initially at least, the category rating flexibility is less amenable to DOE's skills needs, which are concentrated in the scientific and technical series and for which there are rarely large numbers of applicants. Category rating, which is most efficient when a substantial number of applicants apply, may take time to become fully understood and utilized in our agency.

DOE'S EFFORTS TO STREAMLINE HIRING PROCEDURES

As you probably know, DOE is fully cooperating with OPM in the effort to shorten the time it takes to hire employees. We are currently working with our human resources directors in Headquarters and the field to measure the time that elapses between the end of the vacancy announcement period and formal job offers. Although the final statistics have yet to be compiled, preliminary indications are that most of that time is spent not in the "rating and ranking" process but in the interview process. The amount of time it takes to arrange interviews and reference checks alone can be daunting. If we could only streamline selecting officials' schedules, we'd be in much better shape.

CONCLUSION

In conclusion, I'd like to offer three observations on this agency's, and OPM's, efforts to streamline the hiring process. First, we are grateful that OPM is listening to us and to our needs. OPM's initiatives to speed hiring, to provide good quality candidates, to improve the Government's human capital performance management system, and to ensure managerial accountability convey a message to us and to our prospective employees that we want to be the employer of choice. That's powerful. Second, DOE is but one of many kinds of Federal agencies. No two are alike. We cannot expect every initiative to match our needs; nor can OPM expect us to adopt every initiative. Third, in pursuit of our four-pronged national security mission—maintenance of the nuclear

stockpile, energy research, energy conservation, and environmental management-- DOE will not sacrifice quality for speed. We want the best, even if it takes a bit more time.

Thank you again for allowing me this opportunity today and I will be happy to answer any questions that members of the Subcommittee may have.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you Ms. Cross.

Mr. Mihm, it's always good to have you before the committee, and you're recognized for 5 minutes.

Mr. MIHM. Thank you, Madam Chairwoman and Mr. Davis. It's always an honor to appear before you. And I very much appreciate this opportunity to continue the important discussion that has been going on about efforts to improve Federal hiring.

As the Chairwoman and Mr. Davis noted in their opening statements, Congress, OPM and the agencies have all undertaken efforts to improve the Federal hiring process. Still, agencies report they are making limited use, as you have heard earlier today, of category ranking—some more use, recently, of direct-hire authority—the two new hiring authorities that Congress created in November 2002.

In our April 2004 survey of the chief human capital officers in each of the agencies, 21 of the 22 respondents cited at least one barrier to the use of these flexibilities. The barriers frequently cited by the chief human capital officers included: First, at that point, a lack of OPM guidance; second, a lack of the agency's own policies and procedures—this is the point that Mr. Sontag was making in regards to the progress they want to make over the next 6 months on HHS's future use of categorical ranking; third, the lack of flexibility in OPM rules and regulations; and finally, concern about possible inconsistencies in the implementation of the flexibilities within their own agency. So some of it was OPM directed, and some of it was directed within their own agencies.

As you noted, Madam Chairwoman, and our survey results confirm, there is plenty of work for all of us to do on this. First, in regards to the agencies, in our survey responses, the chief human capital officers know that they need to step up and put in place the internal capabilities to use flexibilities. To help in this regard, we issued a comprehensive report in December 2002 on the effective use of human capital flexibilities in the Federal Government, including flexibilities related to hiring. We reported that agencies are often not maximizing the use of these authorities available to them, and we identified key practices that they can implement to effectively use such authorities.

These practices are shown on page 11 of my prepared statement, but they centered on six broad areas: First, planning strategically and making targeted investments; second, ensuring stakeholder and including employee input in developing policies and procedures; third, educating managers and employees on the availability and use of these flexibilities to ensure they are merit-based; fourth, streamlining and improving the administrative processes; fifth, building transparency and accountability into the system; and six, finally, changing the organization's culture.

Now, second, in regards to OPM and agencies working together, at the subcommittee's hearing on hiring in June, Deputy Director Blair identified a wide range of efforts that OPM has undertaken to assist agencies. Since that hearing, as Mr. Blair discussed this morning, OPM has taken further action to assist agencies in taking full advantage of the flexibilities.

In the report we issued in May and underscored at the subcommittee's hearing in Chicago last month, we discussed OPM's

role in helping agencies use these flexibilities and recommended that OPM work with and through the new Chief Human Capital Officers Council to more thoroughly research, compile and analyze information on the effective and innovative use of flexibilities. We noted that sharing information about when and where and how the broad range of personnel authorities are being used and should be used could help agencies meet their pressing human capital challenges.

As we recently testified, OPM and agencies need to continue to work together to improve the hiring process. There is joint responsibility here and ample opportunities for shared learning. And the Chief Human Capital Officers Council should be a key vehicle for this needed collaboration. We are all fortunate that Dr. Chu chairs the CHCO subcommittee on improving hiring, and I was especially glad to hear that the report that was in draft at your May hearing has now been out, and I look forward to getting that and reading that.

In conclusion, the Federal Government is now facing one of its most transformational changes into the civil service in probably over half a century. Federal agencies need effective hiring processes to compete for talented people in a highly competitive job market. Given that the executive branch hired nearly 95,000 new employees in fiscal year 2003 and may continue significant hiring over the coming years, improving the Federal Government's process is absolutely critical. We must build on the progress that has already been made, and cooperative relationships between the agencies and OPM using the Chief Human Capital Officers Council as a vehicle is, in our view, really is the way to go. I would be happy to answer any questions you may have.

[The prepared statement of Mr. Mihm follows:]

United States Government Accountability Office

GAO

Testimony

Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives

For Release on Delivery
Expected at 10:00 a.m. EDT
Tuesday, July 13, 2004

HUMAN CAPITAL

Increasing Agencies' Use of New Hiring Flexibilities

Statement of J. Christopher Mihm
Managing Director, Strategic Issues

GAO-04-959T

July 13, 2004

GAO
Accountability · Integrity · Reliability

Highlights

Highlights of GAO-04-959T, a testimony before the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives

HUMAN CAPITAL

Increasing Agencies' Use of New Hiring Flexibilities

Why GAO Did This Study

Improving the federal hiring process is critical given that the executive branch hired nearly 95,000 new employees during fiscal year 2003 and significant hiring may continue over the next few years.

In May 2003, GAO issued a report highlighting several key problems in the federal hiring process. That report concluded that the process needed improvement and included recommendations to address the problems. Last month, GAO issued a follow-up to that report and testified before this subcommittee on the status of recent efforts to improve the federal hiring process. As part of this work, GAO also assessed the extent to which federal agencies are using two new hiring flexibilities: category rating and direct-hire authority. Category rating permits an agency manager to select a job candidate placed in a best-qualified category rather than being limited to three candidates under the "rule of three." Direct-hire authority allows an agency to appoint individuals to positions without adherence to certain competitive examination requirements when there is a severe shortage of qualified candidates or a critical hiring need.

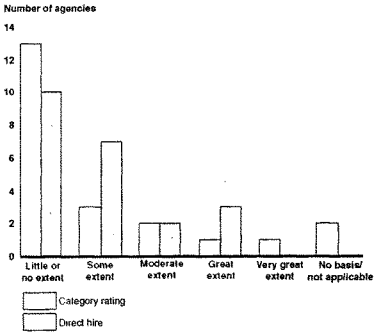
Today, GAO's statement highlights the extent to which agencies are using the new hiring flexibilities, points out some likely reasons why agencies are not using or making greater use of them, and suggests approaches that can help increase their use.

www.gao.gov/cgi-bin/getrpt?GAO-04-959T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

What GAO Found

Although Congress, the Office of Personnel Management (OPM), and agencies have all recently undertaken efforts to help improve the federal hiring process, agencies report they are making limited use of the two new hiring flexibilities contained in the Homeland Security Act of 2002: category rating and direct-hire authority. These flexibilities could help agencies in expediting and controlling their hiring processes. GAO surveyed members of the interagency Chief Human Capital Officers Council (CHCO) to determine the extent to which their respective agencies were using the new hiring flexibilities and to identify barriers to greater use of these flexibilities. Frequently cited barriers included (1) the lack of OPM guidance for using the flexibilities, (2) the lack of agency policies and procedures for using the flexibilities, (3) the lack of flexibility in OPM rules and regulations, and (4) concern about possible inconsistencies in the implementation of the flexibilities within the department or agency.



Source: CHCO Council members' responses to GAO questionnaire.

The federal government is now facing one of the most transformational changes to the civil service in half a century. Today's challenge is to define the appropriate roles and day-to-day working relationships for OPM and individual agencies as they collaborate on developing innovative and more effective hiring systems. Moreover, human capital expertise within the agencies must be up to the challenge for this transformation to be successful and enduring.

Chairwoman Davis, Mr. Davis, and Members of the Subcommittee:

I appreciate the opportunity to be here today to continue the important discussion about efforts to improve the federal hiring process. As you are aware, federal agencies need effective hiring processes to compete for talented people in a highly competitive job market. Given that the executive branch hired nearly 95,000 new employees in fiscal year 2003 and may continue significant hiring over the next few years, improving the government's hiring process is critical. Over the years, there has been widespread recognition that the federal hiring process all too often does not meet the needs of agencies in achieving their missions, the needs of managers in filling positions with the right talent, nor the needs of applicants for a timely, efficient, transparent, and merit-based process.

In May 2003, we issued a report highlighting several key problems in the federal hiring process.[1] That report concluded that federal hiring needed improvements, and we made several recommendations to address problems with key parts of the hiring process. Specifically, we recommended that the Office of Personnel Management (OPM) take additional actions to assist agencies in strengthening the hiring process. Moreover, we reported that agencies must take greater responsibility for maximizing the efficiency and effectiveness of their individual hiring processes within the current statutory and regulatory framework that Congress and OPM have provided.

Last month, we issued a follow-up report, done at the request of the Chairwoman and Mr. Davis, that focused on recent governmentwide efforts to improve federal hiring, and we also provided testimony before this subcommittee summarizing the work done for that report.[2] Our report last month also addressed your request that we include information on the extent to which agencies were using two new hiring flexibilities contained in the Homeland Security Act of 2002.[3] One of these hiring flexibilities,

[1]U.S. General Accounting Office, *Human Capital: Opportunities to Improve Executive Agencies' Hiring Processes*, GAO-03-450 (Washington, D.C.: May 30, 2003).

[2]U.S. General Accounting Office, *Human Capital: Additional Collaboration Between OPM and Agencies Is Key to Improved Federal Hiring*, GAO-04-797 (Washington, D.C.: June 7, 2004) and U.S. General Accounting Office, *Human Capital: Status of Efforts to Improve Federal Hiring*, GAO-04-796T (Washington, D.C.: June 7, 2004).

[3]These hiring flexibilities are contained in the Chief Human Capital Officers Act of 2002, Title XIII of the Homeland Security Act of 2002. Pub. L. No. 107-296 (Nov. 25, 2002).

known as category rating, permits an agency to select a job candidate placed in a best-qualified category rather than being limited to three candidates under the "rule of three." The other hiring flexibility, often referred to as direct hire, allows an agency to appoint people to positions without adherence to certain competitive examination requirements when there is a severe shortage of qualified candidates or a critical hiring need. Various agency officials from across the federal government often previously cited both of these hiring flexibilities as needed tools to help in improving the federal hiring process.

As agreed with the subcommittee, today I will highlight information that we gathered and analyzed about the extent to which agencies are using the new hiring flexibilities and point out some likely reasons why agencies are not using or making greater use of these new flexibilities. Our work to address these issues was based on interviews with officials from OPM and the interagency Chief Human Capital Officers (CHCO) Council, the results of our April 2004 survey of 22 of the 23 agency members serving on the CHCO Council, and our review of OPM documents as well as data from OPM's central database of governmentwide personnel information. I also will suggest, based on our prior work, some approaches that agencies and OPM can employ to better use existing authorities.

Summary

In summary, our recent work found the following. Although Congress, OPM, and agencies have all undertaken efforts to help improve the federal hiring process, agencies report they are making limited use of the new hiring flexibilities: category rating and direct hire. In our April 2004 survey of CHCO Council members, 21 of the 22 respondents cited at least one barrier that they said prevented or hindered their agencies from using or making greater use of these hiring flexibilities. Frequently cited barriers included:

- the lack of OPM guidance for using the flexibilities,
- the lack of agency policies and procedures for using the flexibilities,
- the lack of flexibility in OPM rules and regulations, and
- concern about possible inconsistencies in the implementation of the flexibilities within the department or agency.

The follow-up report that we issued last month on the federal hiring process included no new recommendations. We did, however, underscore our prior recommendations on which we believe additional attention is needed. On the basis of our work, OPM's recent efforts and the CHCO Council members' views do not appear consistent, which suggests that defining the appropriate roles and day-to-day working relationships for OPM and individual agencies is essential as they further collaborate on developing innovative and more effective hiring systems. At the subcommittee hearing on hiring last month, OPM identified a wide range of efforts it has undertaken to assist agencies in using the new hiring authorities, including a number of important initiatives that took place after we surveyed CHCO Council members. Moreover, since that hearing, OPM has taken further action with the goal of helping to ensure that agencies are aware of the hiring flexibilities available to them and assisting agencies in taking full advantage of these available flexibilities.

Agencies Appear to Be Making Limited Use of New Hiring Flexibilities

Despite agency officials' past calls for hiring reform, agencies appear to be making limited use of category rating and direct-hire authority, the two new hiring flexibilities created by Congress in November 2002 and implemented by OPM in June 2003. Data on the actual use of these two hiring flexibilities are not readily available, but most CHCO Council members responding to our April 2004 survey indicated that their agencies are making little or no use of either flexibility. Indeed, all but one of the 22 CHCO Council members responding to our recent survey identified at least one barrier to using the new hiring flexibilities. OPM officials also confirmed with us that based on their contacts and communications with agencies, it appeared that the agencies were making limited use of the new hiring flexibilities. The limited use of category rating is somewhat unexpected given the views of human resources directors we interviewed 2 years ago. As noted in our May 2003 report, many agency human resources directors indicated that numerical rating and the rule of three were key obstacles in the hiring process. Category rating was authorized to address those concerns.

CHCO Council Members Offered Various Reasons for Limited Use of Category Rating

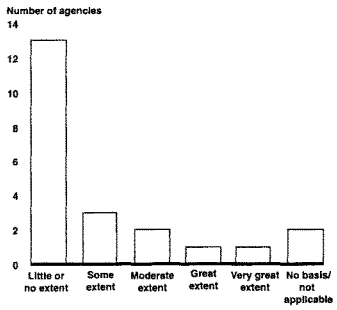
Category rating is an alternative rating and selection procedure that can provide agency managers with a larger pool of qualified job candidates from which to select than numerical ranking and the rule of three, while also protecting veterans' preference. Under category rating, job candidates are assigned to quality categories—such as "best qualified" or "highly

qualified"—following an assessment of their knowledge and skills against job-related criteria. The names of all candidates in the highest quality group are then sent to the selecting official and are available for selection. If the highest quality group contains a veteran, the veteran must be hired unless an objection to hiring the veteran is sustained by OPM. If the number of candidates falling into the highest quality group is inadequate, applicants from the next highest quality group of eligible candidates can also be referred to the agency manager for selection.

Given the lack of available data on the extent to which agencies were using the newly authorized category rating flexibility, we asked about this issue in our April 2004 survey of the CHCO Council members. A majority (13 of 22) of the officials responding to our survey said that their agencies were using category rating to "little or no extent" (see fig. 1). In narrative responses to our survey questions about category rating, several respondents said that their agencies were not using category rating but were considering options, developing procedures, or establishing pilot programs. For example, a CHCO Council member from a cabinet-level department said that his department had developed procedures for implementing category rating and had included this flexibility as a tool in the department's hiring plan for fiscal year 2004. Another Council member representing a department said that the department had drafted a policy on the use of category rating and was establishing a program to pilot the use of this hiring flexibility with at least one occupation.

Figure 1: CHCO Council Members' Responses on the Extent to Which Their Agencies Are Using Category Rating

Question: To what extent is your department/agency using the newly authorized category rating flexibility in its hiring process?



Source: CHCO Council members' responses to GAO questionnaire.

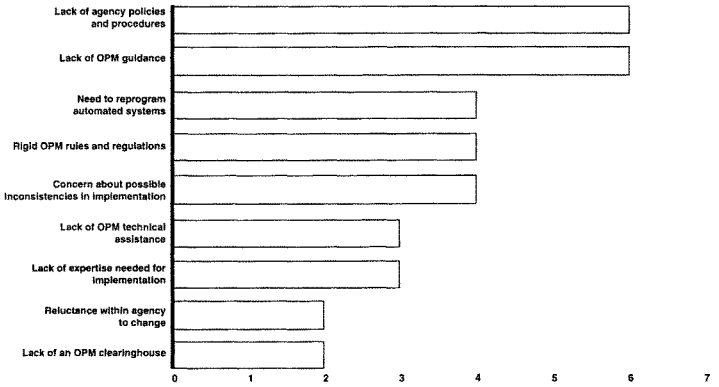
We also surveyed CHCO Council members about the most significant barriers, if any, preventing or hindering their agencies from using or making greater use of the newly authorized category rating flexibility in their hiring processes. Although the responses provided by the Council members varied (see fig. 2), the most frequently cited barriers to using category rating were (1) the lack of policies and procedures within the department or agency for using the flexibility, (2) the lack of OPM guidance for using the flexibility, (3) a need to reprogram the agency's automated systems to handle the new process, (4) rigid OPM rules and regulations, and (5) concern about possible inconsistencies in implementation. In narrative responses to our survey questions about category rating, a few CHCO Council members said that their agencies were not using or making greater use of category rating because of key stakeholders' lack of understanding about the application of veterans' preference and the Luevano consent

decree.[4] One respondent said that each agency has had to research best practices and lessons learned prior to implementing this alternative rating system. Another Council member from a major department said that agencies need a governmentwide champion to advance the use of category rating in their hiring processes.

[4] The Luevano consent decree is a 1981 agreement that settled a lawsuit alleging that a written test, Professional and Administrative Careers Examination (PACE), had an adverse impact on African Americans and Hispanics. See *Luevano v. Campbell*, 93 F.R.D. 68 (D.D.C. 1981). The consent decree called for the elimination of PACE and required replacing it with alternative examinations. In response to the consent decree, OPM developed the Administrative Careers with America examination. The consent decree also established two special hiring programs, Outstanding Scholar and Bilingual/Bicultural, for limited use in filling former PACE positions.

Figure 2: CHCO Council Members' Responses on the Most Significant Barriers Preventing or Hindering Their Agencies' Use of Category Rating

Question: What are the three most significant barriers, if any, preventing or hindering your department/agency from using or making greater use in its hiring process of the newly authorized category rating flexibility?



Source: CHCO Council members' responses to GAO questionnaire.

Note: Respondents could select up to three barriers.

In our April 2004 survey of CHCO Council members, we also asked about the extent to which OPM had assisted their agencies in using category rating and their level of satisfaction or dissatisfaction with that assistance. In narrative responses to our survey questions about category rating, a CHCO Council member representing a major department said, for example, that the department was reluctant to use category rating until OPM provided further guidance on use of the flexibility. Another respondent said that OPM responded to ad hoc questions related to the technical application of category rating, but generally defers to the agency to make the final determination. This respondent suggested that it would be beneficial for OPM to broadly address technical issues for agencies rather than on an ad hoc basis. Another respondent remarked that unresolved

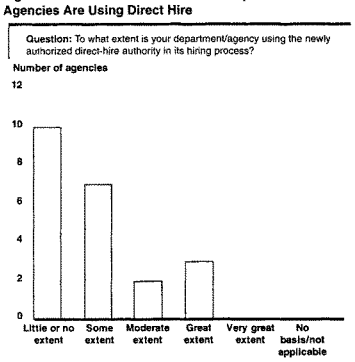
questions around the use of category rating may be common to all agencies and that OPM should provide additional implementation guidance in question and answer format.

CHCO Council Members Cited Several Barriers to Use of Direct-Hire Authority

Direct-hire authority allows agencies to appoint candidates directly to positions where OPM determines there is a severe shortage of candidates or a critical hiring need. When making appointments under the newly authorized direct-hire authority, agencies are not required to numerically rate and rank applicants nor apply the rule of three or veterans' preference. Agencies would still provide public notice of the vacancies and screen all applicants to ensure that they meet the basic qualification requirements of the position to be filled.

Given the lack of available data on the extent to which agencies were using the new direct-hire authority, we asked about this issue in our April 2004 survey of the CHCO Council members. A majority (17 of 22) of the officials responding to our survey said that their agencies were using direct hire to "some extent" or to "little or no extent" (see fig. 3). In narrative responses to our survey questions about direct hire, several respondents stated that their agencies had used direct-hire authority to fill various medical positions and small numbers of information technology security positions. Several respondents also said that their agencies had not yet used direct-hire authority but were assessing the options for doing so. For example, a CHCO Council member representing an independent agency said that the agency had not thus far decided if it still had positions in a shortage category and would make such a determination after completing its workforce analysis and strategic assessments. A Council member from a cabinet-level department said that it had determined a need for direct-hire authority for acquisition specialists and was developing a request to OPM. Another Council member representing a large department said that the department's components were aware of the newly authorized direct-hire authority but they had not yet identified situations for which they would request OPM's approval to use the authority.

Figure 3: CHCO Council Members' Responses on the Extent to Which Their Agencies Are Using Direct Hire

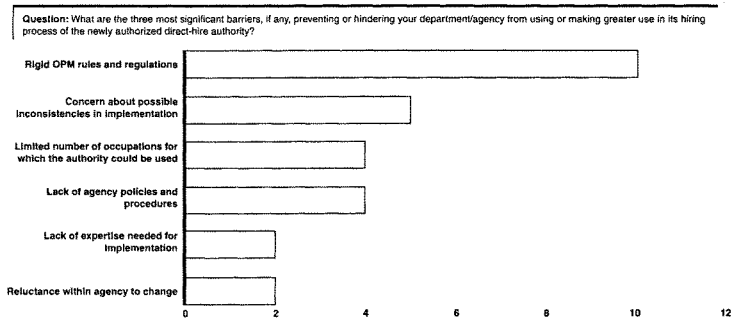


Source: CHCO Council members' responses to GAO questionnaire.

Additionally, we surveyed CHCO Council members about the most significant barriers, if any, preventing or hindering their agencies from using or making greater use of the newly authorized direct-hire authority in their hiring processes. Although the responses provided by the Council members varied (see fig. 4), the most frequently cited barriers to using direct hire were (1) rigid OPM rules and regulations, (2) concern about possible inconsistent implementation with the department or agency, (3) limited number of occupations for which the authority could be used, and (4) the lack of policies and procedures within the agency for using direct hire. In narrative responses to our survey questions about direct hire, a CHCO Council member representing a large department said, for example, that recently OPM officials informally told the department that OPM would likely disapprove a proposed request for direct-hire authority that the department desired for a specified occupation, even though at least one other agency had direct-hire authority for that same occupation. Another Council member representing an independent agency commented that the governmentwide direct-hire authorities that OPM has issued cover occupations generally not applicable to the agency or in which the agency

has an extremely limited number of positions. In contrast, a CHCO Council member representing a cabinet-level department responded that no barriers exist for using direct-hire authority.

Figure 4: CHCO Council Members' Responses on the Most Significant Barriers Preventing or Hindering Their Agencies' Use of Direct Hire



Source: CHCO Council members' responses to GAO questionnaire.

Note: Respondents could select up to three barriers.

In our April 2004 survey of CHCO Council members, we also asked about the extent to which OPM had assisted their agencies in using direct hire and their level of satisfaction or dissatisfaction with that assistance. In narrative responses to our survey questions about direct hire, one respondent from a cabinet-level department said, for example, that the department had attempted to use direct-hire authority for information technology security positions but received inconsistent guidance on the application of veterans' preference from OPM. A Council member from a large department said that OPM should delegate authority to approve direct hire requests to the agencies as permitted by the Homeland Security Act of 2002. A respondent from another department said that the department had surveyed its components to determine if it should petition OPM for direct-hire authority, but that most of the positions identified to date could not be justified based on the OPM criteria.

Moving Forward to Improve Federal Hiring

In December 2002, we issued a comprehensive report on the effective use of human capital flexibilities in the federal government, including flexibilities related to hiring.[5] We reported that agencies were often not maximizing their use of the human capital flexibilities already available to them, and we identified key practices that agencies can implement to effectively use such flexibilities (see fig. 5). For example, agencies need to plan strategically and make targeted investments for how they will use and fund these authorities. As we emphasized in our report, the insufficient and ineffective use of flexibilities can significantly hinder the ability of federal agencies to recruit, hire, retain, and manage their human capital.

Figure 5: Key Practices for Effective Use of Human Capital Flexibilities

Plan strategically and make targeted investments	• Obtain agency leadership commitment • Determine agency workforce needs using fact-based analysis • Develop strategies that employ appropriate flexibilities to meet workforce needs • Make appropriate funding available
Ensure stakeholder input in developing policies and procedures	• Engage the human capital office • Engage agency managers and supervisors • Involve employees and unions • Use input to establish clear, documented, and transparent policies and procedures
Educate managers and employees on the availability and use of flexibilities	• Train human capital staff • Educate agency managers and supervisors on existence and use of flexibilities • Inform employees of procedures and rights
Streamline and improve administrative processes	• Ascertain the source of existing requirements • Reevaluate administrative approval processes for greater efficiency • Replicate proven successes of others
Build transparency and accountability into the system	• Delegate authority to use flexibilities to appropriate levels within the agency • Hold managers and supervisors directly accountable • Apply policies and procedures consistently
Change the organizational culture	• Ensure involvement of senior human capital managers in key decision-making processes • Encourage greater acceptance of prudent risk taking and organizational change • Recognize differences in individual job performance and competencies

Source: GAO.

[5] U.S. General Accounting Office, *Human Capital: Effective Use of Flexibilities Can Assist Agencies in Managing Their Workforces*, GAO-03-2 (Washington, D.C.: Dec. 6, 2002).

In a report we issued in May 2003 related to OPM's role in assisting federal agencies in using human capital flexibilities, we recommended that OPM work with and through the new CHCO Council to more thoroughly research, compile, and analyze information on the effective and innovative use of these flexibilities.[6] We noted that sharing information about when, where, and how the broad range of personnel flexibilities is being used, and should be used, could help agencies meet their human capital management challenges. As we recently testified, OPM and agencies need to continue to work together to improve the hiring process, and the CHCO Council should be a key vehicle for this needed collaboration.[7] Such communication and collaboration is especially important given the apparent widely different views between OPM and at least some agencies regarding the amount and adequacy of guidance and assistance that OPM has provided. In order for this collaboration to be effective, agencies need to provide OPM with timely and comprehensive information about their experiences in using various approaches and flexibilities to improve their hiring processes. OPM—working through the CHCO Council—can, in turn, help by being a facilitator in the collection and exchange of information about agencies' effective practices and successful approaches to improved hiring. Such additional collaboration between OPM and agencies could go a long way in helping the government as a whole and individual agencies to improve federal hiring efforts.

Since our June 2004 testimony on these issues, OPM has taken some additional actions in providing further guidance to agencies in using hiring flexibilities. For example, on June 15, 2004, OPM issued final regulations on the use of category rating and direct-hire authority, providing some clarification in response to various comments it had received on interim regulations. On June 29, 2004, OPM conducted a training symposium to provide federal agencies with further instruction and information on ways to improve the quality and speed of the hiring process. According to OPM, 230 officials from over 30 federal agencies attended this training session and were encouraged to make better use of available flexibilities to improve the hiring process. In addition, OPM recently hosted a briefing to

[6]U.S. General Accounting Office, *Human Capital: OPM Can Better Assist Agencies in Using Personnel Flexibilities*, GAO-03-428 (Washington, D.C.: May 9, 2003).

[7]U.S. General Accounting Office, *Human Capital: Observations on Agencies' Implementation of the Chief Human Capital Officers Act*, GAO-04-800T (Washington, D.C.: May 18, 2004).

inform various interest groups about the results of a survey that OPM conducted on federal hiring.

In conclusion, the federal government is now facing one of the most transformational changes to the civil service in half a century. This change is illustrated in the new personnel systems for the Department of Homeland Security and the Department of Defense and in new hiring flexibilities provided to all agencies. For this transformation to be successful and enduring, human capital expertise within the agencies must be up to the challenge.

Madam Chairwoman and Mr. Davis, this completes my statement. I would be pleased to respond to any questions that you might have.

Contacts and Acknowledgments

For further information on this testimony, please contact J. Christopher Mihm, Managing Director, Strategic Issues, (202) 512-6806 or at mihmj@gao.gov. Individuals making key contributions to this testimony include K. Scott Derrick and Trina Lewis.

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Mrs. JO ANN DAVIS OF VIRGINIA. Thank you very much.

And thank all of you for being patient with us today and giving us all great opening statements.

We will now move to our question-and-answer segment, and I will begin with our ranking member, Mr. Davis.

Mr. DAVIS OF ILLINOIS. Thank you very much, Madam Chairwoman.

Mr. Mihm, in your statement, you mentioned things like working cooperatively together, putting more emphasis on your own—and creating, I guess, the atmosphere where OPM works with specific agencies to improve output. Are there any examples of what OPM perhaps could do that would be more directive in terms of what might assist agencies to move along?

Mr. MIHM. There are a couple of areas, Mr. Davis. We are very fortunate with this Chief Financial Officers Council and the Chief Information Officers Council that we have a couple of very good models out there for how agencies can work together and with the Central Management Agency in order to share information, build joint expertise and that these councils can be good vehicles both for keying up new ideas and new approaches as well as testing in either pilots or pilot projects that was a particular concern of yours, using these as good vehicles for being able to pilot new and different approaches before and gather lessons learned before they are disseminated Government-wide. In direct answer to your question, there are a number of areas that we think OPM in this particular issue on hiring could work with the Chief Human Capital Officers Council, and that is to continue to look at agencies that are making effective use of the flexibilities that OPM or that the legislation provided, both on category ranking and in direct hire, and use those as concrete examples that can be shared around Government as to how we can do this, what is the appropriate use, how they can be done in a merit-based way so agencies can see themselves in that picture and say, now I can understand and have a concrete view of how I can use that flexibility.

I know, through the Chief Human Capital Officers Council and the Subcommittee on Hiring in particular, this particular thinking is going on, and we think it should be encouraged and augmented.

Mr. DAVIS OF ILLINOIS. Dr. Chu, what resources have you found most useful in recruiting minorities and women, especially in technical areas?

Mr. CHU. I think the most important resource, sir, is outreach to interested professional organizations where you have a gathering of candidates or people who influence candidate decisions in terms of Federal employment. We make a real effort, both for our military recruiting purposes and also for civil service, to visit with these organizations, particularly those that have significant numbers of African Americans and Hispanic members. And I think that is one of the most effective tools, because we need to persuade people from these different communities that, indeed, a Federal position is something they might find interesting.

Mr. DAVIS OF ILLINOIS. I know that many of these organizations and groups actually have caucuses within the organization. And do you go directly to the mainline organization or do you go after the

caucuses where the minorities may feel that they have more input, more of a relationship and actually spend more of their time?

Mr. CHU. Our emphasis in this regard has been visiting with those organizations where there is a significant minority membership. Often, they are organized along specific minority lines. And so it is a mixture of what you have outlined in your question.

Mr. DAVIS OF ILLINOIS. Thank you.

Mr. Blair, what is the current status of the Senior Executive Service Candidate Development Program?

Mr. BLAIR. I know that has been under extensive review for quite some time, and I think we are getting close to finalizing it at this point. We have the SESCDP, and we have the Senior Management Fellows Program and the Revised Presidential Management Fellows Program, and all of those are being designed with an eye toward bringing in top quality talent into the Federal work force.

These are going to be programs that will be a conduit for reaching out to groups, and we anticipate that all these programs will be ways of improving not only Federal hiring but the quality of hires and helping Federal agencies attract and retain good workers.

Mr. DAVIS OF ILLINOIS. I know OPM has developed a 45-day hiring model that is used to hire senior executives. How long does it take the manager to hire a professional staff person?

Mr. BLAIR. I didn't understand your question.

Mr. DAVIS OF ILLINOIS. You have a 45-day model for hiring senior executives.

Mr. BLAIR. We have a 30-day model for hiring. And 45 would be for rank-and-file employees.

Mr. DAVIS OF ILLINOIS. It takes 45 days for them to hire?

Mr. BLAIR. That's a goal.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you very much, Madam Chairwoman.

Mrs. JO ANN DAVIS OF VIRGINIA. Mr. Blair, the hearing in Chicago, we had a couple of witnesses who—one in particular—who applied to the Federal Government and, to that date, still had not heard a word as to whether or not her application was received or where it was, had it fallen into some black hole or what. When they apply—and we hear it quite often, and I hear it in my district, it can be months before they receive a response and sometimes never receive a response. Is anything being done by OPM or the agencies to notify the applicants when they apply to let them know that yeah, we have received it, this is where it is, or do they just stay in limbo?

Mr. BLAIR. It is across the board. And to be completely honest, you have some positions, some agencies, some offices, that reply almost immediately and let applicants know where they stand in the process, and others never get back. It is probably due to a whole host of factors, the number of applicants, the critical nature of the job. Those aren't excuses, those are just the playing fields which we encounter.

What we are trying to do at OPM is to encourage agencies to get back and let them know. A couple of years ago, we engaged the Partnership For Public Service in what we call the call to serve, and we re-engaged a number of college campuses and universities

in making sure that college graduates were interested in public service. We also unveiled a pledge to applicants, and we urged all agencies adopt this pledge to applicants, saying we will get back to people on a timely manner.

Unfortunately, many of those that pledged—it isn't followed as strictly as we would like to see, but it is a continuing work in process.

I am frustrated when you hear those things, too, because I take those quite personally. The one witness you mentioned and her frustration with getting her application online was something we went back and looked at, and we are going to continually strive to make our Web site and our application process much more user-friendly. And we need to do more to make it that way.

Mrs. JO ANN DAVIS OF VIRGINIA. Did you look at not having the Social Security number on that application?

Mr. BLAIR. We were looking at that. We were trying to make sure that there could be some kind of identifying factor, and I think that is something that we can do.

Mrs. JO ANN DAVIS OF VIRGINIA. I don't know how many applications you get, but in my office, everybody who applies gets a form letter back, if nothing else, saying, thank you, the job has been filled or what have you.

Mr. BLAIR. One of the reasons we are hearing that you need to have a Social security number is if you are going to do a background check, but that may be able to be tailored to specific job applications or you may not need that information until the job is actually offered.

Mrs. JO ANN DAVIS OF VIRGINIA. Do you do background checks on every applicant or only on those——

Mr. BLAIR. I don't think it is done on every applicant. There may be a time and place.

Mrs. JO ANN DAVIS OF VIRGINIA. It may be better to wait and ask for a Social Security Number at that point. During the July 1, 2004 OPM press conference, Doris Houser, OPM's Chief Human Capital Officer noted that a survey of attendees at a job fair in New York City this past spring did not address the frequent complaints that the hiring process is long and cumbersome. What effort has OPM made to hear from individual applicants to identify their experience and criticism of the hiring process, other than the hearing that we had in Chicago?

Mr. BLAIR. The hearing in Chicago highlighted, I think, or was representative of what a number of people out there feel. And again, we take that very personally, and we want to make sure we have a much more user-friendly process.

Every time we hear something like this, we take it back and say, how can we make it easier and quicker and how can we make it fairer? So I think shedding light on this subject produces the kind of heat and results that this subcommittee and that this administration expects in delivering goods and services by Government.

Mrs. JO ANN DAVIS OF VIRGINIA. And don't take it personally, I am not picking on OPM. I am trying to fix a problem here.

Mr. BLAIR. It is personal, because you really want to do the right thing. And if you have a high-level commitment to public service, you want to make sure that commitment is genuine and people un-

derstand that genuine commitment. So when you hear about something like that, it is not personal from you, but I take it personally because I want to make sure the process is easier and quicker.

Mrs. JO ANN DAVIS OF VIRGINIA. How long, generally, does it take for someone to be hired in the private sector?

Mr. MIHM. Dan and I were talking about that. I think OPM has information on that.

Mr. BLAIR. According to—and I hope I get this right, but information we have from the Society of Human Resource Managers show that it takes about 45 calendar days in the private sector.

Mrs. JO ANN DAVIS OF VIRGINIA. I will have to do some math on that.

Ms. Blackburn left.

Let me go to Mr. Davis for a second round, and then I will come back with some others.

Mr. DAVIS OF ILLINOIS. Mr. Sontag, you expressed some concern about the ability to reach out at entry level for professionals given the way job descriptions are sometimes written and advertised that weigh heavily on experience. And what would you recommend that be done to alter that?

Mr. SONTAG. I certainly would like to see us develop alternative assessment instruments themselves so that we do have the ability to focus on people who are entering the job force for the first time. We really want those. As we balance our work force, I think we need an infusion of recent college graduates. We don't necessarily have to have people who have lots of experience before they come to us in all jobs. And I think the major vehicle that would assist us would be the changing of the assessment instruments themselves.

Mr. DAVIS OF ILLINOIS. Sort of mix those, experience and/or training, education whether it is some mix that perhaps arrives at the kind of person that you are seeking?

Mr. SONTAG. To elaborate a little bit, I think the more that we can reach out to the recent graduates, the more we are going to be able to expand the diversity of the work force. In some areas, it is very hard for minority status to have the kind of work experience that would enable them to compete. By equalizing that, I think we will be able to expand our diversity in the work force.

Mr. DAVIS OF ILLINOIS. Ms. Cross, what tools or what have you seen that you would describe as being most effective at recruiting minorities and women, especially in technical areas?

Ms. CROSS. I think a lot of the student programs and intern programs where there is some easy way to get in and some programmatic way to advance. Many times, students are interested in a general broad field, but they still haven't figured out what they want to be when they grow up, and these types of programs allow them the experience, a cooperative education program that, while they're still students, they can get into an agency and get some experience, figure out what they want to be and then pursue some more narrow opportunities as they gain that experience.

From our point of view and from a diversity point of view, it has been extremely important to have those student employment programs. There is some assistance available that we can provide students for their education. And so it really makes a big difference

in changing the culture, too, of the agency to have students from all walks of life, all types of backgrounds as part of the work force.

Mr. DAVIS OF ILLINOIS. Would you highly recommend—and I share that. It seems to me that I run into many individuals who, if you asked them how they got their start, where they are, or how did they get into where they are, they had an internship or went to work there as part of a college work study program, and they ended up staying. Would you highly recommend that perhaps we increase and look a bit more at the creation of more formalized internship programs?

I know there are some people who manage to get the places, they get lucky and they get there, but sometimes they don't know how they got there. We don't know how many internship opportunities exist within certain agencies. There are no relationships with colleges and universities that can send students when they are approaching the end of college, are in their senior year. Would you say we look very seriously at perhaps formalizing in greater detail internship programs as a real way of doing recruitment?

Ms. CROSS. Absolutely. And I think, from some of the recent conversations that we've had at the Chief Human Capital Officers Council with OPM, OPM has already taken a lot of strides in that area to look at more flexibilities in some of the student programs, to allow a broader range of applicants to participate, looking at some Government-wide intern type approaches. So I think we are starting to move in that direction, and I would appreciate any assistance you could provide in that area.

I, too, started as an intern. It is one of those things that you need to have a little bit of structure around you when you are coming out of college and you are entering any large corporation. It comes with a prepackaged type of mentoring, so you have somebody that can help show you the way. If you apply for a single job and get selected, sometimes you feel like a very little fish in a very big sea, and it can be scarry, and you can get stuck. So I think these types of programs are really important for our ability to retain those young people once we do get them in.

Mr. BLAIR. One of the things I would point out to the subcommittee is that, at OPM, we are exploring ways to make it more flexible to bring interns on board and into the career work force. Right now, we have seen an increase in the number of intern hires by the agencies. We want to do more to make sure that, if you intern for the Federal Government—I understand in the private sector about half of those that intern at a company go to work for that company. We would like to aim for a similar goal. One of the things we can do, in the Federal Government, you have a fair number of outside organizations that hire interns that work in the Federal Government, and we want to be able to give those interns the same type of hourly credit that regular Government interns receive as well. So we are working on that. We see the value in bringing interns in and we see the value of making sure that it is an easier process to get them on as permanent hires.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Davis.

In the last hearing we had in Chicago, we asked the question why an agency wouldn't want to reduce their overall hiring time to 30 days, and Mr. Blair answered that by saying that would be

best answered by agency heads. I want to ask Dr. Chu, Mr. Sontag and Ms. Cross, with all that being said, why is it even necessary for OPM to have to establish a 45-day hiring timeline? And apart from the direct-hire authority, could HHS or DOE or DOD hire an employee within the 30 days? I know you have told me, and I don't think I caught it, Ms. Cross. Have you done it in 35 days or less?

Ms. CROSS. Yeah. We have groups that we are tracking, is 31 days.

Mrs. JO ANN DAVIS OF VIRGINIA. Maybe you could shed light on why an agency wouldn't want to lower the time to hire so you can hire the most talented.

Mr. CHU. We have interest, Madam Chairwoman, in the hiring process being as expeditious as possible. One of the important tools in that regard is our move some years ago now to Resumix, which is the automated resume system so that you can evaluate the resume quickly to see if this person is going to qualify.

Mrs. JO ANN DAVIS OF VIRGINIA. Do you respond back when you get resumes through that computer program?

Mr. CHU. People can get a response back, feedback. And I think getting the process steps honed so it doesn't take as long to do the routine things is a critical component of getting these timelines down. You want to be prompt, because if you aren't prompt, you are going to lose a good candidate to somebody else.

Mr. SONTAG. Again, like my colleague, Dr. Chu, I certainly fully support the goal and I think it's important to have it out there. But I also think it's important that we realize that in some cases, that the timeline is not functional for a variety of reasons: complex reference checks, people's unavailability. All of which I would rather pursue vigorously than meet a time line. And that, essentially, has been our policy at HHS, that the most important thing is to hire qualified people as soon as possible, in that order.

Ms. CROSS. Quality is a big issue for us as well, and I think our experience in applying a couple of years ago the first kind of technology—we use "Quick Hire" at the Department of Energy—was that it is if you don't take the time up front, you will not get quality at the end. It will be a fast process, but then you have to start over again, and that didn't seem to be a good thing to do.

So spending a little bit of time up front to craft the competency questions or what—however methodology you are using—to make sure that this filter that you are using is going to be providing quality is really important. So I would agree with it; it's a balance that we are trying to reach.

Another comment on the 45 days is that's not a magic number. In fact, it's too long for some types of appointment authorities. You can do it much faster. Other types of positions and appointment authorities take a little bit longer, so it is really a model to look at for the vast number of types of appointment types, but it shouldn't be a hard-and-fast rule for some of those appointments because you can get them filled faster than that.

Mrs. DAVIS OF VIRGINIA. Well, help me understand this, then. We have three folks from agencies here who say they want to do it quickly. Where's the holdup? Why does it take 45 days?

I am trying to go back to when I had my own business and I was hiring people. I would get the resumes in, granted; I was a small

business, but you have a lot of people doing this, and I was one person. I would get the resumes in, I would go over them, and, you know, I would have a time line, maybe a week or two to get the resumes in and review them and then bring the people in and then hire somebody.

So why do I hear so much from constituents and other folks that it's cumbersome and takes too long and so why bother to apply to the Federal Government? And why do I hear from agencies, it takes too long, we can't get people in here? What am I missing?

Mr. BLAIR. I think one of the things, that when we went out to the agencies to ask them what would you identify as barriers to accelerated hiring, they responded to us that slow officials spend too much time reviewing the resumes and interviewing selected candidates before making the selection.

Mrs. DAVIS OF VIRGINIA. Well, who sets that time line?

Mr. BLAIR. The individual office.

Mrs. DAVIS OF VIRGINIA. The agency?

Mr. BLAIR. Uh-huh.

Mrs. DAVIS OF VIRGINIA. OK.

Mr. BLAIR. And so that's what we would say, 45-day rule isn't a hard-and-fast rule, it certainly is a target. If our current time to hire now is 100-and-something days, 45 days is a substantial improvement over the current—over the status quo.

Mrs. DAVIS OF VIRGINIA. Thirty-five sounded better, and a couple of these guys did that.

Mr. BLAIR. Well, 35 does sound better; 30 even sounds better.

Mrs. DAVIS OF VIRGINIA. I will take that.

Mr. BLAIR. But we don't want to be the perfect enemy of the government, and so we'll settle for substantial progress in this. And I think that the steps that we need to take here, first, we need to make sure the agencies track it. I think most agencies do track the time to hire; a number, a substantial number—12 out of the 25 that we surveyed—of large agencies and the departments actually track it. And so that's the first step, making sure that you track that time, because what get's measured, what gets done.

Then we want to see substantial improvement in making that goal. That's what we are looking at from an OPM perspective. But I think what you have also heard from the panel here today is that there's a lot of—you know, this is a big government, and it's a big government and hire structure for thousands of different kinds of occupations and thousands of different of positions.

Mrs. DAVIS OF VIRGINIA. But you have thousands of people doing the hiring.

Mr. BLAIR. Exactly.

Mrs. DAVIS OF VIRGINIA. So it is all irrelevant.

Mr. BLAIR. But there is a complexity, and I think that complexity can be overcome. But I think that what I am trying to do is just explain the playing field which we enter. And when you understand that playing field, then you can negotiate it better. We are hearing that one size doesn't fit all for the agencies involved, and we recognize that. And we are also hearing that substantial progress is made and, in fact, is being made in this area. So I think that you are hearing some good news today.

Mrs. DAVIS OF VIRGINIA. I heard some great news from these guys, but is bureaucracy our problem?

Mr. CHU. I don't think so, Ma'am. We have a dedication to these numbers being expeditious in character. As I indicated, our average for the interval process that the OPM is starting to describe is not actually the whole process, but it's close of announcement to tentative offer extension. So the announcement period is up there at the start point, and then I think it's part of the constituent issue from a constituent's perspective.

Mrs. DAVIS OF VIRGINIA. Nine months.

Mr. CHU. When you read the announcement to when you get an answer.

Mrs. DAVIS OF VIRGINIA. Yes. So how long, how long are you talking from the time the announcement came out, then, to the time you tentatively made the offer?

Mr. CHU. I think we are proud of getting the 35 days. We would like to be more specious.

Mrs. DAVIS OF VIRGINIA. Yes.

Mr. CHU. I do think—and I would emphasize this, and the OPM has been good about the requests we have sent from Defense. That direct-hire authority in shortage fields, critical areas, is another instrument that I think, as Ms. Cross indicated, there's going to be a range of outcomes here in some areas. With direct-hire authority, you can make this right away, to get down to very, very short periods of time.

Mrs. DAVIS OF VIRGINIA. Why don't more agencies use direct-hire authority?

Mr. CHU. Excuse me?

Mrs. DAVIS OF VIRGINIA. Why aren't more of the agencies using the direct-hire authority?

Mr. CHU. I will leave that to Mr. Mihm. We find it helpful. There are restrictions in terms of what OPM can grant that are statutory in their foundation.

Mrs. DAVIS OF VIRGINIA. Do the agencies understand that?

Mr. BLAIR. I think the agencies understand that. Direct hire is not the standard mode of bringing people into the Federal Government. It's for shortage situations and for critical hires, and that's why Congress wrote that legislation. One of the reasons that they wrote it that way is that you bypass certain procedures such as applications of veterans' preference. And so if you are going to grant this limited authority, we will make sure that it's being granted in the right way and under the right circumstances.

Mrs. DAVIS OF VIRGINIA. I guess this is to you, Mr. Mihm—Ms. Cross, did you have something to say?

Ms. CROSS. Yes. I wanted to mention something that Mr. Mihm had raised before, and that is succession planning. If an agency or ifsupervisor waits until Joe or Susie leaves to start worrying about filling that job, it's going to create its own drama because there will be a panic, and no one is in that job, and then everything seems a lot more harder to fill, and things sometimes take longer when you are in a drama mode.

If you really as an agency focus on looking ahead and managing your work force, as many of us are now really focused on doing, you have the potential of recruiting for anticipated competencies and

skills. When Joe or Susie leaves, you have some pipeline there, so that you don't have the delay in the vacant desk. And that I think is a big part of the solution, the potential solution, is combining those issues and the art that is figuring out what flexibilities you can use most effectively for the type of position that you are trying to fill, with managing your work force and anticipating what your needs are going to be so you don't wind up in a deficit mode to start with.

Mrs. DAVIS OF VIRGINIA. Thank you, Ms. Cross.

Mr. Mihm, we have talked a lot about direct-hire authority, and I don't know if it's been used enough for you to even know—but do you have any evidence to indicate that there's been a negative impact on the diversity of the Federal service work force by using the direct-hire authority? You prompted me on that one when he reminded me that you do away with veterans' preference, which bothers me to begin with.

Mr. MIHM. We haven't seen that, but I need to be careful here, Madam Chairwoman, we haven't looked at it directly. I mean, it's certainly something that we would be open to if you were interested in working with OPM to get that data.

Mrs. DAVIS OF VIRGINIA. Yes, I think I would like to know that, because we don't want to do—and I think somebody said you don't want the cure to end up causing another problem, and we definitely don't want to cause that problem.

Mr. MIHM. Yes, Ma'am. The key thing to keep in mind here—and your questions are getting to this—is that there's direct-hire authority that is to be used in very specialized circumstances where there is extreme hiring shortages. And the reason, at least the conceptual reason veterans' preference does not apply, is that the applicant pool is considered not to be large.

Hence, that's why you get direct-hire authority, you will take anyone that's qualified, that's good, so there's less concern about discriminating against veterans.

So there's direct-hire authority on the one hand. On the other hand, there's the whole separate and larger issue that you have been discussing, which is we need to streamline the entire hiring process——

Mrs. DAVIS OF VIRGINIA. Right.

Mr. MIHM. For everyone at all levels, at all places, at all times. And to just underscore Dr. Chu's point is the example that you were using from your personal experience about looking at the applicant, or sending out a vacancy announcement and getting those applicants in, and all the rest, that is not part of the 45-day hiring model.

I mean, that is considered outside of the model. The model starts at the closing date of the announcement. In other words, you know, when you would say, all right, I now have all the applicants and I am now beginning to start culling through those. The major driver of time there that we have fairly consistently found just getting together the panels internally within agencies to—and because people obviously have very busy operational responsibilities that they have to undertake, getting the panels together, scheduling and conducting interviews, getting line officials then to give back their selections to the HR office so that they can do the final steps of due

diligence, that's one of the major of drivers of time that we have seen.

Mrs. DAVIS OF VIRGINIA. And is that a problem in the agencies? I mean——

Mr. MIHM. Well, what it gets to is that—Ms. Cross was, you know, raising this point quite eloquently with her talking about bringing on its own drama—is that the unfortunate thing is that we have a tendency to create action, forcing events, and that if there is an imminent crisis of we have to fill this position, then we can get everyone around the table to do it.

It gets a little bit more difficult, to kind of the urgent driving out the important. If it's we are filling a position that we know we will need to fill a position at some point in the next couple of months, let's start getting everyone together and reviewing applications and all that, just the crush of events has the tendency to push those types of decisions aside.

Mrs. DAVIS OF VIRGINIA. So it sounds like the mode of management is considered crisis management; is that what you are telling me?

Mr. MIHM. Well, there's always that tendency. As you and Mr. Blair were discussing, there's the notion of an organization, what gets measured gets managed. In Washington, what gets overseen gets managed.

And so things like this hearing and the oversight that you are conducting send unmistakable messages back to agencies about, hey, we are serious here about streamlining the time. And we can quibble over 40, 30 days, 35 days, you know, and all the rest, but the 102-day model is obsolete. And that's the message that's obviously being sent.

Mrs. DAVIS OF VIRGINIA. How about let's get to the problem that Mr. Sontag mentioned in his opening statement when he said the problem is with the entry-level positions, the GS–5s, GS–7s. What can you tell me on that? Is that——

Mr. MIHM. Well, that's certainly an issue, and it's been an issue now for a number of years. I mean, not to go back to all the history on this, but the Lavada consent decree from the early 1980's, basically throughout, because it was agreed to having disparate impact on African Americans and Hispanics, the previous assessment or testing tool there.

It was supposed to be a temporary period where OPM and agencies would work together to put in place validated assessment tools for these types of entry-level candidates that Mr. Sontag was talking about. We are still using, you know, a jerry-rigged process here of the Outstanding Scholars program, of other assessment tests.

As you know from the work that we've done at your request, we believe that there needs to be continued work—and there are efforts in this regard—but really augmented work in developing sets of validated assessment tests that agencies can use in order to bring on these highlyqualified candidates that Mr. Sontag and others are talking about. OPM has been doing that, and the agencies have been doing an awful lot of that.

We think the next step, and this is just to keep on the CHCO Council theme here, we think the next step could be for the Chief Human Capital Officers Council to look across agencies and say,

hey, you are interested in developing an assessment tool that gets at this particular entry-level position. This other agency has the same type of need for an assessment tool. Why don't you two work together? These things can be very time consuming, technical, and expensive to do. This is exactly an opportunity for shared efforts across agencies.

Mrs. DAVIS OF VIRGINIA. Well, it sounds like, you know, you said it's a problem that's going on for years. I mean, I am trying to fix a hiring process in 102 days, so let's fix a problem that's gone on for years.

Dr. Chu, if you could sort of take that and go with it with the CHCO Council, that would be wonderful.

Mr. CHU. Delighted to, Ma'am. Thank you.

Mrs. DAVIS OF VIRGINIA. Thank you, sir. Ms. Norton.

Ms. NORTON. Well, I appreciate, Madam Chair, your holding this hearing, and regret that I was ranking member on a subcommittee that required me not to be here, because I do want to say when I compare how quickly we in the Congress can hire folks with what I know agencies go through, because I ran such an agency, my sympathies are with the agency.

I would have liked to have been here to hear more about why the authority that hasn't been granted has not been more often used, and I understand that in a bureaucracy as complicated as ours is, that giving such authority still means that there are a lot of bumps in the road that you are going to have to go through.

So I appreciate the desire, Madam Chair, to, you know, press the agencies to move more quickly. My concern continues to be that we are behind, really, in the competition with the private sector. We are—probably been doing better; indeed, we have been doing better in the last few years when the economy has not been at its best.

But when you consider a bright young whippersnapper who comes to apply to an agency because they have heard some great things that the agency just did, and then goes to some place in the private sector, he may end up even taking a job that is less desirable, maybe even at less pay, because it comes forward quickly. You know, that's a bird in the hand.

So I continue to be concerned, because we are losing any day now, already beginning to lose large sections of our most experienced work force. And even with a smaller work force, getting the best and the brightest, which has been the hallmark of the Federal sector since the Great Depression, is an enormous challenge in this market where the, quote, sexiest jobs tend to be in the private sector.

So I appreciate all the work you are doing and thank you very much, Madam Chair.

Mrs. DAVIS OF VIRGINIA. Thank you, Ms. Norton.

I am sure that there will probably some additional questions for our witnesses today. So if I could get you to agree to submit the answers for the record if we send you questions in writing, I would certainly appreciate it.

And I would again like to thank each and every one of you for being here. Those of you that I keep calling back, I appreciate your patience with me. And with that, the hearing is adjourned.

[Whereupon, at 11:24 a.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

Questions for the Record
June 7, 2004 and July 13, 2004
Subcommittee on Civil Service and Agency Organization

The Honorable Dan Blair

- OPM's 45-day hiring model counts 45 *work* days and only covers the time after the close of a vacancy announcement to the time and offer is made. This still amounts to an overall time-to-hire of at least three to four months. Do you consider this acceptable for the Federal Government?
- We heard testimony at the last hearing that one of the problems is that there is currently no mechanism in place to keep agencies' hiring methods accountable and even no standard mechanism to measure agencies' average time-to-hire. Please explain what OPM is doing to track agencies' hiring methods?
- Has OPM taken action to incorporate time-to-hire in agencies' management scorecard?
- Regarding the classification process:
  - How is OPM limited under the current law to reform the antiquated classification process?
  - What new legislation is needed to relax the current restrictions?
  - How will the new system at the Department of Homeland Security improve upon the old classification system?
- We heard testimony on June 7th from Brent Pearson, Vice President of Monster Government Solutions, suggesting that one of the major problems in the federal hiring process is the culture within agency HR staff that recruitment is simply an administrative rather than a strategic function. What has OPM done to emphasize the importance of a strategic advantage to the private sector when it comes to recruiting and hiring the best and the brightest?
- Marsha Marsh testified on June 7th that OPM's Administrative Careers with American (ACWA) exam amounted to 156 "nonsensical questions for the entry level applicant" and that "the questions themselves really put the employee off completely." In fact, a number of agencies reported they chose not to use the ACWA because it has failed to provide qualified candidates in the past.
  - What has OPM done to re-think the necessity of the burdensome and time-consuming exam?
  - How is OPM limited by the Luevano Consent Decree?
- Traditionally, the Federal government is a *single* employer.
  - Is it advantageous to allow federal agencies to create individual hiring systems?
  - What are the disadvantages of allowing federal agencies to create independent hiring systems?

Stanley Moore

- What legislative changes would be helpful for Congress to enact so that the U.S. Census Bureau could more effectively recruit and retain quality employees?

Marsha Marsh

- What specific legislative changes would you make to hasten the overall federal time-to-hire?
- Describe the disparity between the intern retention rate of the private sector to the federal government.
  - Why is the federal government retaining so few interns as full-time employees?
  - What are your recommendations?

Ed Flynn

- I am very interested in what you term an "employment brand" at the most successful companies, which is a message from employers to employees about their work experience. Can you clarify this and give me an example of how this might work in a Federal agency?
- You state that leading companies give as much information to job candidates as they get from them during the hiring process. This is not to my knowledge the standard operating procedure for Federal agencies. How can agencies get more and better information to job applicants during the process?
- Which private sector hiring processes, if any, could be adapted for use in the federal government?

Dr. David S. C. Chu

- Describe and what efforts are underway to improve the federal hiring process.
- What have you learned in your role as Chairman of the CHCO Council Subcommittee on the Hiring Process about how agencies in general are working to reform the hiring process? What efforts are underway to improve the federal hiring process?
- How is this Subcommittee working with OPM and agency leaders to critically evaluate and improve shortcomings in the hiring process?
- Has the subcommittee released a report on recommendations relating to federal hiring? If so, please submit such report or recommendations to subcommittee?

Ed Sontag

- In February of 2004, based on expert analysis, Director James issued a guidance memorandum entitled the "Top Ten Things You Can Do To Fix Federal Hiring." Can you please provide specifics on what your agency did to implement the specific recommendations in that memorandum?
- Can you cite any specific examples of OPM "inflexibility" in regard to the approval or granting of hiring flexibilities?
- During the June 7th hearing, we heard testimony from a Federal job applicant describing the content of job vacancy announcements as incomprehensible and failing to identify clearly the job's duties and requirements. What has HHS done to improve its job announcements and Web postings?

Claudia Cross

- One of the consistent themes from the June 7th hearing was that agencies in general are not using the hiring flexibilities available to them to improve the hiring process. DOE expressed a need for both direct-hire authority and category rating back in 2001.
    - To date, has DOE used these newly granted flexibilities?
        - Direct-Hire authority – If so, what kind of problems did you avoid with direct-hire?
        - Category Rating – If so, have you observed an improvement in the quality of employees selected from category rating instead of the "rule of three?"
    - Do you intend to use these flexibilities in the future?
- What do you think are the primary reasons these flexibilities are not being utilized by agencies?
- In February of 2004, based on expert analysis, Director James issued a guidance memorandum entitled the "Top Ten Things You Can Do To Fix Federal Hiring." Can you please provide specifics on what your agency did to implement the specific recommendations in that memorandum?
- Can you cite any specific examples of OPM "inflexibility" in regard to the approval or granting of hiring flexibilities?

- During the last hearing, we heard testimony from a Federal job applicant describing the content of job vacancy announcements as incomprehensible and failing to identify clearly the job's duties and requirements. What has DOE done to improve its job announcements and Web postings?
- We also heard positive testimony from the U.S. Census Bureau regarding its development and adoption of an automated screening system and how the streamlining has reduced the time-to-hire from several months to several weeks.
    - Has DOE adopted a similar system?
    - What innovative solutions has your department developed to streamline the cumbersome hiring process?

Christopher Mihm

- You recommended at the June 7th hearing that agencies should be required to report to OPM information on their hiring experiences at each step in order to hold the agencies accountable. Describe the legislative or regulatory solutions GAO is contemplating.
- Your report is particularly critical of the Federal job classification system. Can you clarify further how the system should be reformed so that the necessary factors (workload, quality of work, and results) are better taken into account?

Questions for the Record
June 7, 2004 and July 13, 2004
Subcommittee on Civil Service and Agency Organization

The Honorable Dan Blair

- OPM's 45-day hiring model counts 45 *work* days and only covers the time after the close of a vacancy announcement to the time and offer is made. This still amounts to an overall time-to-hire of at least three to four months. Do you consider this acceptable for the Federal Government?

  RESPONSE: The OPM 45-day hiring model presents a hiring process that is comparable to the private sector. In addition, this 45-day hiring model incorporates a series of recommended steps. Not every recruitment action will require each of the steps, and the listed number of days for certain steps can be reduced as well, for example the time spent interviewing candidates. Depending upon the number of candidates, this period can be considerably reduced. More important than the actual number of days or the steps set forth in the OPM model is the responsibility of the agencies themselves. They must begin to use the available tools and flexibilities, as well as develop tools specific to their needs that will allow them to recruit and retain quality applicants in a timely fashion.

- We heard testimony at the last hearing that one of the problems is that there is currently no mechanism in place to keep agencies' hiring methods accountable and even no standard mechanism to measure agencies' average time-to-hire. Please explain what OPM is doing to track agencies' hiring methods?

  RESPONSE: OPM is taking steps to ensure that the agencies are aware of its 45-day hiring model and evaluating hiring models currently in use at some agencies. Agencies have also been made aware of the need to track and improve their hiring times as part of the overall improvement of the Federal hiring process. Finally, beginning in the first quarter of FY05, agencies will be scored on their hiring process under the Talent standard on the PMA scorecard.

- Has OPM taken action to incorporate time-to-hire in agencies' management scorecard?

  RESPONSE: See above response.

- Regarding the classification process:
  - How is OPM limited under the current law to reform the antiquated classification process?
  - What new legislation is needed to relax the current restrictions?
  - How will the new system at the Department of Homeland Security improve upon the old classification system?

RESPONSE: OPM continues to work within the current law to update Federal classification standards to ensure their Governmentwide applicability. In current law, chapter 51 of Title 5 narrowly defines the 15 grades of the general schedule classification system and the criteria for assigning classes to those grades. New legislation to relax the current restrictions would provide greater flexibility by providing OPM the authority to determine the appropriate number of levels of work and the criteria by which positions are assigned to those levels. Through broadbanding, the new classification system at the Department of Homeland Security will define fewer levels of work to which positions must be classified. This will reduce the complexity of classification decisions and provide management with the flexibility and responsibility to make pay decisions within each level of work.

- We heard testimony on June 7th from Brent Pearson, Vice President of Monster Government Solutions, suggesting that one of the major problems in the federal hiring process is the culture within agency HR staff that recruitment is simply an administrative rather than a strategic function. What has OPM done to emphasize the importance of a strategic advantage to the private sector when it comes to recruiting and hiring the best and the brightest?

  RESPONSE: We believe the strategic human capital management initiative addresses this situation. A fundamental aspect of human capital (HC) is the alignment of HC management planning with the agencies' overall strategic planning. OPM, through the Chief Human Capital Officers Council, its Human Capital Officers and the scoring activities have worked to ensure this "seat at the table" at the highest levels of executive planning. In addition, OPM has initiated a series of activities that have raised the overall awareness of the need to improve HC management in order to increase recruitment of the best and the brightest to careers in the Federal Government. For example, since the June 7th hearing, OPM has presented Hiring Flexibilities Symposiums in Washington, D.C., Chicago, IL, Atlanta, GA, and Boston, MA. Finally, OPM presented the Federal Workforce Conference in Baltimore, Maryland. This conference represents OPM's Director James' latest effort to upgrade the HR capability in the agencies. The conference brought together Federal government leaders, managers, and practitioners involved in planning or implementing human capital initiatives. This three-day conference provided agencies with the opportunity to enhance their overall knowledge of human capital strategies and will enable agencies to deliver better and more effective services.

- Marsha Marsh testified on June 7th that OPM's Administrative Careers with American (ACWA) exam amounted to 156 "nonsensical questions for the entry level applicant" and that "the questions themselves really put the employee off completely." In fact, a number of agencies reported they chose not to use the ACWA because it has failed to provide qualified candidates in the past.
  - What has OPM done to re-think the necessity of the burdensome and time-consuming exam?

  RESPONSE: We are considering options to automate (web-based) the ACWA questionnaire. For example, one approach would allow applicants to take it only once for each occupation, versus repeating it each time the same occupation is

posted on USAJOBS; alternatively, we might allow applicants to select multiple occupations and complete the full battery of items for those occupations. Because some questions appear on exams for more than one occupation, responding to all of the questions at once would further reduce the burden on applicants.

We are also considering approaches and issues regarding maintaining individual scores. Individuals would still be required to take positive action to apply for particular vacancies and to provide their notice of results to hiring agencies.

Additionally, with an automated assessment:

- applicants would receive a notice of results to carry to agencies;
- agencies could direct applicants, through the vacancy announcement, to OPM's website to complete the Luevano assessments; and
- agencies would be allowed to accept the web-based assessment notice of results for vacancies that they are not required to post but that are covered under the consent decree.

  - How is OPM limited by the Luevano Consent Decree?

RESPONSE: Individuals applying for entry-level positions covered under the Luevano consent decree must pass the OPM-developed assessments or agency-developed assessment (with notice to DOJ) in order to be considered/appointed. The consent decree restricts agencies to hiring qualified applicants who have completed the Luevano assessments. This includes the FCIP positions at the entry level.

- Traditionally, the Federal government is a *single* employer.
  - Is it advantageous to allow federal agencies to create individual hiring systems?
  - What are the disadvantages of allowing federal agencies to create independent hiring systems?

RESPONSE: In accordance with OPM's transformational principles, it is critical that we have consistent federal wide application of merit systems principles and protect the rights of applicants and employees provided by law, such as veterans' preferences and whistleblower protection. At the same time. agencies need to be afforded some flexibility to adapt hiring processes to meet mission critical needs. It is critical that we maintain a balance between maintaining civil service ideals and providing flexibilities in hiring. OPM must remain the steward of merit and maintain a full partnership with agencies as they seek to redesign hiring systems.

Hearing Date: July 13, 2004
Committee: House Government Reform
Subcommittee on Civil Service and Agency Organization
Witness: Dr. Chu
Question: #1

Question: Describe what efforts are underway to improve the federal hiring process.

Answer: As the Chair of the Chief Human Capital Officers (CHCO) Hiring Subcommittee, my group is looking at ways to improve management options when it comes to hiring. We are working together in agency communities of interest to determine direct hiring authorities needed for critical mission skills and determining if there is an examining process that will pave the way for future college graduate recruitment that facilitates faster movement into the Federal workforce.

Hearing Date: July 13, 2004
Committee: House Government Reform
Subcommittee on Civil Service and Agency Organization
Witness: Dr. Chu
Question: #2

Question: What have you learned in your role as Chairman of the CHCO Council Subcommittee on the Hiring Process about how agencies in general are working to reform the hiring process?

Answer: The recruitment and retention dynamic is tough. We have a lot of competing activities ongoing that affect our ability to recruit and retain the quality of workforce that we need for today and the future. In particular, what happens in the economy has a direct relationship to the desirability of government jobs.

At the same time, we are amazed by the continued support to the Federal sector that we have received since the tragedies of 9/11. Our citizens have not only made statements about support to our government, but they have made their intentions quite clear in offering to work for us, sometimes in not the best conditions, so that they can make the world a safer place. We are working to ensure that these citizens get that opportunity by requesting and receiving direct hire authority to put these courageous people to work.

Hearing Date: July 13, 2004
Committee: House Government Reform
Subcommittee on Civil Service and Agency Organization
Witness: Dr. Chu
Question: #3

Question: How is this Subcommittee working with OPM and agency leaders to critically evaluate and improve shortcomings in the hiring process?

Answer: We are looking at improving the information flow to the public on the availability of jobs in the Federal sector. Some ideas we are considering are:

- Teaming with private sector when downsizing occurs to determine if job placement from private sector to the public sector is feasible.
- Establishing working relationships with professional associations. In critical skill areas, work to facilitate direct recruitment actions.
- Establishing a Federal Recruiting Consortium to develop and support cooperative recruitment and marketing approaches.
- Establishing cooperative relations with colleges and universities.
- Establishing relationships with college student clubs and associations.
- Seeking ways to educate students and faculty in the nation's high schools and middle schools about public sector service opportunities.
- Conducting diversity recruitment at mainstream colleges and universities.
- Developing an integrated strategy for application of benefits, entitlements and recruiting flexibilities to enhance the appeal of Federal employment.

Hearing Date: July 13, 2004
Committee: House Government Reform
Subcommittee on Civil Service and Agency Organization
Witness: Dr. Chu
Question: #4

Question: Has the subcommittee released a report on recommendations relating to federal hiring? If so, please submit such report or recommendations to subcommittee.

Answer: No, the committee has not released a report to the general public.

HHS Responses -Ed Sontag

1. What has HHS done to implement the recommendations listed in the "Top Ten Things You Can Do to Fix the Federal Hiring Process" memorandum issued by OPM in February 2004?"

A. Eliminate Self-Wrapping Red Tape. HHS has taken the following steps to eliminate internal red tape

- Eliminated the requirement that managers interview ALL applicants on a certificate.
- Reviewed policies/procedures to streamline HR processes across the department. This includes the elimination of outdated policies and or procedures.
- Adjusted internal human resources assignments to ensure that managers have direct access to their HR representatives.
- Seeking non-traditional avenue to review and revise the hiring process. HHS is one of three agencies working with the Partnership for Public Service on their "Fixing the Hiring Process: Extreme Makeover initiative."
- Branding and marketing each operating division's mission, scope and impact to "sell" HHS as a desirable public service employer. HHS developed a recruitment brochure this year, which showcases each of the operating divisions.
- Sponsoring job fairs and conferences department wide in addition to those that are operating division specific. The goal is to centralize the department's outreach efforts while maximizing resources.
- Using private sector vendors to assist in the development of more effective assessment tools.
- Automating HR processes and maximizing the use of automated systems. One example is surveying managers to identify problems/concerns encountered using QuickHire and using the information to facilitate positive changes in the product. Working with Monster Government Solutions to ensure system is being utilized at maximum potential.

B. Use Plain Language in Job Announcements.

- We have created an applicant friendly announcements format by incorporating HTML links to shorten announcement length.

We have revamped the HHS Careers website to make it more user friendly for potential applicants.

HHS Reponses - Ed Sontag

We are revising our vacancy template again to integrate HHS Careers with Recruitment One-Stop/USAJOBS new format that displays vacancy announcements in an improved tabbed format making it easier for the applicant to navigate and complete the application process.

C. Recruit Veterans. We ensure that veteran's are provided all referral opportunities to which they are entitled and encourage their hiring. In addition to discussing the advantages of hiring veterans with our managers, we feel the new category rating process will result in increased hiring of veterans because they reside in the top category based on experience and not just because of their score.

D. Adopt an Accelerated Hiring Model.

- We have reduced the number of days required to issue a selection certificate. The implementation of the QuickHire system has had a tremendous impact in this area. Many of our selection certificates are now issued within 30 days of the closing date of the vacancy announcement.

- We will implement a workflow tracking system in the HR centers that will monitor the recruitment process to remove impediments to timely recruitment and selection.

E. Competing on Campus.

- We have an extensive campus recruitment program. In FY04 we visited 30 or more colleges and universities and plan to recruit at 30+ colleges in FY05.

- The CMS has participated in several outreach programs on college campuses as they implement the Medicare and Medicade Modernization Act. They maintain an active database that contains resumes of college graduates and it is used extensively by CMS.

F. Offer Incentives for Talent: The Department utilizes recruitment and relocation bonuses, retention allowances, the student loan repayment program and other incentives to attract and retain high quality candidates.

G. Utilize On-the-Spot Hiring Authority

- Direct hire authority has been used this past year for Medical Officers,

Nurses, Pharmacists, and Information Technology Specialist (IT Security).

CMS was granted direct hire authority this year specifically for Health Insurance Specialist, Actuaries and Economists positions and we are actively using the authority.

HHS Reponses - Ed Sontag

Additionally we are currently participating in a DoD led project to seek Direct Hire Authority federal government wide for positions that impact National Security.

H. Leverage Other New Hiring Flexibilities: HHS has developed and is currently piloting a category rating program.

I. Go After Outstanding Scholars: HHS makes good use of the outstanding scholars program. In FY04 we hired more than 20 outstanding scholars for the human resources function and for the HRSA scholar's program.

J. Fully Engage Your HR Staff.

- We have conducted extensive mission-specific and business operations training this year for the HR staff. We have also developed a number of job aids to help them effectively complete work assignments and increase efficiency. These efforts will continue as we work to streamlining HR processes within HHS.
- We have established agreements with the USDA graduate school and the HHS University to fund some of the required training.
- We assess the skills of our HR staff on on going bases and provide both on-the job and classroom training as needed. As part of the assessment process each center receives feedback from customer surveys and this information is incorporated into their overall HR training plans.

2. Cite specific examples of OPM "inflexibility" in regard to the approval or granting of hiring flexibilities.

- OPM has been cooperative and supportive of HHS. However, we believe OPM must address entry level recruitment in a more aggressive manner. We must be able to recruit recent college graduates at the grade 5 and 7 levels. The current process must be re-evaluated to ensife that agencies have the ability to reach a

diverse group of young candidates who can be hired, trained and developed as professional staff.

HHS Reponses - Ed Sontag

3. What has HHS done to improve vacancy announcements and/or web posting?

- As stated in 1b above, we hve incorporated HTML links (for veterans info, EEO info, reinstatement and Interagency Career Transition Assistance Plan/Career Transition Assistance Plan info, benefits, etc.) to shorten the length of the announcement. We have revised the "how to apply" and the "supporting documentation" information to provide clarification and to make the announcement more applicant friendly.

Department of Energy
Washington, DC 20585

November 18, 2004

The Honorable Jo Ann Davis
Chairman
Subcommittee on Civil Service
and Agency Organization
Committee on Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Madam Chairman:

On July 13, 2004, Claudia Cross, Chief Human Capital Officer, testified regarding "The Federal Hiring II: Shortening The Long and Winding Road."

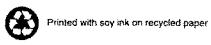
Enclosed are the answers to six questions that were submitted by Members of the Subcommittee, to complete the hearing record.

If we can be of further assistance, please have your staff contact our Congressional Hearing Coordinator, Lillian Owen, at (202) 586-2031.

Sincerely,

Rick A. Dearborn
Assistant Secretary
Congressional and Intergovernmental Affairs

Enclosures



QUESTIONS FROM THE HOUSE SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION

Claudia Cross

[Q1] One of the consistent themes from the June 7th hearing was that agencies in general are not using the hiring flexibilities available to them to improve the hiring process. DOE expressed a need for both direct-hire authority and category rating back in 2001.

- To date, has DOE used these newly granted flexibilities?
    - Direct-Hire authority – If so, what kind of problems do you avoid with direct-hire?
    - Category Rating – If so, have you observed an improvement in the quality of employees selected from category rating instead of the "rule of three?"
- Do you intend to use these flexibilities in the future?

[A1] To date, the only direct hire authority that DOE has employed is one for sub-station operators at the Bonneville Power Administration. This authority was granted in response to urgent hiring needs at Bonneville caused by multiple retirements and lengthy training periods required for replacements. In addition to the direct hiring, BPA is using a term appointment authority to fill these positions. Bonneville and the rest of DOE are reviewing their needs at this time. As I stated in my testimony, it appears as if direct hire authority for acquisition specialists may be needed in the near future. DOE has not yet had occasion to use category rating. As stated above, DOE does plan to use these flexibilities, especially direct hire.

[Q2] What do you think are the primary reasons these flexibilities are not being utilized by agencies?

[A2] We believe that the reasons that many organizations, including DOE, have not used these flexibilities is the reactionary process by which most organizations realize and respond to hiring needs. The appropriate emphasis many agencies are now placing on the strategic planning of their workforces should present them with additional opportunities to use more of these flexibilities.

For many years, there were ample resources from which to draw excellent employees. Further, for over a decade the size of the Federal government was shrinking. It appears that many people viewed Federal employment as not necessarily the best future for young college graduates or those contemplating career changes. Now things have changed but our hiring processes—and our potential applicants—have to catch up with them. In DOE, although our needs vary significantly by program, we primarily need scientific and technical specialists. Candidates for these positions have never applied in great numbers. Accordingly, it is doubtful if we will ever employ category rating to a great degree. Direct hire use is more likely as the agency becomes more expert at projecting needs through effective workforce planning, rather than reacting to fill losses after they occur. We anticipate that our analysis and subsequent application to OPM for direct hire authority and other flexibilities will become more precise. Additionally, direct hire is a likely tool to be used to help the Department fill contract specialists and project manager positions. The number of contract specialists within DOE has steadily decreased since the late 1990s.

[Q3] In February of 2004, based on expert analysis, Director James issued a guidance memorandum entitled the "Top Ten Things You Can Do To Fix Federal Hiring." Can you please provide specifics on what your agency did to implement the specific recommendations in that memorandum?

[A3] DOE has responded specifically to four of the ten "fixes" listed in the OPM guidance. These include using plain language in job announcements, adopting an accelerated hiring model, competing on campus, and offering incentives for talent.

As noted above, we are continually seeking to use plain language in job announcements. DOE has been a long-standing member of the interagency consortium on staffing and has explored inter-agency responses to complaints about vacancy announcement wording.

DOE has recently adopted a two-pronged accelerated hiring model. Its goals for hiring now are 30 days separation between the close of a Senior Executive Service vacancy announcement and the employment offer being made to the successful applicant and a 45 day period for all other employees. We are utilizing a previously developed tracking system to identify a baseline and measure our improvements on these two efforts.

DOE continues to have a very active presence on college campuses. DOE representatives are developing relationships with colleges, universities, faculty and placement staff, and frequently attend college job fairs, especially at historically minority institutions throughout the nation.

DOE utilizes various methods to offer incentives for talent as needed. These methods include using recruiting incentives such as recruitment bonuses and paying relocation expenses, student loan repayments, and advanced step rates.

[Q4] Can you cite any specific examples of OPM "inflexibility" in regard to the approval or granting of hiring flexibilities?

[A4] Since DOE has not yet applied for any flexibilities since the issuance of the memorandum cited above, DOE has had no experience to relate.

[Q5] During the last hearing, we heard testimony from a Federal job applicant describing the content of job vacancy announcements as incomprehensible and failing to identify clearly the job's duties and requirements. What has DOE done to improve its job announcements and Web postings?

[A5] DOE is continually assessing the content of its vacancy announcements to improve the content and readability. DOE is a regular participant in interagency gatherings, usually sponsored by OPM or non-profit public policy organizations, convened to improve the content of these announcements and to promote "plain English." To date, we have had no negative feedback on these announcements.

[Q6] We also heard positive testimony from the U.S. Census Bureau regarding its development and adoption of an automated screening system and how the streamlining has reduced the time-to-hire from several months to several weeks.

- Has DOE adopted a similar system?
- What innovative solutions has your department developed to streamline the cumbersome hiring process?

[A6] DOE is expanding the use of "QuickHire," a similar software approach that considerably shortens the time between the closing of the vacancy announcement and the issuance of a certification of eligibles. However, QuickHire does require

extensive preparation and involvement by selecting officials, especially in the preparation of questions that would draw forth descriptions of needed competencies. Our experience to date has shown that with the participation of subject matter experts and selecting officials in the development of questions, QuickHire is shortening the time needed to hire.

United States Government Accountability Office
Washington, DC 20548

October 1, 2004

The Honorable Tom Davis
Chairman
Subcommittee on Civil Service and Agency Organization
Committee on Government Reform
House of Representatives

Subject: *Posthearing Questions Related to Federal Hiring*

Dear Mr. Chairman:

On June 7 and July 13, 2004, I testified before the Subcommittee at two hearings dealing with the federal hiring process. This letter responds to a request from former Chairwoman Jo Ann Davis that I provide answers to follow-up questions from the hearings. The questions, along with my responses, follow.

1. **You recommended at the June 7th hearing that agencies should be required to report to OPM information on their hiring experiences at each step in order to hold the agencies accountable. Describe the legislative or regulatory solutions GAO is contemplating.**

Collecting and sharing information and metrics on hiring practices would not require a new legislative or regulatory solution. At the June 7, 2004, hearing[1] on the federal government's hiring efforts, I emphasized that the Office of Personnel Management (OPM) and agencies need to work together to improve the hiring process and stated that the Chief Human Capital Officers (CHCO) Council should be a key vehicle for this needed collaboration. I also noted that agencies need to provide OPM with timely and comprehensive information about their experiences for each of the various steps in the hiring process and that OPM, in turn, could serve as a facilitator in the collection and exchange of this information. We suggested that agencies provide OPM with this type of information for the various steps in the hiring process so that OPM and agencies could obtain a better sense of which hiring approaches are most effective and successful. We intended that agencies provide OPM and the CHCO Council with summary information on the agencies' overall experiences for the various steps of the hiring process. Agencies could also report certain metrics for these steps, such as time-to-hire, which could help them to monitor results and improve performance, and could help policymakers with their oversight

[1] GAO, *Human Capital: Status of Efforts to Improve Federal Hiring*, GAO-04-796T (Washington, D.C.: June 7, 2004).

responsibilities. As we pointed out in our recent report[2] on federal hiring, sharing information about when, where, and how the broad range of human capital flexibilities—especially available hiring flexibilities—is being used, and should be used, could help agencies meet their human capital management challenges.

2. Your report is particularly critical of the federal job classification system. Can you clarify further how the system should be reformed so that the necessary factors (workload, quality of work, and results) are better taken into account?

As we and OPM have stated, the standard federal job classification system was originally developed for a prior era and is not reflective of the workforce of the 21st century or a results-oriented government. The process of defining a job and setting pay for many positions in the federal government is chiefly based on job classification principles set forth in the Classification Act of 1949. In its regulatory role, OPM is to develop standards consistent with principles in the Act. Under the current classification system, federal jobs are usually categorized according to the kind of work done, the level of difficulty and responsibility, and the qualifications required for the position. As OPM pointed out in its April 2002 white paper on pay modernization, federal jobs are not typically classified based on factors such as workload, quality of work, and results.[3] OPM characterized the federal government's pay and classification systems as rigid and antiquated with work level descriptions that are not meaningful for today's knowledge-driven organizations.

To aid federal agencies in taking into account these other important factors for defining jobs and setting pay, we have noted that greater use of broadbanding is an option that deserves full consideration.[4] Under broadbanding systems, agencies could more directly consider performance-related factors in the classification of federal jobs, including factors such as workload, quality of work, and results. The ongoing personnel reform efforts at the Departments of Defense and Homeland Security are suggesting the use of broadbanding will increase. Congress can use the lessons learned from these personnel reform efforts to consider the extent to which it should extend these reforms governmentwide, thereby addressing the limitations with the current federal classification and pay system.

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[2] GAO, *Human Capital: Additional Collaboration Between OPM and Agencies is Key to Improved Federal Hiring*, GAO-04-797 (Washington, D.C.: June 7, 2004).
[3] U.S. Office of Personnel Management, *A Fresh Start for Federal Pay: The Case for Modernization* (Washington, D.C.: April 2002).
[4] GAO, *Managing for Results: Using Strategic Human Capital Management to Drive Transformational Change*, GAO-02-940T (Washington, D.C.: July 15, 2002).

For additional information on our work on federal hiring and strategic human capital management, please contact me or Eileen Larence on 512-6806, or at mihmj@gao.gov or larencee@gao.gov.

Sincerely yours,

J. Christopher Mihm
Managing Director
Strategic Issues

RESPONSES TO QUESTIONS FOR THE OFFICIAL RECORD

The Hiring Process: The Long and Winding Road

Marcia Marsh, Vice President for Agency Partnerships
Partnership for Public Service

What specific legislative changes would you make to hasten the overall federal time-to-hire?

The legislative changes enacted over the last several years, including category rating, increased flexibilities, etc, have provided many of the tools needed to make the federal government more competitive in the talent market and to accelerate the hiring process. But, changing decades of experience with old processes and mindsets does not come easily.

At the time of this summer's testimony, we were preparing to launch our Extreme Hiring Makeover project. At that time, I testified that the single biggest challenge in fixing the federal hiring process was establishing real management "ownership" for hiring. With that ownership and accountability, managers would simply not tolerate inefficient processes and would put pressure on their HR colleagues and OPM to help in removing obstacles, streamlining process steps and improving both time to hire and quality of hires. Our experience with the Extreme Hiring Makeover process, in the intervening months, further reinforced our belief that 80 percent or more of the solution rests with agency management teams.

That said, there are still several areas where Congress can continue to make the federal government more competitive:

- Encourage and support the Administration and OPM in streamlining regulations and internal agency practices that govern federal hiring and that might start by putting real "flex" in flexibilities. People often ask why managers simply do not use the flexibilities they have. One reason is there is too little "flex" in those tools to make them as valuable as they could be.

  Recruitment and retention bonuses are two examples of legislative fixes that stop short given the constraints added via internal practice protocols. Many agencies have constructed high hurdles for managers to complete in order to use their flexibilities. For example, some agencies have established a precondition for the use of recruitment bonuses. In order to include a recruitment bonus in an offer package, the candidate has to have rejected the agency's first offer and provided documentation of another offer that exceeds the federal offer. This puts the federal government at a disadvantage relative to private sector employers who can be more nimble in the use of hiring flexibilities, and is particularly problematic for agencies who lack pay flexibility in general. These hiring bonuses are the only opportunity some agencies have to level the playing field and yet they make them unnecessarily difficult to use.

Agencies need to "woo" highly competitive candidates, not make them work to perfect an offer.

The typical justification for these "strings" attached to the flexibilities is lack of trust in federal managers, a fear that they will simply overspend personnel budgets or abuse the authorities. If we think so little of our managers' judgment and budget acumen, we have bigger issues than speeding up the hiring process. We need to give managers the tools they need and then hold them accountable for making good business decisions.

- Continue to evaluate the expansion of critical pay, direct hire and other hiring authorities for organizations with significant hiring challenges. Those might include a need for hard-to-hire candidates or major transformation needs.

- Help to accelerate the reform process by providing a 'transformation fund" to OPM for critical process tools and improvements that might be shared across agencies. We cited an example of one such cross government investment in our report *Asking the Wrong Questions: A Look at How Government Assesses and Selects Its Workforce."* Effective assessment of candidates is critical to both hiring speed and quality. While the numbers of applicants for positions has exploded via Internet recruiting, managers continue to report very poor quality candidates on the certificates they receive from their HR teams. To improve both speed and quality, agencies need 21st Century assessment tools. Some have developed their own tools but, given the budget constraints that all agencies now face, it would be much more cost-effective to share tools across government rather than reinventing the wheel and bearing the cost each time. Providing OPM with additional funding and authority to develop tools that might be shared across agencies would speed hiring transformation.

- For this and other critical high risk human capital initiatives, invest in an overhaul of HR capability government wide – a "Clinger-Cohen Act" effort for the HR function. The IT community across the federal government has benefited greatly from mandatory investment and training. Given the major human capital challenges faced by the federal government – whether it's the demographic crisis, intelligence reform, military transformation, DHS integration, etc., – the expertise of federal HR resources needs to be world class. It is not.

  Making government-wide HR capability a legislative priority would be a critical step in ensuring that the government attracts, retains and effectively manages the millions of employees, contractors and partners that deliver government services.

- Finally, "fixing the hiring process" must include extending pay reform to all of government. We can speed the time it takes to extend an offer but, without the ability to create competitive positions and packages, managers will not be successful in attracting great talent. We need to continue to extend pay flexibilities across government to allow all federal agencies to be competitive.

- **Describe the disparity between the intern retention rate of the private sector to the federal government.**

  - **Why is the federal government retaining so few interns as full-time employees?**

    Relative to employers across all sectors, the federal government does retain fewer interns. The most recent data that we have about intern retention or co-op conversions comes from the 2003 OPM SCEP data which indicates that the federal government successfully converted only 19 percent of the 15,576 participants that year. This is significantly lower than private sector averages from a National Association of Colleges and Employers (NACE) poll conducted in 2003, which indicated that employers from the private sector converted upwards of 39 percent of their interns.

    There may be several reasons for the disparities, ranging from constraints on entry-level hiring due to budget pressures or FTE caps to poor intern experiences in their programs. We have not conducted an evaluation of government-wide programs, so it would be difficult to generalize. We have had feedback from several studies conducted by our staff members and student work projects that suggest we may not be putting our best foot forward in engaging interns in many programs.

    Features of most successful intern programs include challenging work, good mentors, effective orientation and assimilation, social activities and networking, and finally a performance evaluation for the program and for the interns themselves. The feedback we heard from recent Truman Scholar focus groups reinforces these ingredients for success. Those who indicated they would strongly consider a federal career post-internship cited most of these factors. Those who were less inclined to pursue a federal career after their experience typically felt that the work they did was less challenging and that their managers and supervisors did not engage them effectively.

  - **What are your recommendations?**

    The talent market will become increasingly competitive over the next few years across all entry level hiring categories. For graduates with specialized education such as finance, accounting, engineering, technology and scientific fields, the War for Talent is back on. Respondents to the NACE 2005 Job Outlook survey indicated that entry level employment plans are picking up. Sixty one percent of the survey participants reported plans to increase college hiring over the prior year. Employers indicated that new graduate hiring will jump by 13 percent from 2004 levels.

    In the same survey, employers ranked internships and co-op programs as their most successful recruiting techniques. These programs effectively "pre-sell" the job opportunities and often allow organizations to avoid the fierce battle for talent around graduation. It also affords agencies an excellent opportunity to assess interns on the job

to identify the best of the best.

- Leaders and managers across the federal government need to understand that this is the private sector's not-so-secret weapon. They will continue to be more competitive with the best and brightest from our colleges and universities unless federal agencies aggressively adopt similar strategies. We need leaders who take an ownership interest in the programs and work to ensure their success.

  Congress could assist in focusing leadership attention through its oversight activities. The CHCO legislation provided for an annual report to Congress from the Chief Human Capital Officer – those reports should include reviews of the entry level talent programs that federal agencies are employing. As one of the single most successful recruitment and hiring tools cited by employers across sectors, evaluation of the effectiveness of agencies' use of internships should be among your top questions of federal leaders.

- To ensure that federal agencies capitalize on this important tool, we recommend that they pursue their intern programs with the same energy with which they approach their customer service efforts. There are many examples of exceptional practices within the federal government. Our Solutions Center includes case studies from GAO and HHS as examples of strong intern efforts. As we did in our report, *Tapping America's Potential*, we recommend that OPM gather and disseminate information about practices across government and incorporate evaluation of internships as part of the President's Management Agenda scorecard.

Ed Flynn - Questions for the Record

Question: I am very interested in what you term an "employment brand" at the most successful companies, which is a message from employers to employees about their work experience. Can you clarify this and give me an example of how this might work in a Federal agency?

Answer: Simply stated, the creation of an employment brand reflects a tangible acknowledgement by successful employers that the caliber of people they hire and retain has a direct and objective impact on the likelihood of the employer's success - be that as a private, for profit company or an organization attempting to achieve other goals (e.g., not-for-profit agencies or public sector organizations). Employers who practice the technique of employment branding create a statement that explicitly links the employment experience to the external goals of the organization. That statement then permeates the organization's human capital policies and practices in ways that reaffirm that connection over time.

For example, the military services have adopted recruitment techniques and associated human capital practices for the uniformed services that are particularly effective. The slogan, "It's not just a job, it's an adventure" captures the military's emphasis on developing a relatively young recruitment pool into a mature organization of specialists all of whom contribute, in the aggregate, to the defense of our nation and its strength as a country. For individuals who join the military, this commitment is manifested in a number of ways. First, the military services invest heavily in specialized occupational training, preparing recruits for their "adventure." Secondly, the military's policy of rotational assignments and career-long learning (including the sponsorship of continuing formal education) all reaffirm the branding statement. Finally, and not unimportantly, the notion of an "adventure" connotes an element of danger to the potential recruit, and creates a subtle but important message about the risks associated with defending the country.

For Federal agencies, creating an employment brand would involve assessing the core mission of the organization, and analyzing the types of individuals most likely to contribute in a positive way to the organization's goals. From that point, the Federal agency could create enduring messages - and their associated recruiting techniques - enabling the identification of those individuals in the market and providing mechanisms to attract and retain them.

Question: You state that leading companies give as much information to job candidates as they get from them during the hiring process. This is not to my knowledge the standard operating procedure for Federal agencies. How can agencies get more and better information to job applicants during the process?

Answer: As noted in my testimony, recent advances in technology, coupled with a commitment by the hiring organization to the idea that good people are essential to success, creates a framework within which more and better information can be given to job applicants. When technology is adapted that facilitates recruitment processes, recruitment professionals can devote more of their time on the substantive messages they communicate to prospective candidates about the employment experience itself.

Where this is not the case, it's frequently a fact of life that recruitment professionals find themselves inundated with internal pressures to hire on a case-by-case basis, and they lack the integrated systems and processes which contribute to a strategic approach to hiring.

Solving these issues in any organization requires several steps and an enduring commitment. First, the organization needs to develop a clear sense of its mission and its core goals. Secondly, management within the organization needs to embrace the ideal that recruitment of the right people contributes to those goals. Third, technology can remove many impediments to obstacles enabling two-way communication with prospective candidates. Finally, and most critically, organizations need to understand that withholding information from people creates automatic and significant perceptual hurdles to effective recruitment that cannot be overcome.

Question: Which private sector hiring processes, if any, could be adapted for use in the Federal government?

Answer: To my knowledge, there is not a single technique applied successfully in a private sector company that could not be successfully adapted by a Federal agency. Without question, Federal agencies have a variety of unique requirements in their recruitment programs. The requirement to apply Veterans' Preference is one example, as is the somewhat more intensive process of background checking needed for a large number of Federal positions. However, none of these unique Federal requirements imposes a recruitment framework so different that it cannot be successfully adapted to the successful techniques and processes used by private employers.

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