

WRITTEN STATEMENT OF MS. MARILEE FITZGERALD

ACTING DEPUTY UNDER SECRETARY OF DEFENSE
(CIVILIAN PERSONNEL POLICY)
DEPARTMENT OF DEFENSE

before the

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE
FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

on

DEVELOPING FEDERAL EMPLOYEES AND SUPERVISORS:
MENTORING, INTERNSHIP AND TRAINING IN THE FEDERAL GOVERNMENT

April 29, 2010

Chairman Akaka, Ranking Member Voinovich, and Members of the
Subcommittee:

On behalf of the Secretary of Defense, Robert M. Gates, I would like to thank you for inviting the Department of Defense (DoD) to appear at this hearing today to discuss the Department's efforts to enhance supervisory excellence, a Force readiness issue and a mission imperative.

INTRODUCTION

The Department is facing mission requirements of increasing scope, variety, and complexity. To ensure the availability of needed talent to meet future demands, we are conducting a deliberate assessment of current and future workforce requirements. This effort will ensure that the Department has the right workforce size and mix (military/civilian/contractor) with the right competencies, including supervisory competency. This assessment will be enterprise-wide,

enabling the Department to better recruit and retain personnel with the most-needed skills. As part of these efforts, the Department is working to better employ the talents of our civilian personnel to meet today's challenges. For example, the Secretary of Defense has created the Civilian Expeditionary Workforce (CEW), which will provide deployable civilian experts to support efforts in Afghanistan, Iraq, and other contingencies. Specifically, the CEW is designed to enhance DoD's ability to work alongside and help build the capacity of partner defense ministries, and in so doing, reflecting the importance of civilian oversight. A parallel effort is under way to synchronize civilian and military leadership training, with the goals of ensuring, where appropriate, common professional training and education between senior executive service (SES) and flag officers and increasing joint capability for SES personnel.

DOD CURRENT SUPERVISORY LANDSCAPE

There are 1,201 DoD career SES leaders and 58,014 employees in grades 13-15, which are generally referred to as the "leader pipeline." Approximately 42 percent of supervisors are retirement eligible within the next five years. For SES leaders, slightly less than a quarter (23 percent) of the workforce is eligible to retire now, and another 35 percent is eligible within five years. The diversity of our current and future leaders is a Force readiness issue. Diversity encompasses a multitude of attributes that can influence the effectiveness of DoD in executing its mission, such as cultural background, foreign language capability, and career field breadth, as well as representation of certain groups in terms of race, ethnicity and gender. The Department's civilian leadership development strategy must promote diversity in its SES candidate processes.

THE DELIBERATE FOCUS

In 2006, the Defense Business Board found that DoD civilian leadership was unwilling and unprepared to take on the responsibilities of managing their people and measuring their performance as required in a performance-based culture. Since then, developing world class enterprise leaders has been one of the Department's strategic human capital goals. The outcome of this goal is to ensure diverse civilian leaders who effectively manage people in a joint environment, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement across the enterprise. This strategic "Call-To-Action" led to a significant transformation of the Department's expectations for our career SES talent. Key changes include:

- Creating a performance-culture with an enterprise-wide, certified pay-for-performance appraisal system. One of the required three performance requirements is Leadership and Supervision, on which all SES personnel are annually rated.
- Reframing the definition of SES, with supporting competencies for selection into the SES. DoD career SES executives are strong corporate citizens and leaders who exhibit the highest standards of ethical behavior, view their responsibilities in the context of the larger DoD enterprise and public policy interests, and work effectively across organizational boundaries and functional areas. They exhibit:
 - o Leadership proficiency rather than technical competence
 - o Global leadership and cultural astuteness
 - o Joint, national security and enterprise-spanning perspectives (a prerequisite for entry into certain Tier 2 and Tier 3 SES positions by 2012)
 - o Strategic vision and thinking ability
 - o Business acumen

- o Results-driven focus
 - o Ability to build partnerships and communicate effectively
- Diagnosing and assessing talent annually for education, training and assignment in a manner that is similar to our approach to the management of our General/Flag Officers
- Developing succession plans for all SES positions to ensure the continuity of executive leadership
- Developing executives to be lifelong learners and, as appropriate, competitive for significant executive jobs where 360-degree reviews, mentors, and an annual competency assessment (provides for executive self-identification and supervisory confirmation) are used as key factors for development and career broadening
- Acquiring diverse portfolios of executive experience, where sensible and effective job mobility is the norm
- Providing opportunities, when appropriate, to move across the Department and lines of business to build diverse, joint duty portfolios
- Providing 75 SES allocations for the purpose of proving career broadening assignments

The Department has been deliberately cascading the executive transformation to the leader pipeline. A couple of our DoD Components are also beginning to deliberately manage and develop their high potential GS-13-15 cadre in a similar fashion. More broadly and as a foundational pillar for these efforts, the Department adopted a leadership framework applicable to all pipeline leader development programs, referred to as the, “Civilian Leader Development Model.” It was implemented in May 2008 after a three-year development and validation effort. It identifies the 31 critical leadership competencies that

Defense leaders need to lead the complex 21st century national security mission. This Model is based on the Executive Core Qualifications issued by our colleagues from the Office of Personnel Management (OPM). Our competencies and definitions reflect the unique challenges and requirements of leadership in the Department. We also added a sixth core competency was added: Enterprise-wide Perspective, with two underlying sub-competencies, Joint Perspective and National Security. These competencies articulate the expectation that the Department's civilian leaders must develop a broad base of knowledge and expertise in these core mission areas. The Civilian Leader Development Model, which OPM validated, also depicts the progression of competencies needed as one rises through the leadership ranks, from the foundational core competencies required for all, to the strategic capabilities required of our most senior executives.

Supervisors have a special place in our model: the 'Lead People' leadership tier. The Department recognizes that we need to train and develop supervisors not only to react to circumstances requiring their intervention, such as dealing with unanticipated performance issues, but proactively to know how to optimally leverage diversity, be conversant on strategic human capital management issues, develop others, manage conflicts, and have an adequate foundation of national security policies, concepts and instruments. For all 31 leader competencies, we are identifying targeted proficiency levels for supervisors. The same is being done for managers and for executives. We will compare these targets with baseline data gleaned from surveys conducted in 2008 and 2009, to help fashion corporate training solutions that address competency gaps across the Department's supervisory spectrum.

ENHANCING SUPERVISORY EXCELLENCE

While the Department has achieved much progress in re-orienting its civilian leadership capabilities, more must be done. In February, the Secretary of Defense asked the Defense Business Board to investigate and recommend ways to improve the supervisory capabilities of the Department's career civilian workforce. Their report is shortly due. Their early observations conclude that civilian supervisory skills need to be improved, and opportunities exist to:

- Include supervisory capabilities more prominently in the performance appraisals
- Make supervisory excellence as a pre-requisite for promotions of supervisors and advancement through the SES
- Enhance the training in specific supervisory capabilities
- Strengthen the DoD formal leader development programs by including supervisory assessments and supervisory skill development.

The Department's inaugural Leadership Summit, being held in Southbridge, Massachusetts this week will be the catalyst for designing a fresh look at how we improve the Department's efforts to select, develop and manage DoD supervisors.

The Department's investment in supervisory enhancement can be a key determinant in improving employee engagement, workforce productivity, and mission accomplishment. Employers of choice are those who exhibit and value the best-of-breed, management practices. Data from the Merit Systems Protection Board 2007 Merit Principles survey show that non-supervisory employees who rated their supervisors' performance as good were much more likely to recommend their agency as a place to work

and to believe their talents are used well in the workplace compared to employees who had less positive perceptions of their supervisors. Research shows that supervisory proficiency is critical to individual and organizational performance as well as employee motivation, engagement, and retention. First-line supervisors, in particular, can have a stronger impact on employee performance and productivity than anyone else in the management chain. The Department is adopting a four-pronged approach to enhancing supervisory excellence:

1. Selection of Supervisors: Our current selection processes may not adequately and consistently identify supervisory excellence – the underlying abilities, interests or values required for supervisory jobs. In some cases, we may be over-emphasizing technical expertise at the expense of leadership abilities, which are often more difficult to measure. The Department will implement better selection tools that are strong predictors of supervisory success.
2. Development of Supervisors: Our supervisors do not consistently receive adequate training and development. Training is often not refreshed to keep pace with the emerging workforce realities. For example, the 21st century workplace has a growing number of teleworkers, who require a new and potentially different supervisory approach. The Department is developing initial and periodic (every three years) supervisory training for all supervisors, including executives. Training will include a combination of formal training, on-the-job learning and other development opportunities such as job rotations, job shadowing, and mentoring.

3. Alignment of Supervisory Resources: Our supervisors may not be allowing time to adequately perform the full range of supervisory responsibilities well. This may be for many reasons from inadequate resourcing to operational tempo requirements. The Department will examine employee to supervisor ratios and other factors that impact adequate time for supervisory duties.
4. Accountability for Supervisory Excellence: Although supervisory effectiveness is part of the executive performance appraisal system, such an expectation may not be well-articulated in the performance appraisals of those below the executive level. The Department is developing a new, enterprise-wide performance management system for non-executives. The Department will ensure that this new performance appraisal system and its current SES performance appraisal system make it clear that supervisors will be evaluated on both work outcomes and how well they manage their staff.

DEPARTMENT'S RESPONSE TO THE REQUIREMENTS OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2010

You specifically asked about the Department's response to two provisions of the National Defense Authorization Act for Fiscal Year 2010. Given our retirement and attrition forecasts, the Department projects that it must train about 1,000 new and 25,000 seasoned supervisors annually in FY12 and beyond. I want to emphasize that we are taking a new, fresh approach and "dialing up" supervisory training platforms to a corporate, Department-wide model. The

Defense Business Board recommendations will go a long way to help further inform the Department's new strategy.

Each of these provisions is addressed below.

Section 1113. Section 1113 directs the Department to develop a training program for supervisors, which must be completed every three years. Similarly, 5 CFR Section 412.202 and the proposed S. 674, and the Federal Supervisory Training requires supervisory training within one year of initial supervisory appointment and refresher train at least every three years thereafter. The Defense Business Board defines supervisory capabilities as the tasks involved in leading and managing people, particularly direct reports. Such capabilities that the Department will be seeking to develop and enhance include:

- Creating a performance-driven culture
- Setting and communicating team and individual goals
- Assigning tasks that tie to a larger mission
- Building an effective team to accomplish a mission
- Setting high performance standards, motivating employees to achieve them and holding them accountable for their performance
- Developing employees to enhance their own skills, performance and career potential
- Providing regular feedback to employees about their performance (positive and constructive)
- Supervising employees in a new work environments, e.g., telework

- Leading by example

The new supervisory course is under development and will be designed and implemented in phases.

- Phase I will provide:
 - An explicit approach to assessing both potential supervisory capability and current supervisory capability. This measurement will help inform and continuously improve the curriculum, training and development experiences; identify individual competency gaps; and target remediation efforts. The target audiences are: (1) GS-12 through 15 with current supervisory responsibilities (2) SES leaders, and (3) GS-12-15 pipeline talent in DoD leader development and intern programs. We plan to acquire the appropriate assessments within the next 90 to 120 days.
 - Curriculum for new supervisors and managers with less than two years of experience as a first-time supervisor. Pilot testing will occur in Fall 2010, with a projected mid-FY2011 launch
- Phase II will provide curriculum for seasoned supervisors and managers with more than two years of experience as a first-time supervisor or manager leading civilians and refresher training for seasoned supervisors and managers every three years. Pilot testing will occur in Spring 2011, with a projected late-FY2011 launch.
- Phase III provides the Department's Lead People Certificate Program. Pilot testing will occur in mid-FY2011, with a projected early FY2012 launch.

- Phase IV provides the program implementation, evaluation, and improvement beginning in FY2011/2012.

Section 1112. Section 1112 of the National Defense Authorization Act for Fiscal Year 2010 directs the Department to develop a Defense Civilian Leadership Program. We have been working closely with the Senate and House Armed Services Committees to ensure alignment with their intent. In short, the Department is designing a unique and invigorating strategy for recruiting and developing a new generation of civilian talent that is selected in a rigorous manner and developed as leaders from entry to the journeyman level (mid-career) upon competitive entry into the program. This complements the long-standing and proven model used by the military. This program will focus on mission critical occupations (with Acquisition and Financial Management serving as communities for a pilot of the leadership program). It will promote developing leadership capabilities in concert with functional competencies, which will serve as a strategic baseline for continuing development throughout a leader's journey in the Department. We will replicate proven models like the Presidential Management Fellows program which has a superb track record for recruiting and assessing the brightest from a diverse talent pool. Our planned launch for the pilot with Acquisition and Financial Management is October 2010. We are excited about the new paradigm and opportunities that this program may yield for the benefit of the Department's mission critical occupations.

CONCLUSION

The Department is committed to ensuring that we have the caliber of supervisory workforce necessary to carry out our mission. Supervising people is a privilege and a responsibility to preserve and enhance the human capabilities under

a supervisor's care. The Department needs capable leaders who can build strong teams in support of warfighters. Thank you again for your interest in our civilian leadership and for the opportunity to speak with you today. I would be pleased to respond to your questions.