



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF **MANAGEMENT** AND BUDGET  
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Statement of the Honorable Clay Johnson III  
Deputy Director for Management  
Office of Management and Budget

before the

Subcommittee on Oversight of Government Management,  
the Federal Workforce, and the District of Columbia

of the

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The Federal government is focused on results and so are its employees. The American people expect it of us. We ask ourselves if we're accomplishing the desired goal, at an acceptable cost, and if the answer is "no" or "we don't know", we do something about it.

The Federal government is adopting human capital practices that ensure a focus on results. With the help of the President's Management Agenda, and the Strategic Management of Human Capital initiative in particular, agencies are deploying key tools to ensure we have the right person, in the right job, at the right time, performing well. Of the agencies rated on the Executive Branch Management Scorecard, which represent almost 97 percent of the Federal civilian workforce:

- Ninety-two percent of agencies have strategies for ensuring that they are developing future leaders.
- Ninety-six percent have identified skills gaps in critical occupations and 77 percent are working to reduce or eliminate them.

- Sixty-five percent of agencies have performance evaluation systems that more clearly define what's expected of each employee and how they are performing relative to those expectations.

It's most important that agencies are increasingly clarifying what's expected and holding employees accountable for meeting those expectations. In focus groups I've moderated in ten different agencies, managers tell me that they welcome the improved evaluation processes, in that:

- Our employees deserve to have greater clarity regarding how they are serving the public, which is primarily what they are here for.
- Most employees want to do a good job, but need to know what a "good job" is.
- Goals are energizing.

Of course, there are human capital challenges we can not overcome just by managing better or being more results oriented. When the President thought it was critical to have additional tools to overcome those challenges, he asked Congress for them. With regard to the Departments of Defense and Homeland Security, the Administration requested and Congress granted significant flexibility in hiring processes, compensation systems and practices, and performance management so that these Departments could recruit, retain, and develop the workforce they needed to accomplish their critical missions in the 21<sup>st</sup> century. The new personnel systems being designed and adopted by the Departments of Defense and Homeland Security will work. We will make sure they do; their success is too important to our pursuit of a 21<sup>st</sup> Century workforce.

I am proud of the progress we have made in Federal human capital management in the last several years. We are left, in my opinion, with two big questions to deal with.

The first question is how personnel flexibilities should be expanded to the rest of the Federal Government. Should it be piecemeal, with confusing differences in the personnel management practices at agencies across government? Or will it be more thoughtfully extended to all agencies at once?

Clearly, I would recommend that we consider making available to the government's remaining agencies the flexibilities necessary to improve hiring processes, compensation systems and practices, and performance management so that they can recruit, retain, and develop the workforce they need to accomplish their missions. If not provided in a uniform way, it is difficult to guard against imbalances that are created when competition exists between agencies for limited

talent. One thing I know for sure: it's not a question of whether these flexibilities will be granted more broadly to agencies, but when.

The second question we must confront is when to most responsibly pay employees of the Federal Government. Today, we have targeted, not widespread, recruitment and retention problems in our civilian workforce, and pay surveys reveal that we are currently *overpaying* employees in some occupational groups in some locations. We will eventually give agencies the tools they need to target salary increases where they need them to address specific recruitment or retention needs. If we are to achieve the 21<sup>st</sup> Century workforce that the American people deserve and expect, we certainly should not grant all civilian employees the same increase no matter what the need because that wouldn't be focusing on the desired result: that would be providing too small an increase where we do have recruitment and retention problems, and too large an increase where we do not have a problem. We should be spending money where we need to, and not where we don't. We will eventually do this; we just need to decide when and in what series of steps.

If we answer these questions correctly and continue the progress of the last several years, we have the potential to achieve the 21<sup>st</sup> Century workforce we desire, not in decades, but in a handful of years. I think this enhanced focus on results will bring about the most dramatic improvement in government operations ever. That's what the American people deserve.