



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

STATEMENT OF

JOHN BERRY

DIRECTOR

U.S. OFFICE OF PERSONNEL MANAGEMENT

before the

**SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE
FEDERAL WORKFORCE AND THE DISTRICT OF COLUMBIA**

UNITED STATES SENATE

on

“Investing in an Effective Federal Workforce”

Chairman Akaka, Ranking Member Johnson, and Members of the Subcommittee,

Thank you for the opportunity to be here today to discuss the state of the Federal workforce. First and foremost, Mr. Chairman, I want to express my admiration and appreciation for your 36 distinguished years of service in the United States Congress. I especially want to thank you for your efforts throughout your career – and especially in your capacity as the Chairman of this Subcommittee – to be a champion for Federal employees, retirees, and their families.

The Federal workforce has been fortunate to have such a forward thinking advocate on its side. Your efforts and priorities have closely aligned with those of the Administration and have led the way to important changes in the Federal employment experience.

Some important efforts by this Administration, which were championed by you, include the following:

- The President has issued a Presidential Memorandum improving the Federal recruitment and hiring process. Hiring reform has long been an issue of importance to you, and I am happy to say that this Administration has helped to make your vision a reality.
- The President has signed Executive Orders improving pathways for students and recent graduates to gain access to Federal employment, increasing (to the highest percentage in twenty years) the number of veterans and those with disabilities who were hired by the

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Federal government, and increasing overall diversity and inclusion in Federal hiring. Your leadership has been crucial in this effort.

- The President has signed an Executive Order, in line with your priorities, creating the National Council on Federal-Labor Management Relations (the Council). The Council exists to advise the President on matters involving labor-management relations in the executive branch, support the creation of labor-management forums at the department and agency level, and promote partnership between labor and management in the executive branch.
- The President has issued two memoranda on same-sex domestic partners benefits that direct agencies to extend benefits to same-sex domestic partners of Federal employees whenever legally possible. As a result, we have changed regulations and policies at the Office of Personnel Management (OPM).
- OPM has implemented legislation passed by Congress and championed by you to implement telework government-wide in order to maximize flexible work arrangements, to aid in recruiting the next generation of Federal workers, and to allow agencies to maintain productivity in situations involving national security and other emergencies.
- OPM has led the effort to provide training, benefits, and work-life balance necessary for Federal employees to succeed, prosper, and advance in their careers. OPM also works to ensure the Federal workforce and its leaders are fully accountable, fairly appraised, and have the tools, systems, and resources to perform at the highest levels to achieve superior results.
- OPM has worked with the Department of Defense (DOD), the Office of the Director of National Intelligence, and the Office of Management and Budget to continue your efforts and reform the security clearance and investigation process to improve the efficiency and effectiveness of the program. These efforts have led to DOD's Personnel Security Clearance Program being removed from the Government Accountability Office's (GAO) "high-risk" list.
- OPM has worked through and with the Chief Human Capital Officers (CHCO) Council to help select, develop, train, and manage a high-quality, productive workforce. The CHCO Council, which you helped create, improves government-wide efficiency by pooling advice and facilitating coordination of the activities of members' agencies on such matters as the modernization of human resources systems and improving the quality of human resources information. OPM is also working with the CHCO Council to address closing critical skill gaps across the Federal government.
- OPM has built strategic partnerships with agencies and groups representing diverse populations of Federal employees, such as affinity groups and the unions, and provided them with financial education programs focused on helping employees understand the importance of savings and retirement planning. Mr. Chairman, you have been a leader in

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highlighting financial literacy among Federal employees, and OPM has enjoyed working with you on these efforts.

It has been a distinct honor and privilege to witness your leadership on all of these issues and to work with you and your staff to modernize the management of the Federal workforce and to empower Federal employees. Your legacy includes helping to make the Federal government the model employer for the 21st Century, and your service will be greatly missed.

I would like to further discuss a few areas where significant progress has been made by this Administration to achieve the OPM's mission to recruit, retain, and honor a world-class workforce to serve America.

Hiring the Best

Achieving a world-class workforce depends on the ability to recruit and hire the most talented and diverse workforce possible. The leadership of this Subcommittee has been crucial in supporting the modernization of the Federal hiring process, and I would like to especially thank you, Mr. Chairman, for your efforts to highlight the need for reform. On May 11, 2010, President Obama issued a memorandum which directed agency heads to take specific actions to improve recruiting and hiring in order to bring the best and brightest into the Federal civilian workforce. Among other things, we have eliminated requirements that applicants answer essay-style questions as part of their initial application for a Federal job, in favor of a streamlined approach of requiring resumes and cover letters. This change eliminated an unnecessary barrier in encouraging individuals to apply for Federal employment.

In addition, OPM developed a resume-based selection method to hire career appointees to positions in the Senior Executive Service (SES). This resume-based method streamlines the recruitment process and provides a more applicant-friendly experience. Agencies have reported to OPM that this new method has helped increase their applicant pools for executive hiring and, when combined with other strategic recruitment and marketing strategies, has helped agencies hire highly-qualified executives.

OPM has strengthened the accountability of managers and hiring officials for the hiring process, by increasing their input in workforce planning, recruitment, and interviewing and by evaluating managers on the quality and successful transition of their hires. Agencies are also continuing to make progress in reducing the time to hire so that we do not lose good people who want to work for America. The time it takes to hire an applicant has decreased by almost 11 percent (10.66 percent) government-wide, going from an average of 122 days in 2009 to 109 days today. In addition to reducing time to hire, agencies have improved the integrity and validity of their data.

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I am also happy to report that the USAJOBS website is experiencing continual and increasing customer satisfaction¹. Since the launch of USAJOBS 3.0 last October, 17.09 million applications have been submitted via the USAJOBS website. OPM continues to interact with USAJOBS applicants both through our agency's Help Desk and social media such as Twitter, Facebook and YouTube. We continue to improve and enhance the USAJOBS website based on customer feedback and look forward to continued success.

In further efforts to modernize the Federal hiring process, on December 27, 2010, President Obama signed an Executive Order outlining the Pathways Programs, which is designed to improve recruitment of students and recent graduates and opportunities for them to enter the Federal workforce. The final rule implementing the Pathways Programs has been published and took effect on July 10, 2012. We are very excited about the future of the Pathways Programs and look forward to their success.

Chairman Akaka, as a veteran yourself, you have long been a champion for expanding the opportunities for our men and women in uniform to be able to continue to serve their country after their military service ends. In November 2009, President Obama signed Executive Order 13518 launching the Veterans Employment Initiative. The order created the Council on Veterans Employment to advise and assist the President in improving employment opportunities for veterans in the Federal government. One key action required by the order was the establishment of a Veterans Employment Program Office within each of the 24 agencies represented on the Council. The mission of each of these offices is to provide assistance to veterans and their family members who seek information on employment in the Federal government. Thanks to these efforts, in FY11 veterans were 28.3 percent of total new hires in the Federal government, an improvement of approximately 2.7 percentage points over FY10 and 4.3 percent over FY09 and the highest percentage in over 20 years.

This Administration has also made the promotion of diversity and inclusion in the Federal workforce an important priority, and the early results of those efforts are positive, although there is still more work to do. For example, 14.7 percent of all new hires in the Federal workforce in FY11 were individuals with disabilities. During the same fiscal year, the number of minorities in the Federal workforce increased by 2.4 percent. While we have made great strides in increasing the hiring of veterans and those with disabilities and increasing diversity in the Federal workforce, we will continue to ensure that these hiring efforts remain a government-wide focus.

Your leadership and guidance have been critical in helping OPM overcome significant challenges associated with ensuring agencies have the information necessary to make decisions

¹ Average Job Seeker satisfaction scores have stayed at a "70" composite approval score or above since March, and averaged highs of "73" and "74" composite approval scores in August and September, respectively.

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regarding suitability and security clearance determinations for their employees. With your support, OPM took over the background investigative program for the Department of Defense and eliminated their significant backlog. In addition to eliminating their backlog, OPM continued to improve the quality of background investigations while meeting demanding timeliness goals mandated by the Intelligence Reform and Terrorism Prevention Act of 2004. The government-wide positive impacts are significant. The improved background investigative timeliness standards resulted in billions of dollars of previously lost productivity being returned to the Federal government and DOD's Personnel Security Clearance Program's removal from GAO's "high-risk" list.

Finally, OPM recognizes the need to address critical skills gaps. OPM partners with agencies to address critical skill shortages through government-wide and agency-specific recruitment, retention and measurement strategies. OPM conducts routine data analysis to identify emerging skill gaps and agency progress toward meeting gap closure targets. OPM has the lead responsibility for meeting the Office of Management and Budget's Cross Agency Priority Goal to close critical skills gaps. In April of this year, OPM completed, in partnership with the CHCO Council, a rigorous data analysis process to identify five high-priority government-wide occupations for gap closure: IT, HR, Acquisition, Financial Auditors, and Economists, in addition to Science, Technology, Engineering and Mathematics (commonly referred to as 'STEM'), as a functional area. OPM is now partnering with relevant interagency councils and working groups to design the most effective strategies to close gaps in these occupations, with the goal of closing 50 percent of skills gaps by the end of FY13.

In addition, Mr. Chairman, in line with your interest in the matter, OPM has begun an initiative to inventory the foreign language skills of the Federal workforce. Our goal is to ensure agencies can collect this information effectively, while enabling OPM to provide a coordinated response in the event of an emergency.

Respect for the Workforce

Mr. Chairman, our people are our greatest asset. To have a government that delivers the best services to the taxpayers in the most efficient way possible, we need to provide them the training, benefits, and work-life balance necessary to succeed, prosper, and advance in their careers. OPM has been able to accomplish many of our goals in respecting the workforce, with the assistance of the CHCO Council, which you helped create. OPM and the CHCO Council work best when they work closely together, and that's what we've done – laid out complementary agendas, pursued them together, and shown that we can accomplish big things.

I know improving training opportunities for Federal employees has been a priority for you. With your encouragement, we now require all supervisors to receive training within 1 year of their appointment and refresher training at least every 3 years.

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Also, as I testified in May of this year, part of the recent effort to work with human resources professionals has been the creation of the HR University (HRU) website, which provides an excellent foundation for human resources professionals to get training to help them do their jobs even better. I was happy to launch this endeavor with the full support of the CHCO Council, and I was particularly grateful for the specific assistance and tools we received in standing up the HRU website from DOD, the Department of the Treasury, the Office of the Director of National Intelligence, and NASA. The courses offered through HRU are a combination of classroom and online courses and are offered across the government. HRU's course catalog, which is approved by OPM, continues to grow, and we recently added college-level courses on human resources management.

HRU presents a savings to the Federal government. These savings are realized through the sharing of resources and economies of scale by reducing duplicative courses across the government, identifying the best human resources training, and by sharing these resources through HRU. Today, the cost savings figure is about \$18.6 million.

Mr. Chairman, I know mentoring has been an area of importance to you, and I would like to highlight a few efforts OPM has taken in this area. OPM is building on our successful human resources mentoring program by partnering with agencies to develop "HR Mentorship Clusters." These clusters will join large agencies with small agencies that share common mission and workforce characteristics. These mentorship clusters will enable human resources professionals from large agencies to mentor small agency human resources professionals who often do not have the resources needed to obtain outside support. These clusters will serve as a "big brother/big sister" type of mechanism to help human resources professionals develop lifelong partnerships with their colleagues and provide mentorship, coaching, and best practices. Another important tool we are developing is a government-wide mentoring "hub," which will afford Federal agencies a one-stop shop for their mentoring needs. The "hub" will be a resource to all Federal agencies, regardless of whether they have their own mentoring programs. It will provide tools, techniques, tips, and technical assistance relating to mentoring. The mentoring "hub" will promote a knowledge-sharing culture government-wide, ensuring that information is shared and retained within each agency and across the Federal government.

Mr. Chairman, I want to thank you for your support for the 28 Federal Executive Boards (FEBs) across the nation. The FEBs respond to member agency needs by providing coordinated, quality programs and activities, training being one focus area. By leveraging a large number of agency participants, FEBs are able to offer training sessions at little or no cost. They reduce costs even more by local delivery, negating the need for travel and lodging. In 2011, FEBs provided training opportunities to 33,499 Federal employees at an estimated cost avoidance to the Federal government of more than \$8.7 million. And in 2010 and 2011, FEBs supported President

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Obama's priority to improve the Federal hiring process by hosting a total of 153 training and briefing sessions on hiring reform for human resources specialists and hiring managers.

Mr. Chairman, I also know you have offered legislation addressing the relationship between management and labor. In seeking to improve this relationship, President Obama issued Executive Order 13522 to create a new era of collaboration and partnership between the Federal government and unions representing Federal employees. The Administration believes that a strong partnership between the Federal government and labor organizations in the civil service is in the public interest and promotes efficiency. The National Council on Federal Labor-Management Relations (the National Council) shares President Obama's belief that Federal employees are the Federal government's greatest asset and resource for ideas that will ensure the delivery of high-quality and cost-effective service to the American people. We are committed to the President's mission of establishing cooperative and productive labor-management relations throughout the Federal government. The National Council has supported the creation of agency-level labor-management forums, and implementation plans for all 51 participating agencies have been certified and approved by the National Council. To date, at least 769 forums have been established, covering approximately 770,000 (approximately 65 percent) of the bargaining unit employees employed by the 51 agencies.

From our surveys of agency forums, agencies have reported the following early successes during implementation:

- Development of joint baseline assessments of labor-management relations and metrics;
- Improved labor-management communication;
- Reduction in the number of formal negotiations;
- Reduction in the time to negotiate a collective bargaining agreement; and
- Progress toward or resolution of issues related to matters such as –
 - Agency performance management systems;
 - Work space issues and reorganizations; and
 - Telework and other work-life programs.

Additionally, Federal agencies offer work life programs that promote a healthy, more resilient employee. Some programs include:

- Resource and referral programs for employees (and often eligible family members)
- Child Care Subsidy Programs
- Employee Assistance Programs
- Health and Wellness Programs
- Alternative Work Schedules
- Flexible Work Schedules

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- Volunteer Programs that promote community involvement

Finally, telework can make employees more efficient, more accountable, and more resilient in emergencies. In December 2010, thanks in part to your efforts, President Obama signed into law the Telework Enhancement Act. The Act emphasizes the strategic value agencies get from Federal telework, ensures continuity of operations, reduces management costs and improves Federal employees' ability to balance their work and life commitments.

The use of telework is expanding and improving in the Federal government. Current data shows that 21 percent of all telework eligible employees have telework agreements with their supervisors. Of those individuals who do telework, reporting has yielded some interesting results. For instance, we have found that individuals who telework are more likely to agree that they know what is expected of them on the job, that they feel they are held accountable for results in their work, and that they are more likely to agree that they have a greater sense of control over work processes. Best of all, individuals who telework are much more likely to report being satisfied or very satisfied with their jobs. With the obvious correlations between job satisfaction and employee turnover, affording Federal employees the opportunity to telework has the potential to avoid future recruitment and training costs.

Agencies continue to develop and advance telework programs. To further this goal, OPM will continue to offer agencies our assistance. This effort will include integrating telework programs into the business of agencies and ensuring alignment with agency missions and work.

Expecting the Best

In order to ensure superior results for the American people from their government, it is critical that Federal employees and their managers are accountable. Earlier, I mentioned the importance of the work of the National Council in improving the productivity of the Federal government. Part of this effort includes the development and implementation of the Goals-Engagement-Accountability-Results (GEAR) Model to improve employee performance management.

In 2011, the National Council and the Chief Human Capital Officers Council worked jointly on exploring solutions to improve performance accountability to the American people. This is a great example of pre-decisional involvement where both labor and management collaborated on solutions to improve organizational and employee performance management in the Federal government. A working group was formed and provided recommendations to the National Council in November 2011.

Among the working group's recommendations were that each agency:

- Articulate a high-performance culture;

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- Align individual employee goals to agency mission goals;
- Implement accountability at all levels;
- Create a culture of engagement; and
- Improve the assessment, selection, development, and training of supervisors.

Presently, five agencies (OPM, Department of Energy, U.S. Coast Guard, Department of Veterans Affairs, and Department of Housing and Urban Development) are piloting the GEAR recommendations and are in the early stages of implementation. In order to facilitate the process, OPM hosts periodic meetings to discuss implementation plans and assess progress.

Mr. Chairman, reform of the SES has been a priority for you, including legislation you introduced this Congress to improve the SES. Earlier this year, in partnership with the Office of Management and Budget, OPM was happy to announce the issuance of a new SES appraisal system, which will promote greater consistency, greater clarity, transferability, and equity in the development of performance standards, the delivery of feedback, the derivation of ratings, and the link to compensation. The new system will also provide the necessary flexibility and capability for appropriate customization to better meet the needs of all agencies and other Federal organizations.

Finally, OPM has the responsibility of safeguarding merit system principles. Specifically, OPM is responsible for “holding managers and human resources officials accountable for efficient and effective human resources management in support of agency missions in accordance with Merit System Principles.”² OPM’s Merit System Audit and Compliance (MSAC) carries out this important responsibility. It provides rigorous oversight of Federal agency HR programs by ensuring that they are effective, efficient, and meet merit system principles and other civil service requirements. Since 2009, MSAC has trained and certified 2,800 Federal human resources specialists on the requirements of delegated examining. During this same time frame, MSAC has also provided guidance and active participation on over 500 CHCO agency self-assessments to determine how well their human capital programs are working to support mission needs. MSAC has also trained nearly 500 agency HR personnel in the last 4 years on how to conduct independent evaluations of their human resource programs.

Honoring Service

Mr. Chairman, the work of this Subcommittee has also shown an extraordinary commitment to honor the careers of Federal employees and retirees. In particular, your efforts on behalf of Federal employees in Hawaii, Alaska, and the United States territories and possessions led to the passage of the Non-Foreign Area Retirement Equity Assurance Act in 2009. This law has long

² See, 5 U.S.C. § 1103(c)(2)(F).

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been a priority for you and your colleagues who represent Federal employees in these areas, to ensure that the computation of retirement benefits for these workers is more in line with their counterparts in the contiguous 48 states. OPM, in coordination with your staff and representatives from the Honolulu Federal Executive Board and other employee groups, provided technical support to agencies to implement the legislation and participated in more than a dozen town hall meetings with employees throughout the allowance areas. With these coordinated efforts, we have been able to help Federal employees understand the implications of the law and ensure Federal workers in Hawaii, Alaska, and other nonforeign areas now have equity in their retirement pay.

I also want to express my appreciation for your support and guidance in our efforts to reduce the current delays in retirement processing. I share the view that the backlog of retirement claims is unacceptable. Please know that reducing this backlog is my highest priority. OPM has addressed this challenge by implementing a Strategic Plan for Retirement Services. The central pillars of this plan are: people; productivity and process improvement; partnering with agencies; and progressive information technology improvements. All four of these pillars have been put into action and I am proud to report that we have made progress in the reduction of the overall retirement backlog. As of the end of August 2012, we had reduced the overall backlog by 30 percent since the beginning of 2012 by using the Strategic Plan for Retirement Services.

Finally, OPM was proud to support and appreciated your efforts in the passage of the Civilian Service Recognition Act of 2011. Federal employees perform critical work in support of our nation, including, at times, making the ultimate sacrifice, losing their lives in serving the public. The Civilian Service Recognition Act of 2011 recognizes this sacrifice by authorizing the presentation of a United States flag to a family member or other appropriate representative of a fallen Federal employee as a way of showing our deepest gratitude and sympathy. OPM is currently coordinating with DOD and the Department of Homeland Security (DHS) to develop regulations to implement this legislation. Meanwhile, executive agencies may use this authority, prior to the issuance of regulations and guidance, to recognize fallen Federal employees. The intent and effect of this law are both very noble, and I am pleased to have the opportunity to help in its realization. The nation owes these dedicated workers its gratitude and recognition.

In conclusion, Chairman Akaka, thank you again for all of your hard work and dedication on behalf of Federal employees. Your work has improved the Federal employment experience from the process in which a Federal employee is brought on board through the lifespan of that individual's Federal employment. Federal employees owe you a tremendous debt of gratitude. It is my pledge to you that OPM will continue to be guided by our core principle of recruiting, retaining, and honoring a world-class workforce to serve the American people. I can think of no more fitting tribute to your hard work. Thank you again and I will be happy to answer any questions you may have.