

Statement of Senator Daniel K. Akaka

**“Strengthening the Senior Executive Service:
A Review of Challenges Facing
The Government’s Leadership Corps”**

**Subcommittee on Oversight of Government Management, the Federal Workforce, and the
District of Columbia
Senate Committee on Homeland Security and Governmental Affairs**

March 29, 2011

Aloha and good morning. Thank you for joining us as the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia meets to examine challenges facing the Senior Executive Service (SES).

Today’s hearing on strengthening the Government’s leadership corps is timely and important in this challenging climate. Agencies and Federal employees are being asked to do more with less – looking for ways to cut costs without compromising agency missions. They are rising to the challenge, even while facing uncertainty about future resources and personnel.

As the Federal Government’s senior managers, the Senior Executive Service is responsible for leading the workforce through these difficult times. The SES is essential to driving management priorities and promoting efficiency within agencies and across the Government.

Each year, through Presidential Rank Awards, we recognize outstanding Senior Executives whose innovation and management expertise save taxpayers billions of dollars. I am proud that such talented people have chosen a career in public service, and I believe that America has benefitted as a result.

Although the SES is critically important to efficient and effective Government, it has been a number of years since Congress took a comprehensive, Government-wide look at the Senior Executive Service. Like any workforce, it faces its share of challenges.

Many top-notch candidates do not want to apply to the SES. For years, this Subcommittee has been working to fix the broken Federal hiring process, and we have made quite a bit of progress working closely with the Office of Personnel Management (OPM). But the process for senior executive jobs is even more complicated and longer than other jobs. A survey of Chief Human Capital Officers and upper level General Schedule (GS) employees in 2009 found that the complex process deterred many employees from applying to the SES. It is time to focus on fixing the SES hiring process.

To make matters worse, there is little financial incentive to join the SES. In 2004, Congress enacted reforms that created a pay for performance system for the SES, raised the cap on SES pay, and eliminated locality pay. The SES pay range is linked to Congressional pay, and over time it has not increased as fast as GS pay. As a result, the General Schedule pay scale overlaps substantially with the lower end of the SES, particularly in areas where GS employees receive high locality rates.

Members of the SES carry critical responsibilities, often work long hours, and have fewer employee protections, but they may bring home smaller pay checks than the employees they manage. The same

2009 survey found that many senior GS employees did not apply for the SES in part because the overlapping pay, often called pay compression, creates a financial disincentive.

These general recruiting challenges have made attracting diverse candidates to Government service and the SES even more difficult.

In 2008, Congressman Danny Davis and I held a joint hearing to explore the issue of SES diversity. We also introduced legislation in the 110th and 111th Congresses aimed at increasing SES diversity. There has been slow progress. As of June 2010, only 17 percent of SES members were ethnic minorities, up from 16 percent three years before, and only 31 percent were women, up from 29 percent three years before. I am pleased that President Obama and OPM are also focused on this issue, creating the Office of Diversity and Inclusion. However, much work remains to be done.

With 90 percent of the SES workforce eligible for normal or early retirement, it is critical that agencies focus on these pressing recruitment challenges.

We also need to make sure federal employees are prepared when they apply for the SES. This means mentoring employees throughout their careers and identifying those with leadership abilities. Agencies also must invest in in-depth training opportunities, including interagency rotations.

These important topics we are exploring this morning involve complicated issues without easy solutions. The first step is focusing attention on the need for reform.