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Subcommittee on Regulatory Affairs and Federal Management
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Chairman Lankford, Ranking Member Heitkamp, and members of the Subcommittee, I appreciate the opportunity to speak before this committee today. Although I have only served as the President and CEO of the National Academy of Public Administration (the Academy) since January 2017, I previously served for nearly four years as the Deputy Assistant Secretary for Policy at the Veterans’ Employment and Training Service (VETS) at the U.S. Department of Labor and for eight years as a career member of the Senior Executive Service in the U.S. Department of Defense. I served as an officer in the U.S. Army for 20 years before retiring in 2003. Through all of that time, I have been a customer of the federal civil service system and have personally experienced its strengths and its weaknesses.

Established in 1967 and chartered by Congress, the Academy is an independent, non-profit, and non-partisan organization dedicated to helping leaders meet today’s most critical and complex government challenges. The Academy has a strong organizational assessment capacity; a thorough grasp of cutting-edge needs and solutions across all levels of government; and unmatched independence, credibility, and expertise. Our organization consists of over 800 Fellows—including former cabinet officers, Members of Congress, governors, mayors, and state legislators, as well as distinguished scholars, business executives, and public administrators. The Academy has a proven record of improving the quality, performance, and accountability of government at all levels. I am passionate about public service and could not be more pleased to have the opportunity to further the Academy’s important mission of good governance to benefit all Americans.

In your letter of invitation, you expressed interest in strategic personnel management issues across the federal government, as well as concerns about communication breakdowns between frontline agency component management and their respective human resources (HR) offices to such a degree that critical needs go unfilled and the need for appropriate oversight to ensure federal agencies are pursuing effective personnel management policies. I am pleased to present my views on these important issues, to identify lessons learned from Academy studies and thought leadership, and to highlight effective practices at the Centers for Disease Control and Prevention (CDC) and the Federal Aviation Administration (FAA) that have improved personnel
management performance. In addition, I will discuss other opportunities for ensuring that federal workforce policies and practices meet today’s human capital needs.

The Academy’s assessments consistently demonstrate that the current federal personnel system is complex, multi-faceted, and rule-bound, but it can be made to work when there is:

- Leadership commitment at the most senior levels of departments and agencies;
- Higher capacity in federal HR offices;
- Strong partnerships between HR and hiring managers;
- More effective change management practices; and
- Rigorous oversight, monitoring, and evaluation.

From that perspective, unless Congress intends to enact wholesale civil service reform, I would recommend placing greater emphasis not on modest statutory changes, but on building a strong consultative partnership between HR professionals and hiring managers, and continuing to upgrade the capabilities in HR offices across the federal government.

**KEY FEDERAL HUMAN CAPITAL ISSUES AND CHALLENGES**

The January 2015 Government Executive cover story—“Can’t Hire, Can’t Fire: Other Than That, Everything’s Great with the Civil Service System”—captures what many believe to be central failings of the current system. The federal government’s most important asset is its people, both civil service and contractors, without which public services could not be provided. The federal government does face challenges in adequately recruiting, developing, and retaining top talent; holding employees accountable; and striking the right balance between civil servants and contractors. These human capital challenges must be addressed in order to strengthen the performance of government and improve the services provided to the public.

The current federal human capital system is complex, and it is far from monolithic, with a wide range of flexibilities and authorities given to different agencies. Some agencies are subject to Title 5, while others such as FAA have received exemptions from Congress. Some agencies have special pay authorities. For example, CDC makes widespread use of the special pay
authorities established by Title 38 and Title 42, while financial regulatory agencies have special authorities through the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Other flexibilities exist in federal hiring, including:

- **Direct hire authority**—the Office of Personnel Management has long possessed authority to allow agencies to directly hire employees. In order to grant the authority, OPM must determine that there is either a severe shortage of candidates or a critical hiring need for a position or group of positions.

- **Category rating and ranking**—this authority was included in the 2002 legislation creating the Department of Homeland Security. The Obama Administration mandated that agencies utilize this authority to allow a broader pool of potential candidates while following veterans preference, but some agency subcomponents still use the “rule of three” hiring method.

- **New excepted service hiring authorities** intended to address specific problems—for example, OPM has Schedule A initiatives granting agencies the ability to bypass some parts of the meandering federal hiring process to fast track the onboarding process for digital services experts. Similarly, Schedule D hiring authorities address intake of new graduates. Special authorities also exist for returning veterans and their spouses.

The Academy’s past thought leadership engagements and studies provide key insights on options for improving federal human resources practices, with particular attention paid to prior work for the Centers for Disease Control and Prevention, the Federal Aviation Administration, and the U.S. Patent and Trademark Office.

**Insights from Prior Academy Thought Leadership and Studies**
The Academy draws upon federal, state, and local leaders with senior-level human capital experience across agencies and levels of government. A wide range of prior projects have addressed human capital issues, including reviews for the U.S. Patent and Trademark Office (13,000 employees), the Centers for Disease Control (8,000 employees), the Department of Housing and Urban Development (8,000 employees) and the Department of Energy (14,000...
employees). An independent Panel of the Academy also developed a model and process for a certified assessment of human resource systems for the University of California (190,000 employees).

In 2013, the Academy and the American Society for Public Administration (ASPA) published *Memos to National Leaders*, a book providing recommendations on a wide range of governance and management issues, including human capital. A human capital memo included five recommendations for strengthening and streamlining federal recruitment and selection:

1. Agencies should take a strategic perspective on hiring by viewing and managing it as a critical business process, not just an administrative function;
2. Agencies should assess internal hiring processes, procedures, and policies to identify any unneeded barriers to the quality, timeliness, and cost effectiveness of hiring decisions;
3. With the assistance of OPM, agencies should utilize rigorous assessment strategies that focus not just cost and speed, but ultimately lead to high-quality selections;
4. Agencies should make the hiring process more manageable for applicants by enhancing ongoing communications with applicants;
5. Human resources professional staff and selection officials must be trained to think strategically and to provide a full range of services to ensure an effective and efficient recruitment and hiring system.

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In 2016, the Academy and ASPA again worked together to publish another installment of *Memos to National Leaders*, and the workforce management memo recommended that agency Chief Human Capital Officers take the following actions:

1. Strengthen the link between strategic planning and human capital management;
2. Analyze key workforce trends;
3. Solidify the talent pipeline;
4. Focus on employee engagement; and
5. Underscore the importance of operations.

Recent Academy work for several agencies focused on topics of concern to the Subcommittee.

*Centers for Disease Control and Prevention*

The Centers for Disease Control and Prevention is a major operating component of the Department of Health and Human Services (HHS) responsible for protecting public health and safety by conducting research, disseminating information, and responding to public health crises. Through its collaboration with international organizations and state and local agencies, CDC has prevented disease, improved global health, and enhanced the welfare of our nation and partner countries. In the post-9/11 world, CDC has become even more important given its new and expanded responsibilities in the areas of emergency preparedness and response to terrorism.

In 2015, the Academy completed a two-year engagement with the Centers for Disease Control and Prevention to help the agency’s Human Resources Office (HRO) improve its services to customers. The Academy completed an initial study in February 2014 with recommendations for driving performance improvement in CDC’s HR processes. Upon the completion of that review, CDC requested that the Academy work with the agency to reengineer its hiring process.

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The Academy formed a study team of senior human resource professionals with input from a five-member Expert Advisory Group and worked closely with CDC to:

- Document the existing hiring framework;
- Collect data and develop a comprehensive, improved process;
- Recommend and pilot the improved hiring framework with three programs;
- Develop materials to ensure that HRO staff understood the revised framework;
- Recommend performance metrics to continually assess the new hiring framework;
- Conduct a “training of trainers” on the pilot and the final new hiring process; and
- Identify critical changes in HRO and CDC culture needed to implement and sustain the new hiring process.

The initial results of this integrated set of changes have shown significant promise for improving recruitment outcomes and working relationships between the HRO and CDC’s line office (Centers, Institutes, and Offices) managers. By utilizing the competency-based assessment questions that the Academy project developed and involving subject matter experts in the hiring process, the agency had a much-improved capability for assessing candidates and identifying the most highly qualified and has reduced its time to hire. The relationship between the human resources professional staff and its customers improved because of concrete steps to build a partnership between these two critical elements of the hiring process. This partnership is critical, for example, to ensure that the position description/vacancy announcement suits the hiring manager’s need.

At the conclusion of that engagement, the Academy team made 13 recommendations for next steps that should be taken by CDC to build on the momentum of the pilots and institutionalize the new approaches. Recommendations included continuing the HRO and program collaboration to transition to competency-based job analysis and recruitment; supporting CDC line offices efforts to streamline procedures and processes as part of this transition; integrating a robust communications program into the transition; and strengthening the Customer Review Board. The Academy’s Expert Advisory Group members continue to meet voluntarily with the CDC staff on a quarterly basis to support continued progress.
Most recently, the Academy completed a focused review of CDC’s senior career recruitment, with a goal of improving the recruitment processes and hiring results for these critical positions while increasing customer service and satisfaction. To fulfill CDC’s critical mission, the Executive and Scientific Resources Office (ESRO) is tasked with recruiting and hiring the absolute best in worldwide top scientific talent and the executives who manage and lead their efforts. CDC must compete in a hyper-competitive labor market for a global yet extremely scarce talent pool that is high demand from public health organizations and private companies.

The Academy team reviewed existing processes and procedures, interviewed key individuals, and identified leading practices from other agencies or organizations. It determined that ESRO had an opportunity to learn from the successes of HRO in the previous Academy project and adjust those lessons to the more demanding requirements of providing consistent, high quality service for executive recruitment, on-boarding, compensation and performance management services to CDC’s executive leadership.

The Academy team issued recommendations and implementation steps for how CDC’s ESRO should:

- Enhance its leadership role;
- Standardize and streamline processes and support;
- Improve internal management and communications;
- Improve support systems;
- Further develop a strategic partnership on senior career recruitment with CDC leadership and line managers;
- Ensure that the senior career recruitment process is strategic;
- Further develop a communications strategy;
- Develop a streamlined Title 42 Distinguished Consultants process;
- Institute rigorous quality controls; and
- Strengthen executive onboarding.
The Federal Aviation Administration’s mission is to provide a safe and efficient aerospace system. As part of this mission, FAA regulates civil aviation to promote safety, encourages and develops current and new aviation technology, develops and operates a system of air traffic control and navigation for civil and military aircraft, researches and develops the National Airspace System and civil aeronautics, develops and executes programs to control the environmental effects of civil aviation, and regulates commercial space transportation.

In 1995, Congress passed legislation exempting FAA from most provisions of Title 5 and directed the agency to develop and implement a new personnel management system that would provide greater flexibility in hiring, training, compensation, and in the assignment of personnel to duty locations. In 1996, Congress directed that the new system be negotiated with its unions. The personnel management system reform effort at the FAA has been the subject of numerous implementation reviews. In recent years, external assessments have been done on specific human resources (HR) issues, in particular issues related to the air traffic control workforce, but none had taken a systematic look at FAA’s personnel management system.

In June 2016, the Office of Management and Budget (OMB) requested that the FAA contract for an independent, third-party assessment of how the agency has utilized these flexibilities. FAA chose the National Academy of Public Administration (the Academy) to conduct this assessment. The Academy formed a professional study team to conduct a five-month study based on extensive independent research, including interviews with agency officials in both headquarters and the field; employee groups; external customer/stakeholder groups and oversight bodies; and in-person visits to FAA. A three-member Expert Advisory Group composed of Academy Fellows provided guidance to the team on such topics as research strategy, leading practices, and possible recommendations for improvement.

The study team determined that FAA has taken important steps in the past few years to address long-standing impediments to the efficient and effective staffing of air traffic control facilities, though it will take additional time to fully assess progress. Also, FAA has taken advantage of flexibility in the area of compensation, but there appears to be some reluctance by the human
resources staff to more fully explore options that would allow the FAA’s mission elements greater flexibility in other areas, due to concern over their inability to oversee and enforce conformance with merit system principles.

Historically, there was a legacy of distrust between central human resources staff in the Assistant Secretary for Human Resources (hereafter referred to as AHR) and customer organizations. The study team determined that AHR recently has made important progress in addressing this distrust. Its successes in managing the challenges created by the budget sequester in FY 2013 and, more recently, meeting hiring targets for air traffic controllers, have helped to begin rebuilding customer confidence in AHR. Since 2015, AHR has taken steps to enable a more proactive, strategic approach to addressing customer staffing needs, and the new director of AHR has been undertaking a series of forums to identify opportunities to improve the working relationship with customers and to address specific complaints as she is able in the near term.

Given the lack of baseline data, together with FAA’s piecemeal implementation of reforms and changes in HR policies over the past twenty years, it was not possible to trace the impact of the title 5 exemption on the major challenges identified by FAA in the 1990s. Instead, the Academy study team assessed the current state of those challenges and the use of flexibility afforded by the exemption. Based on this review, the study team developed nine recommendations to strengthen human capital management at FAA. Among other things, the team urged FAA to develop a comprehensive strategy that allows the agency to (1) strengthen the working relationships between the human resources management office and customer organizations, (2) improve coordination of classification and management of human resources-related positions across the agency, (3) strengthen agency-wide workforce planning processes, and (4) develop a balanced, fiscally responsible approach to labor contract negotiations. Specifically, the team determined that further improvements of the performance of the FAA’s personnel management system depends to a large degree on strengthening agency-level capabilities, which will require actions that AHR cannot take on its own. These key needed capabilities are classification and management of human resources-related positions, workforce planning, and labor negotiations.
A way of enhancing the federal government’s ability to recruit and retain top talent is to provide a flexible work environment while establishing high performance standards. This can be accomplished in a number of ways, including through an effectively designed telework program.

The U.S. Patent and Trademark Office (USPTO) is charged with the critical mission of protecting intellectual property by examining applications for patents and trademarks. Quality and timeliness in issuing patents and registering trademarks are integral to the successful long-term performance of the U.S. economy. USPTO has been the federal leader in utilizing telework as a critical element of its organizational and workforce strategy. Its telework program started in 1997, with 18 trademark attorneys working several days a week from home and sharing office space when they returned to headquarters. The program expanded significantly in the two decades that followed, buttressed most recently by the Telework Enhancement Act of 2010 (Public Law 111-292), which further clarified the Agency’s authority and granted additional flexibility. Now, most of the USPTO workforce—including trademark and patent examiners and many of their supervisors—can work off-site and, within certain parameters, choose a work schedule that accommodates personal and family needs.

In 2014 – 2015, the Academy reviewed the U.S. Patent and Trademark Office’s telework program to ensure that management controls and programmatic goals are effective and aligned with the Agency’s mission. This entailed a two-part review of the telework program: (1) an internal control review of the USPTO telework program to determine if it complies with the Internal Control standards outlined in OMB Circular A-123, Management’s Responsibility for Internal Control; and (2) a programmatic review to determine the effectiveness and efficiency of the USPTO Telework Program.

The Academy Panel leading the work determined that the telework program has provided important benefits to the USPTO, including saving money, enhancing employee quality of life, potentially increasing recruitment and retention, and ensuring on-going work during

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emergencies. It concluded that patent production is about the same, by grade level, for on-site examiners as for part-time and full-time teleworkers and that there were no differences between the teleworkers and non-teleworkers in their performance and conduct.

As part of the study methodology, the Academy team surveyed all Supervisory Patent Examiners (SPEs) to develop a current picture of the SPEs’ perspective on whether recent training and policy improvements were beneficial to the Patent Organization and conducted a benchmarking study to validate a previous USPTO study on best practices for teleworking and compared them to other public and private sector organizations that used telework broadly. At the conclusion of the review, the Panel issued a set of recommendations on how the USPTO could further enhance the management of its telework program, including through further engagement with and training of teleworkers’ supervisors.

THE FUTURE OF FEDERAL HUMAN CAPITAL MANAGEMENT
The federal government, along with its human capital systems and processes, will need to continue to evolve in order to meet the needs of a changing society. In 1989, the first Volcker Commission, the National Commission on the Public Service, highlighted many of the problems we face today\(^4\). While they may have morphed in form, the federal government’s workforce challenges have been identified many times over. The past three decades have witnessed a shift in how work is done in organizations and what talent is needed to do the work. Changing demographic and economic trends and advancing technology are just a few factors now driving organizational design/structure and capabilities. To provide the highest-quality public services, the federal government needs a 21\(^{st}\) century federal workforce system that support government effectively and manage human capital such that it attracts the highly talented and skilled workforce. Some needed actions can be addressed at the administrative level without legislation; others will require bolder action, possibly buttressed by legislation. Congress, the President, Cabinet Secretaries and other political appointees, and senior career leaders all have important roles to play in driving needed human capital changes in federal agencies, leveraging the career

Senior Executive Service, building the capacity of the HR workforce, and providing effective oversight.

**Driving Change**

Clearly, the federal government will need to continue to change how it operates in order to meet the public’s needs both now and in the future. Prior Academy Panels have researched effective practices in the public and private sectors and identified eight principles for effective transformation.\(^5\)

1. Ensure top leadership drives the transformation.
2. Establish a clear vision and integrated strategic transformation goals.
3. Design the organizational structure that will enable the vision.
4. Create a sense of urgency, implement a timeline, and show progress from day one.
5. Communicate frequently through multiple channels to multiple stakeholders.
6. Dedicate a powerful implementation guidance team to manage the transformation process.
7. Engage employees to seek their improvement ideas, build momentum, and gain their ownership for the transformation.
8. Sustain the effort by nurturing a new culture, rewarding risk, and assessing progress.

Although these were meant to guide organization-wide transformations,\(^6\) these same principles can apply to varying degrees to the transformation of HR systems and processes:

- Senior political and career leadership must set the direction, pace, and tone and provide a clear, consistent rationale that brings everyone together behind HR reform.
- A clear set of principles and priorities serves as a framework to help the organization create a new culture and drive employee behaviors.

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• Goals and a timeline are essential because agency HR transformations can take years to be fully realized.
• A clear “line of sight” and performance metrics can ensure that teams, units, and individuals understand their contribution to overall organizational results.
• Two-way communications between employees, customers, and stakeholders should create shared expectations and enable progress to be reported.
• Robust employee engagement and involvement should be utilized to strengthen the process and ensure that employees can share their experiences and shape actions to reform the HR system.

Leveraging the Career Senior Executive Service
The over 7,000 public servants comprising the career Senior Executive Service (SES) are critical to the functioning of the federal government. Established as a government-wide executive corps by the Civil Service Reform Act of 1978, the SES of the 21st Century is at a critical juncture in its history. For example, many current career SES members are retiring, which may result in a loss of institutional knowledge, and many up-and-coming GS-14s and 15s are not inclined to apply for and join the SES. And SES members, like employees at other levels across the federal government, need to further develop new skills and competencies in order to manage in a more virtual, networked, and globalized world.7

Clearly, any government transformation—whether in the broadest sense, or in narrower functional areas like human capital management—must leverage career SES members in order to achieve success. The Academy recently published a book, Building a 21st Century SES: Ensuring Leadership Excellence in Our Federal Government, that brings together the practical perspectives of leaders with substantial experience with the SES. The commentators address such issues as the proper institutional role of the SES, the most critical leadership qualities for the 21st Century, the development of the next generation of career leaders, and opportunities to revitalize the SES for future decades. Academy Fellow Ronald Sanders edited the book. He

offered a wide range of concrete recommendations for how to strengthen the SES. Among the most important of these recommendations, in my view, are:

- Modernizing the Executive Core Qualifications Framework, including by focusing on enterprise leadership;
- Building a whole-of-government executive succession plan;
- Making interagency mobility a prerequisite for SES promotion;
- Appointing an Enterprise Executive Resources Board to manage career executive talent; and
- Providing peer review for greater SES accountability.

**Building HR Staff Professional Capacity**

HR offices across the federal government often face serious challenges:

- Pervasive competency gaps and performance issues;
- Operational problems that impede good customer service; and
- Limited short-term and long-term workforce analysis and planning strategies, which contribute to a misalignment of staffing needs and budget activities.

In 2007, an Academy Panel developed a “pathway to assurance” for the University of California system’s human resource systems. The Panel developed seven major HR standards:

1) System-wide management;
2) HR strategic management;
3) HR operations and program assurance;
4) Employment and talent management;
5) Total compensation and benefits;
6) Training and development; and
7) Work environment and employee-labor relations.
Although developed for a university system, these criteria generally are applicable to the federal government’s HR system and point the way toward the knowledge, skills, and abilities that HR offices across the federal government require in order to function effectively. HR offices need to be able to meet the operational and program assurance standards shown in Table 1.

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<tr>
<th>Element</th>
<th>Key Success Attribute</th>
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<td>1) Assurance &amp; Evaluation</td>
<td>HR conducts assurance and evaluation activities to determine the consistency/compliance, quality and efficiency of HR policies, programs, and activities.</td>
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<tr>
<td>2) HR Metrics &amp; Continuous Improvement</td>
<td>HR defines a comprehensive set of metrics by which its programs and services are measured.</td>
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<td>3) HR Staff Management</td>
<td>HR employs, or has ready access to, sufficient numbers of fully competent staff to carry out its mission successfully.</td>
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<tr>
<td>4) Systems &amp; Infrastructure Management</td>
<td>The agency has the needed infrastructure and resources to accomplish priority HR work in a cost effective manner.</td>
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<tr>
<td>5) HR Consultation &amp; Assistance</td>
<td>HR provides guidance and support that assists managers, supervisors, and employees in a timely and responsive manner.</td>
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Table 1. HR Operations and Program Assurance Standards


The federal government’s work has grown more complex over time, as have the tools available to accomplish it. In this changing environment, HR professionals must have a wider array of skills and a deeper knowledge, including in such areas as the implications of contemporary neuroscience for human capital management. HR professionals need to know “how to get to yes,” if at all possible, for their clients—and they need to have a deep understanding of the direct mission work performed by their agencies. The federal government should consider establishing a credentialing system for HR professionals similar to those used for other professions.

Our federal HR staff members, however, are only part of the equation. They cannot do it by themselves, which is why a partnership is so critical. Senior agency leaders must provide direction to and support of the HR function. Hiring managers must be involved actively in HR
decisions, and they must be knowledgeable about options, risks, recruitment sources, workforce planning and staffing needs of their organizations.

Leveraging Contractors
All too often, federal human capital discussions focus solely on the federal civil service system, neglecting the critical role that contractors and other levels of government play in service delivery. The Academy convened a Working Group of Academy Fellows in the mid-2000s to examine the multi-sector workforce: that is, the federal reality of a mixture of several distinct types of personnel working to carry out the agency’s programs. Federal, state and local civil servants (whether full- or part-time, temporary or permanent); uniformed personnel; and contractor personnel often work on different elements of program implementation, sometimes in the same workplace, but under substantially different governing laws; different systems for compensation, appointment, discipline, and termination; and different ethical standards. Similarly, the Academy’s work for individual agencies, such as NASA and DOE, has addressed the complexity of contemporary workforce management.

The federal government continues to rely heavily on contractors, in particular, to carry out agency missions. Many motives and reasons have been associated with the change—for example, to utilize existing service delivery mechanisms, to acquire hard to find skills, to save money, to have the private sector do work that is not inherently government, to augment capacity on an emergency basis, and to reduce the size of government’s civil service workforce. Within this context, it is important to address the appropriate utilization of civil servants and contractors and to ameliorate any associated management challenges. Federal agencies need to make strategic decisions about contractor utilization, including ensuring that inherently governmental work is performed by civil servants; incorporating civil servant-contractor considerations into workforce planning; and utilizing contractors’ knowledge, skills, and abilities appropriately.

Providing Effective Oversight
Effective HR management is not a partisan issue. Congress and the Executive Branch must work together to ensure that the federal government is able to recruit, retain, motivate, and reward top talent. Congress has a critical role in establishing the legislative framework, appropriating
needed resources, and providing effective oversight. The Subcommittee is to be commended for holding this Roundtable, and it should consider providing other such opportunities for federal agencies and outside stakeholders to identify “wicked” problems within the HR system and to showcase innovative practices.

Within the Executive Branch, several agencies are involved in providing oversight of the federal personnel system, including the U.S. Office of Personnel Management (OPM), the Merit Systems Protection Board (MSPB), the Federal Labor Relations Authority (FLRA), and the Equal Opportunity Commission (EEOC). Their roles and responsibilities could be further clarified. And, as the central management agency responsible for implementing the personnel policies and practices set forth by the Congress and the President, OPM should play a stronger role in identifying promising practices and supporting management reform initiatives.  

Mr. Chairman, the federal government faces significant challenges in the human capital area, but the system can be made to work with additional leadership commitment at the most senior levels of departments and agencies; stronger capacity in federal HR offices; a deeper partnership between HR and hiring managers; more effective change management practices; and enhanced oversight, monitoring, and evaluation. The lessons learned and effective practices highlighted from the Academy’s studies and thought leadership should point the way toward opportunities for strengthening the human capital function across the federal government. These improvements, in turn, can make a big difference in recruiting and retaining talent, especially among the younger generation of Millennials, many of whom have a great desire to serve the public.

With salary and benefits, the typical federal employee quickly becomes a million dollar investment. Hiring mistakes are extremely costly—both in direct terms and in opportunity costs. Hiring is a multi-million dollar business, and it should be treated as such by federal managers.

and HR professionals. That is why we must remember that our government is only as good as the people who work for it, and we must collectively commit to improving our workforce planning, staffing, development, retention, and separation processes to attract the best.

The Academy currently is working on a thought leadership effort funded by the Samuel Freeman Charitable Trust to explore some of these critical issues. Specifically, this project is charged with (1) identifying the challenges in the current federal human capital system, (2) producing a white paper with innovative solutions on human capital issues, (3) working with Congress and the Administration to raise awareness of these issues and potential solutions, and (4) laying the groundwork for any needed legislative and administrative changes. Dr. Donald Kettl is chairing this five-member Panel that will release a final white paper later this summer. We would welcome the opportunity to brief the Committee Members and staff our report at that time.

Mr. Chairman, that concludes my prepared statement, and I would be pleased to answer any questions you or the Committee members may have.