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ACHIEVING DIVERSITY IN THE SENIOR EXECUTIVE SERVICE

HEARING

BEFORE THE

SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

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ACHIEVING DIVERSITY IN THE SENIOR EXECUTIVE SERVICE

WEDNESDAY, OCTOBER 15, 2003

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:06 p.m., in room 2247, Rayburn House Office Building, Hon. Jo Ann Davis (chairman of the subcommittee) presiding.

Present: Representatives Davis of Virginia, Davis of Illinois, and Norton.

Staff present: Ronald Martinson, staff director; B. Chad Bungard, deputy staff director and chief counsel; Robert White, director of communications; Vaughn Murphy, legislative counsel; Chris Barkley, legislative assistant/clerk; John Landers, detailee; Tania Shand, minority professional staff member; and Teresa Coufal, minority assistant clerk.

Mrs. DAVIS OF VIRGINIA. A quorum being present, the Subcommittee on Civil Service and Agency Organization will come the order.

I want to start today by thanking all of our witnesses for being here. This hearing is concerned with achieving diversity among the top ranks of the Federal Civil Service, an important topic that will only grow in significance in the coming years, and I do want to mention and to thank our Ranking Member Danny Davis for requesting this hearing and for playing such a big role in planning it.

The impetus for this hearing is a General Accounting Office report from earlier this year. The GAO predicted that over the next 5 years about half the members of the Senior Executive Service will leave government. But the GAO analysis suggests that the racial, ethnic and gender makeup of the SES will change very little. A diverse SES corps can be a strength for the Federal Government, and as the GAO report mentions, diversity is considered so important that it is one of the eight critical success factors by which the agencies are judged in the GAO's models of strategic human capital management.

Three Federal agencies are represented here today to share with us their experiences in achieving diversity in the workplace. I'm pleased that the Office of Personnel Management will be revealing its Candidate Development Program today, one of their efforts to increase minority representation at the top levels of government.

We discussed this program a bit at our succession planning hearing 2 weeks ago, but today I'm interested in hearing the full details.

Finally, we're also going to discuss the new No Fear Act which improves agency accountability for anti-discrimination and whistle-blower protection laws. This is a very new law, but we would like to hear any initial findings and reactions.

Thank you, and I'm looking forward to hearing your comments.

I would now like to recognize the ranking minority member of the subcommittee, Mr. Danny Davis, for any opening statement.

[The prepared statement of Hon. Jo Ann Davis follows:]

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Chairwoman Jo Ann Davis
Subcommittee on Civil Service and Agency Organization
"Achieving Diversity in the Senior Executive Service"
Opening Statement
October 15, 2003

I want to start by thanking all our witnesses for being here today. This hearing is concerned with achieving diversity among the top ranks of the federal civil service, an important topic that will only grow in significance in the coming years. And I do want to mention, and thank, Ranking Member Danny Davis for requesting this hearing and for playing such a big role in planning it.

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A diverse SES corps can be a strength for the federal government. And, as the GAO report mentions, diversity is considered so important that it is one of the eight critical success factors by which agencies are judged in the GAO's models of strategic human capital management. Three federal agencies are represented today, to share with us their experiences in achieving diversity in their workplaces.

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Mr. DAVIS OF ILLINOIS. Thank you very much, Madam Chairwoman, and let me first of all thank you for your leadership and also for your responsiveness and the relationship that we've had and continue to have as we work on these issues.

I want to thank you especially for calling this hearing. As you know, earlier this year I requested that the subcommittee hold a hearing on diversity in the Federal Senior Executive Service. That request was based on the findings of two reports the GAO issued on diversity in the Senior Executive Service [SES], that were requested by myself and other members of the Committee on Government Reform.

I thank you for not only holding this hearing this afternoon but also would like to thank you, Chairman Tom Davis, and your respective staffs for your hard work in assuring that the witnesses on panel two appear before us today.

Simply stated, the GAO reports found that there is a lack of diversity among the SES and that unless there is some intervention, as predominantly White male SES members retire they will be replaced for the most part by White women. Delegate Norton and others and I requested this hearing to help move us forward on the very important issue of diversifying the highest and most influential ranks of the Federal work force, the Senior Executive Service.

The hearing is to focus on the steps the Equal Employment Opportunity Commission and the Office of Personnel Management have taken to address the following issues: How these agencies and others will diversify their respective SES corps, how effectively we are recruiting minorities for Federal service and how agencies are being held accountable for discriminatory practices that hinder diversity and upward mobility in the workplace.

The Director of the OPM, Kay Cole James, has met and corresponded with me to discuss the findings in the GAO reports, and to her credit in April she announced the creation of a new SES Candidate Development Program. We call it the CDP. The CDP is the first step in addressing diversity in the SES. The program was created by OPM to help participants develop their leadership skills and prepare them for senior executive positions they will immediately be eligible for upon completion.

But this is only a first step. As Director James pointed out when she announced the program in April, out of the 249 graduates from agency-sponsored CDP programs since January 2001, 30 percent were minorities, but only 39 percent of those 249 graduates have been placed in the SES. Agencies and this subcommittee have a lot more work to do to ensure that we're not talking about the same problem 10 years from now. This is not a new problem or one that is confined to Federal service. The Federal Government, however, should be leading the way in addressing it.

As GAO stated in its most recent report, diversity can bring a wide variety of perspectives and approaches to policy development and implementation, strategic planning, problem solving and decisionmaking, and can be an organizational strength that contributes to the achievement of results.

The Federal Government is at risk of failing to realize these benefits because its work force does not appropriately reflect the diversity of the people it serves. In last Sunday's issue the Washington

Post Magazine contained an article entitled, "Profiles in Courage: Washingtonians Tell the Truth about Diversity in the Workplace."

The article profiles 10 people who told their stories about how race, size, gender or ethnicity impacted their treatment in the workplace. In one such profile Stacey Davis Stewart tells of working in the housing and community development business where there are few Blacks and even fewer women. Stacey Davis Stewart is the president of the Fannie Mae Foundation. Her profile is one we can learn from. Ms. Stewart said she was so tired of being confronted and challenged in the workplace that her boss had to tell her to speak up in meetings because she really had good ideas. She was quoted as saying, "It was like he had let me out of a cage. When you have a work environment that values people, look at the talent that unfolds."

Later in the article she says, "The perspective I bring as an African-American female should be something that is highly valued, but in some cases it is not completely heard or respected because of the lack of diversity in that group. They haven't established some way of accepting difference."

The Federal Government has to do a better job of accepting difference, whether it is race, ethnicity or gender based, and create an environment where difference is accepted and appreciated. As I mentioned, agencies in this subcommittee have a role to play in assuring that progress is made with regard to this issue.

I would like this subcommittee to hold quarterly hearings where agencies would be randomly selected to testify about the steps they are taking to diversify. By holding quarterly hearings, this subcommittee can hold agencies accountable for results. Oversight and accountability are integral to achieving results, particularly when agencies appear reluctant to testify on this issue.

Again, I thank you, Chairwoman Davis, for holding this hearing and welcome the testimony of today's witnesses and look forward to listening to them.

[The prepared statement of Hon. Danny K. Davis follows:]

STATEMENT OF CONGRESSMAN DANNY K. DAVIS AT THE SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION HEARING ON ACHIEVING DIVERSITY IN THE SENIOR EXECUTIVE SERVICE

Wednesday, October 15, 2003

Chairwoman Davis, as you know, earlier this year I requested that the Subcommittee hold a hearing on diversity in the federal Senior Executive Service. That request was based on the findings of two reports that GAO issued on diversity in the Senior Executive Service (SES) that were requested by myself and other members on the Committee on Government Reform.

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Simply stated, the GAO reports found that there is a lack of diversity among the SES, and that unless there is some ***intervention***, as predominately white male SES members retire, they will be replaced, for the most part, by white women.

I, Delegate Norton and others, requested this hearing to help move us *forward* on the very important issue of diversifying the highest and most influential ranks of the federal workforce – the Senior Executive Service. The hearing is to focus on the steps the Equal Employment Opportunity Commission and the Office of Personnel Management (OPM) are taking to addresses the following issues; how these agencies, and others, will diversify their respective SES corps; how effectively we are recruiting minorities for federal service; and how agencies are being held accountable for discriminatory practices that hinder diversity and upward mobility in the workplace.

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The federal government has to do a better job of "accepting difference," whether it is race, ethnicity, or gender based, and create an environment where difference is accepted and appreciated. As I mentioned, agencies and this Subcommittee have a role to play in ensuring that progress is made with regard to this issue. I would like this Subcommittee to hold quarterly hearings where agencies will be randomly selected to testify about the steps they are taking to diversify their SES.

By holding quarterly hearings, this Subcommittee can hold agencies accountable for results. Oversight and accountability are integral to achieving results, particularly, when agencies appear reluctant to testify on this issue.

I, again, thank you Chairwoman Davis for holding this hearing and welcome the testimony of today's witnesses.

Mrs. DAVIS OF VIRGINIA. Thank you, Mr. Davis, and I certainly appreciate you asking for this hearing today. I think it is a very important subject and I look forward to hearing from the witnesses. But I'd like to now yield to Ms. Holmes Norton to see if you have an opening statement.

Ms. NORTON. Yes, I do, Madam Chairwoman, and I want to begin by thanking you for leading this hearing today and affording the witnesses the opportunity to come forward and testify on what has been an important subject in the Federal service now for years, if I may say so, decades. I want to especially thank Mr. Davis for his consistency on this issue and his unfailing leadership on what is really a difficult issue.

The Federal Government initially employed African Americans when private industry would not, so the African Americans could get jobs in the lower reaches of government certainly and in places like the Postal Service when they really would not be hired in other places, and for that the Federal Government deserves some considerable credit and has gotten that credit in the past.

The problem is that is where African Americans stayed and that the middle and upper reaches of the Federal Government were simply off limits to African Americans for years, and if the truth be told, the situation for African Americans did not begin to improve until the passage of the 1964 Civil Rights Act. At the same time that it began to improve those in the private sector, and, yes, it began to improve and again the Federal Government—which began to use affirmative action—indeed did better than it had done in prior decades.

As a former chair of the Equal Employment Opportunity Commission, I can say to you, though, without fear of being contradicted that as hard as at least some in the government have worked, there has never been a point when the Federal Government could take pride in what it has done in the middle and upper reaches of the Federal services, never a point, and that point has not been reached today. The fact is that civil servants do not have the same rights to vindicate employment discrimination as they would have if they worked for any private company because we have not given them equality of rights to vindicate discrimination in the Federal service because they have to go through their own agencies. All of us would consider it absurd to ask people to apply to AT&T first in order to vindicate a discrimination complaint against AT&T, but that is exactly what we still require in the Federal service, and one begins to wonder if that hasn't had some impact on the ability of African Americans and others to reach their more natural places in the Federal service.

I thank the Chair in holding this hearing and the GAO for their report. The continuing oversight of this committee on this issue says loudly and clearly the presence in the Civil Service is not enough, particularly when African Americans have been in the Civil Service as long as they have over time in the natural order of things, that they should be more evenly spread among the various categories of employment.

This is a particularly important time to address this issue. We face a personnel crisis in the Federal Government because of the huge number of retirements that face us. Would it not be a tragedy

not to seize this opportunity when we must replenish the Federal service anyway because so many are retiring, not to seize this opportunity to make sure we do it right this time by assuring African Americans, Hispanics and others a fair opportunity to be represented in the Federal service.

I can say this. We're not going to get this opportunity again. Those folks are going to retire almost all at one time, and we're going to have to hire very quickly, especially in many of those agencies. If we do not seize this moment now, it will not pass our way again probably for decades. So the moment is now.

Thank you very much, Madam Chairwoman.

Mrs. DAVIS OF VIRGINIA. Thank you, Ms. Holmes Norton.

And Mr. Davis, I want to say thank you for your suggestion about the quarterly meetings. We'll certainly take a look at that, and if it's not possible to do the meetings maybe we can certainly do something like ask for a quarterly report from the agencies. But we will take a look and see what we can do to accommodate you.

I ask unanimous consent that all Members have 5 legislative days to submit written statements and questions for the hearing record and that any answers to written questions provided by the witnesses also be included in the record. Without objection, it is so ordered.

I ask unanimous consent that all exhibits, documents and other materials referred to by Members and the witnesses may be included in the hearing record and that all Members be permitted to revise and extend their remarks. Without objection, it is so ordered.

On this first program, we're going to hear from a number of agencies that have an oversight role in diversity issues. Our first witness today is George Stalcup, Director of Strategic Issues at the General Accounting Office. After him will be Ron Sanders, Associate Director for Strategic Human Resources Policy at the Office of Personnel Management. Joining him behind the table will be Mark Robbins, General Counsel at OPM. Last on this panel will be Mr. Carlton Hadden, Director of the Office of Federal Operations at the Equal Employment Opportunity Commission.

We're all very glad to have this group here today, and it is the practice of this committee to administer the oath to all witnesses, so if you could please stand I'll administer the oath. If I could just have the second panel and the third panel stand at the same time, we can go ahead and administer the oath. If you will remember when you get up to testify you are under oath. If you'll raise your right hands, please.

[Witnesses sworn.]

Mrs. DAVIS OF VIRGINIA. Let the record reflect that the witnesses have answered in the affirmative, and you may be seated.

And I would just remind all the witnesses that we do have your prepared statements on the record. So if you would like to summarize, you're more than welcome to do that. Mr. Stalcup, you're recognized first for 5 minutes.

STATEMENTS OF GEORGE H. STALCUP, DIRECTOR, STRATEGIC ISSUES, U.S. GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY RON STROMAN, MANAGING DIRECTOR, OFFICE OF OPPORTUNITY AND INCLUSIVENESS, U.S. GENERAL ACCOUNTING OFFICE; RONALD P. SANDERS, ASSOCIATE DIRECTOR FOR STRATEGIC HUMAN RESOURCES POLICY, OFFICE OF PERSONNEL MANAGEMENT, ACCOMPANIED BY MARK ROBBINS, GENERAL COUNSEL, OFFICE OF PERSONNEL MANAGEMENT; AND CARLTON M. HADDEN, DIRECTOR, OFFICE OF FEDERAL OPERATIONS, EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Mr. STALCUP. Thank you very much, Madam Chairwoman, Congressman Davis, Congresswoman Norton. I'm pleased to have this opportunity to discuss attrition within the Senior Executive Service and the challenge this poses as well as the opportunity it presents for helping to ensure the gender, racial and ethnic diversity of the Federal Senior Executive Corps.

Two weeks ago this subcommittee held a hearing on succession planning at the Federal level. Our testimony stressed the importance of succession planning in building a diverse leadership corps and pointed out some things other countries have done in this regard. My testimony today underscores the importance of succession planning and other practices in ensuring diversity in the Federal Senior Corps and is based on our January 2003 report on the SES.

The SES generally represents the most senior and experienced segment of the Federal work force. The potential loss of more than half of SES members between the years 2000 and 2007 coupled with attrition in the GS–15 and 14 ranks has important implications for Federal agencies and underscores the need to focus not only on the present but also future trends and challenges.

Demographics and the public served by the Federal Government are changing. Representation by women and minorities in both the government's executive corps and the succession pool is crucial if we expect to bring a wider variety of perspectives and approaches to bear on policy development and implementation, strategic planning, problem solving and decisionmaking and to provide the organizational strength that contributes to achieving results.

A number of organizations have oversight responsibility for ensuring diversity in the Federal workplace. Key among these are the other two organizations on today's panel, the Office of Personnel Management and the Equal Employment Opportunity Commission, which through policy, law and regulations are to, No. 1, protect Federal workers from unlawful discrimination and other unlawful work practices and, No. 2, promote equal opportunity, fairness and inclusiveness.

With these thoughts in mind, I would like to make three points today. First, in our January 2003 report, we estimated that 55 percent of the career SES employed by the Federal Government on October 1, 2000 will have left by October 1, 2007. We also estimated that attrition among the GS–15 and GS–14 ranks, the key source for executive replacements, while lower, would still be significant—47 percent at GS–15 level, 34 percent at the GS–14 level.

Second, while the past is not necessarily prolog, if appointment trends from 1995 to 2000 were to continue, the only significant

change in SES diversity across government by 2007 would be an increase in the number of White women from 19 to 23 percent and an essentially equal decrease in the number of White men from 67 to 62 percent.

Now as shown on my chart on my right and your left, the proportion of racial, ethnic and minorities in the SES would change very little over that time span, from 13.8 to 14.6 percent.

The chart on my left and your right on the top provides more detail on our projection, with governmentwide SES numbers by gender, racial and ethnic category. The first set of figures on that chart represent the number of SES in place on October 1, 2000. The middle set of figures show the number of those that would still be in place as of October 1, 2007. And the figures on the right show what the profile that would result if they were replaced at the same appointment trends that were used from 1995 to the year 2000.

Now, those numbers represent a governmentwide picture. The third chart below shows that our projections vary by agency. For 10 of the 24 large agencies, projections show less minority representation in 2007 than in the year 2000. For 12 agencies they showed increases.

My final point is that upcoming retirements and other attrition will provide the Federal Government with both a challenge and an opportunity. The challenge will be to develop succession plans based on inclusive strategies for having sufficient numbers of senior executives in place to develop and implement policies and programs of the Federal Government. The opportunity will be to help ensure diversity in the SES corps through new appointments. Based in part on our work on the SES corps and in other human capital areas, we have seen positive responses on the part of EEOC, OPM and other agencies in this regard, and commenting on our report last January, agencies agreed that more needed to be done and pointed to a number of ongoing and planned efforts aimed at increasing diversity within the executive branches. I anticipate we will hear more about those efforts this afternoon.

Continued leadership from OPM and EEOC coupled with a strong commitment on the part of agency managers through such actions as succession planning and holding executives accountable for the diversity in the work forces they manage would help ensure the diversity of future Federal senior executive leadership.

Madam Chairwoman and members of this subcommittee, this concludes my prepared statement and I will be pleased to answer any questions you may have.

[The prepared statement of Mr. Stalcup follows:]

United States General Accounting Office

GAO

Testimony

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SENIOR EXECUTIVE SERVICE

Enhanced Agency Efforts Needed to Improve Diversity as the Senior Corps Turns Over

Statement of George H. Stalcup
Director, Strategic Issues

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Highlights

Highlights of GAO-04-123T, a testimony before the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives

SENIOR EXECUTIVE SERVICE

Enhanced Agency Efforts Needed to Improve Diversity as the Senior Corps Turns Over

Why GAO Did This Study

The federal government faces large losses in its Senior Executive Service (SES), primarily through retirement but also because of other normal attrition. This presents the government with substantial challenges to ensuring an able management cadre and also provides opportunities to affect the composition of the SES.

In a January 2003 report, GAO-03-34, GAO estimated the number of SES members who would actually leave service through fiscal year 2007 and reviewed the implications for diversity, as defined by gender, race, and ethnicity of the estimated losses. Specifically, GAO estimated by gender, race, and ethnicity the number of members of the career SES who will leave government service from October 1, 2000, through September 30, 2007, and what the profile of the SES will be if appointment trends do not change. GAO made the same estimates for the pool of GS-15s and GS-14s, from whose ranks the vast majority of replacements for departing SES members come, to ascertain the likely composition of that pool.

www.gao.gov/cgi-bin/getrpt?GAO-04-123T.

To view the full testimony, including the scope and methodology, click on the link above. For more information, contact George H. Stalcup at (202) 512-9490 or stalcupg@gao.gov.

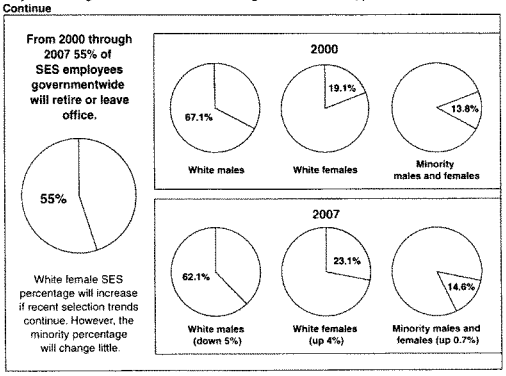
What GAO Found

More than half of the 6,100 career SES members employed on October 1, 2000, will have left service by October 1, 2007. Using recent SES appointment trends, the only significant changes in diversity would be an increase in the number of white women and an essentially equal decrease in white men. The percentage of GS-15s and GS-14s projected to leave would be lower (47 percent and 34 percent, respectively), and we project that the number of minorities still in the GS-15 and GS-14 workforce would provide agencies sufficient opportunity to select minority members for the SES.

Estimates showed substantial variation in the proportion of SES minorities leaving between 24 large agencies and in the effect on those agencies' gender, racial, and ethnic profiles. Minority representation at 10 agencies would decrease and at 12 would increase.

Agencies have an opportunity to affect SES replacement trends by developing succession strategies that help achieve a diverse workforce. Along with constructive agency leadership, these strategies could generate a pool of well-prepared women and minorities to boost the diversity of the SES ranks.

Projected Changes in the SES from 2000 through 2007 If Recent Appointment Trends Continue



Source: GAO

Madam Chairwoman and Members of the Subcommittee:

I am pleased to have this opportunity to discuss the anticipated attrition within the Senior Executive Service (SES) and the challenges and opportunities that this attrition presents for enhancing the gender, racial, and ethnic diversity of the federal government's senior executive corps. Two weeks ago, the Subcommittee held a hearing on succession planning at the federal level. Our statement at that hearing discussed how other countries have used succession planning and management to help them build a more diverse leadership corps. My testimony today underscores the importance of such an approach to succession planning and management here in the United States and is based on the findings from our January 2003 report on the SES.[1]

The SES generally represents the most experienced and senior segment of the federal workforce. The expected loss of more than half of current career SES members through fiscal year 2007, as well as significant attrition in the GS-15 and GS-14 workforce—the key source for SES appointments—has important implications for federal agencies and underscores the need for effective succession planning. Demographics of the public served by the federal government are changing. Representation by women and minorities in the government's executive corps and succession pool is crucial if we expect to bring a wider variety of perspectives and approaches to bear on policy development and implementation, strategic planning, problem solving, and decision making, and to provide the organizational strength that contributes to achieving results. A number of federal organizations have oversight responsibility for federal efforts to achieve diversity in the workplace. Key among these organizations are the Equal Employment Opportunity Commission (EEOC) and the Office of Personnel Management (OPM), which help to ensure that policies, laws, and regulations designed to (1) protect federal workers from unlawful employment discrimination and other unlawful work practices and (2) promote equal opportunity, fairness, and inclusiveness, are carried out.

With these thoughts in mind, I would like to make three points today:

[1]U.S. General Accounting Office, *Senior Executive Service: Enhanced Agency Efforts Needed to Improve Diversity as the Senior Corps Turns Over*, GAO-03-34 (Washington, D.C.: Jan. 17, 2003).

First, in our January 2003 report, we estimated that 55 percent of the career SES members employed by the federal government as of October 1, 2000, will have left the service by October 1, 2007. Our estimates for attrition among the GS-15 and GS-14 workforce also indicate a significant number of departures, but a lower proportion will leave because GS-15s and GS-14s are generally younger and leave for different reasons than SES members. We estimated that about 47 percent of the GS-15s on board as of October 2000 will leave by October 2007 and that 34 percent of the GS-14s will leave. Estimates of attrition showed variations across 24 large agencies for both the SES and GS-15 and GS-14 workforce but, for most agencies, with the proportion represented by minorities generally changing very little.[2]

Second, while the past is not necessarily prologue, if recent governmentwide appointment trends were to continue, the only significant change in diversity by 2007 would be an increase in the number of white women from 19 percent to 23 percent and an essentially equal decrease in the number of white men from 67 percent to 62 percent. Because minorities will be leaving at about the same rate as nonminorities, the current proportion of racial and ethnic minorities in the SES would change very little if agencies replace SES members who leave with the same mix of appointments as they did during fiscal years 1995 through 2000. Our estimates by agencies varied. For 10 of the 24 large agencies, future trends, based on recent projections, show less minority representation for SES in 2007 than in 2000, while 12 agencies show increases. At most agencies, the diversity picture for the GS-15 and GS-14 workforce is better than that for the SES. Even with variations by agency, if recent promotion trends continue for the succession pool of GS-15s and GS-14s, by October 2007, this workforce would experience a slight increase in the percentage of minorities governmentwide. The increase, coupled with the residual population left after attrition, indicate that significant numbers of minority candidates for appointment to SES should be available.

Third, the wave of near-term retirements and other attrition will provide the federal government with both a challenge and an opportunity. The challenge will be to develop succession plans based on inclusive strategies

[2]The 24 large agencies also are referred to as the 24 Chief Financial Officer agencies. These agencies are covered by the Chief Financial Officers Act, 31 U.S.C. § 901. Together, the 24 agencies account for about 96 percent of federal employees. Under H.R. 2886, the Department of Homeland Security would be designated as a CFO Act agency and the Federal Emergency Management Agency (FEMA) would no longer be considered a CFO Act agency.

to help ensure that sufficient numbers of senior executives are in place to develop and implement the policies and programs of the federal government. The opportunity will be to use new appointments to enhance the diversity of the SES corps and the succession pool from which SES members are selected. Based in part on our work on the SES corps and in other human capital areas, we have seen a positive response on the part of OPM, EEOC, and other agencies. Continued leadership from OPM and EEOC, coupled with a strong commitment on the part of agency managers—through such actions as holding executives accountable for the diversity in the workforces they manage—would help ensure the diversity of senior leadership.

Over the Next Several Years the Federal Government Faces Significant Losses of Its Most Senior Executives

The federal government's civilian workforce faces large losses over the next several years, primarily through retirements. Expected retirements in the SES, which generally represents the most senior and experienced segment of the workforce, are expected to be even higher than the governmentwide rates. In our January 2003 report, we estimated that more than half of the government's 6,100 career SES members on board as of October 2000 will have left the service by October 2007. Estimates for SES attrition at 24 large agencies showed substantial variations in both the proportion that would be leaving and the effect of those losses on the gender, racial, and ethnic profile. We estimated that most of these agencies would lose at least half of their corps.

The key source of replacements for the SES—the GS-15 and GS-14 workforce—also showed significant attrition governmentwide and at the 24 large agencies by fiscal year 2007. While this workforce is generally younger, and those who leave do so for somewhat different reasons than SES members, we estimate that almost half, 47 percent, of the GS-15s on board as of October 2000 will have left federal employment by October 2007 and about a third, 34 percent, of the GS-14s will have left.

If Past Appointment Trends Continue, the Diversity of the SES Corps Would Remain Virtually Unchanged

While past appointment trends may not continue, they do present a window into how the future might look. In developing our estimates of future diversity of the SES corps, we analyzed appointment trends for the federal government and at 24 large agencies to determine the gender, racial, and ethnic representation of the SES corps in 2007 if appointment trends that took place from fiscal years 1995 through 2000 continued. We found that, governmentwide, the only significant change in diversity by 2007

would be an increase in the number of white women, from 19.1 to 23.1 percent, and a corresponding decrease in white men, from 67.1 to 62.1 percent. The proportion of the SES represented by minorities would change very little, from 13.8 to 14.5 percent.

Table 1 presents the results by gender, racial, and ethnic groups of our simulation of SES attrition and projection of SES appointments using recent trends. The table also shows that the racial and ethnic profile of those current SES members who will remain in the service through the 7-year period will be about the same as it was for all SES members in October 2000. This is because minorities are projected to be leaving at essentially the same rate overall as white members. Thus, any change in minority representation will be the result of new appointments to the SES. However, as the last columns of table 1 show, if recent appointment trends continue, the result of replacing over half of the SES will be a corps whose racial and ethnic profile changes very little. The outlook regarding gender diversity is somewhat different—while the percentage represented by SES white women is estimated to increase by 4 percentage points, the percentage of minority women is estimated to increase by .5 percentage point—from 4.5 to 5.0 percent. While white men are estimated to decrease by 5 percentage points, minority men are estimated to increase by .2 percentage point, from 9.3 to 9.5 percent.

Table 1: Gender, Race, and Ethnicity of Career SES Corps, Actual as of October 1, 2000; Those Estimated to Remain Employed on October 1, 2007, after Accounting for Attrition; and Estimates for October 1, 2007, If Those Departing Are Replaced at Actual Rates for Fiscal Years 1995 through 2000

	On board on October 1, 2000		Remaining after estimated attrition on October 1, 2007		As of October 1, 2007, with replacements at appointment rates for fiscal years 1995-2000	
Career SES	**Number**	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
White men	4,097	67.1	1,704	62.7	3,794	62.1
White women	1,164	19.1	648	23.9	1,409	23.1
African American men	333	5.5	144	5.3	347	5.7
African American women	179	2.9	85	3.1	205	3.4
Hispanic men	112	1.8	48	1.8	123	2.0
Hispanic women	43	0.7	16	0.6	43	0.7
Asian/Pacific Islander men	70	1.1	26	1.0	65	1.1
Asian/Pacific Islander women	33	0.5	12	0.4	39	0.6
Native American men	54	0.9	21	0.8	47	0.8
Native American women	21	0.3	8	0.3	21	0.3
Unknown	4	0.1	4	0.1	17	0.4
Total[a]	**6,110**	**100.0**	**2,716**	**100.0**	**6,110**	**100.0**
Men	4,666	76.4	1,943	71.5	4,376	71.6
Minority men	569	9.3	239	8.8	582	9.5
Women	1,440	23.6	769	28.3	1,717	28.1
Minority women	276	4.5	121	4.5	308	5.0

Source: GAO.

Note: Information obtained from analysis of OPM's Central Personnel Data File data.

[a]Percentages may not add to 100 because of rounding.

The results of our simulation of SES attrition and our projection of appointments to the SES over the 7-year period showed variation across the 24 Chief Financial Officers (CFO) Act agencies, as illustrated in table 2. However, as with the governmentwide numbers, agencies tend to increase the proportion of women in the SES, particularly white women, and decrease the proportion of white men. The proportion represented by minorities tended to change relatively little. Our estimates of SES attrition at individual agencies by gender, racial, and ethnic groups are likely to be less precise than for our overall SES estimates because of the smaller numbers involved. Nevertheless, the agency-specific numbers should be indicative of what agency profiles would look like on October 1, 2007, if recent appointment trends continue.

Table 2: Number of SES, Percentages of Women and Minorities on October 1, 2000, and Percentages of Women and Minorities on October 1, 2007, Assuming SES Appointment Trends for Fiscal Years 1995 through 2000 Continue, by CFO Act Agency

		Percentage as of October 1, 2000		Percentage on October 1, 2007, using current appointment trends, and percentage change from October 1, 2000			
CFO agency	Number of SES	Women	Minorities	Women	Change	Minorities	Change
Agriculture	283	25.4	20.1	30.0	+4.6	23.0	+2.8
AID	25	20.0	20.0	20.8	+0.8	4.2	-15.8
Commerce	296	23.3	12.5	30.9	+7.6	15.1	+2.6
Defense	1,144	16.3	6.1	20.7	+4.4	6.1	0.0
Education	60	28.3	21.7	32.3	+3.9	21.0	-0.7
Energy	391	18.9	10.7	25.8	+6.9	9.5	-1.3
EPA	255	29.8	15.3	35.7	+5.9	23.1	+7.8
FEMA[a]	32	21.9	3.1	28.1	+6.3	3.1	0.0
GSA	84	28.6	14.3	32.9	+4.4	12.9	-1.3
HHS	399	36.1	21.3	41.2	+5.1	22.9	+1.6
HUD	73	28.8	35.6	38.2	+9.4	40.8	+5.2
Interior	191	31.9	22.0	39.3	+7.3	23.6	+1.6
Justice	407	22.6	15.2	25.0	+2.4	16.7	+1.4
Labor	132	28.0	21.2	32.8	+4.8	26.0	+4.7
NASA	394	19.5	13.2	23.5	+4.0	12.9	-0.3
NRC	139	13.7	11.5	17.3	+3.8	8.6	-2.9
NSF	79	30.4	13.9	35.0	+4.6	10.0	-3.9
OPM	36	41.7	19.4	45.7	+4.0	17.1	-2.3
SBA	39	33.3	33.3	36.6	+3.3	34.1	+0.8
SSA	118	35.6	33.1	41.0	+5.4	30.8	-2.3
State	101	28.7	5.0	30.0	+1.3	3.0	-2.0
Transportation	178	27.0	14.5	29.2	+2.2	17.4	+2.8
Treasury	537	23.3	12.8	24.3	+1.0	14.2	+1.3
VA	247	14.6	9.7	21.4	+6.8	11.7	+2.0

Source: GAO.

Notes: AID is the Agency for International Development, EPA is the Environmental Protection Agency, GSA is the General Services Administration, HHS is the Department of Health and Human Services, HUD is the Department of Housing and Urban Development, NASA is the National Aeronautics and Space Administration, NRC is the Nuclear Regulatory Commission, NSF is the National Science Foundation, SBA is the Small Business Administration, SSA is the Social Security Administration, and VA is the Department of Veterans Affairs. Information obtained from analysis of OPM's Central Personnel Data File data.

[a]Under H.R. 2886, the Department of Homeland Security would be designated as a CFO Act agency and the Federal Emergency Management Agency (FEMA) would no longer be considered a CFO Act agency.

The gender, racial, and ethnic profiles of the career SES at the 24 CFO Act agencies varied significantly on October 1, 2000. The representation of women ranged from 13.7 percent to 36.1 percent with half of the agencies having 27 percent or fewer women. For minority representation, rates varied even more and ranged from 3.1 percent to 35.6 percent with half of the agencies having less than 15 percent minorities in the SES.

Our projection of what the SES would look like if recent appointment trends continued through October 1, 2007, showed variation, with 12 agencies having increased minority representation and 10 having less. While projected changes for women are often appreciable, with 16 agencies having gains of 4 percentage points or more and no decreases, projected minority representation changes in the SES at most of the CFO Act agencies are small, exceeding a 2 percentage point increase at only 6 agencies.

At most agencies, the diversity picture for GS-15s and GS-14s is somewhat better than that for the SES. To ascertain what the gender, racial, and ethnic profile of the candidate pool for SES replacements would look like, we performed the same simulations and projections for GS-15s and GS-14s as we did for the SES. Over 80 percent of career SES appointments of federal employees come from the ranks of GS-15s.[3] Similarly, over 90 percent of those promoted to GS-15 are from the GS-14 workforce. Table 3 presents the results of our analysis for GS-15s, and table 4 presents the results for GS-14s. The results show a somewhat lower proportion of this workforce will leave.

[3]A small number of GS-14s are promoted to SES and it is possible for GS-13s to be promoted to SES, but this is rare. The remaining SES appointments come from applicants outside of the federal government.

Table 3: Gender, Race, and Ethnicity of GS-15s, Actual as of October 1, 2000; Those Estimated to Remain Employed on October 1, 2007, after Accounting for Attrition; and Estimates for October 1, 2007, If Those Departing Are Replaced at Actual Rates for Fiscal Years 1995 through 2000

	On board on October 1, 2000		Remaining after estimated attrition on October 1, 2007		As of October 1, 2007, with replacements at promotion rates for fiscal years 1995-2000	
GS-15	**Number**	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
White men	33,567	64.8	16,731	61.2	31,383	60.6
White women	10,062	19.4	5,884	21.5	11,399	22.0
African American men	1,711	3.3	981	3.6	2,004	3.9
African American women	1,500	2.9	909	3.3	1,799	3.5
Hispanic men	1,197	2.3	702	2.6	1,375	2.7
Hispanic women	470	0.9	285	1.0	560	1.1
Asian/Pacific Islander men	2,063	4.0	1,090	4.0	1,872	3.6
Asian/Pacific Islander women	836	1.6	500	1.8	879	1.7
Native American men	278	0.5	152	0.6	352	0.7
Native American women	103	0.2	54	0.2	116	0.2
Unknown	39	0.1	39	0.1	88	0.2
Total*	**51,826**	**100.0**	**27,327**	**100.0**	**51,827**	**100.0**
Men	38,816	74.9	19,656	71.9	36,986	71.4
Minority men	5,249	10.0	2,925	10.7	5,603	10.8
Women	12,971	25.0	7,632	27.9	14,753	28.5
Minority women	2,909	5.6	1,748	6.4	3,354	6.5

Source: GAO

Note: Information obtained from analysis of OPM's Central Personnel Data File data.

*Percentages may not add to 100 because of rounding.

Table 4: Gender, Race, and Ethnicity of GS-14s, Actual as of October 1, 2000; Those Estimated to Remain Employed on October 1, 2007, after Accounting for Attrition; and Estimates for October 1, 2007, If Those Departing Are Replaced at Actual Rates for Fiscal Years 1995 through 2000

	On board on October 1, 2000		Remaining after estimated attrition on October 1, 2007		As of October 1, 2007, with replacements at promotion rates for fiscal years 1995-2000	
GS-14	**Number**	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
White men	49,548	59.6	31,297	57.1	47,799	57.5
White women	18,759	22.6	12,828	23.4	19,559	23.5
African American men	3,401	4.1	2,365	4.3	3,549	4.3
African American women	4,067	4.9	2,921	5.3	4,293	5.2
Hispanic men	2,117	2.5	1,551	2.8	2,374	2.9
Hispanic women	884	1.1	674	1.2	1,010	1.2
Asian/Pacific Islander men	2,426	2.9	1,696	3.1	2,372	2.9
Asian/Pacific Islander women	1,036	1.2	775	1.4	1,144	1.4
Native American men	579	0.7	385	0.7	615	0.7
Native American women	294	0.4	200	0.4	315	0.4
Unknown	75	0.1	75	0.1	156	0.2
Total[a]	**83,186**	**100.0**	**54,767**	**100.0**	**83,186**	**100.0**
Men	58,071	69.8	37,294	68.1	56,709	68.2
Minority men	8,523	10.2	5,997	11.0	8,910	10.7
Women	25,040	30.1	17,398	31.8	26,321	31.6
Minority women	6,281	7.6	4,570	8.3	6,762	8.1

Source: GAO.

Note: Information obtained from analysis of OPM's Central Personnel Data File data.

[a]Percentages may not add to 100 because of rounding.

Minority representation among those GS-15s who remain by 2007 will be about the same as it was at the beginning of fiscal year 2001, indicating that whites and minorities will leave at about the same rates. However, the proportion of minority GS-14s would increase somewhat (by 1.5 percentage points) and the proportion of both grades represented by white and minority women will also increase. Moreover, if recent promotion trends to GS-15 and GS-14 continue, marginal gains by almost all of the racial and ethnic groups would result. Our simulation shows that significant numbers of current minority GS-15s and GS-14s will be employed through fiscal year 2007, and coupled with our projection of promotions, shows there will be substantial numbers of minorities at both the GS-15 (8,957) and GS-14 (15,672) levels, meaning that a sufficient

number of minority candidates for appointment to the SES should be available.

With respect to gender, the percentage of white women at GS-15 is projected to increase by 2.6 percentage points to 22 percent and at GS-14 by 0.9 percentage point to 23.5 percent. The proportions of minority women will increase by 0.9 percentage point to 6.5 percent for GS-15s and 0.5 percentage point to 8.1 percent for GS-14s, while those for minority men will increase 0.8 percentage point to 10.8 percent for GS-15s and 0.5 percentage point to 10.7 percent for GS-14s. At 60.6 percent, white men will represent 4.2 percentage points less of GS-15s and, at 57.5 percent, 2.1 percentage points less of GS-14s than in fiscal year 2001. Again, our estimates for the GS-15 and GS-14 populations at individual agencies are likely to be less precise than our governmentwide figures because of the smaller numbers involved but should be indicative of what agency profiles would look like in October 2007.

Replacing Over Half of the SES Corps Presents a Challenge and an Opportunity for Federal Government

During fiscal years 2001 through 2007, the wave of near-term retirements and normal attrition for other reasons presents the federal government with the challenge and opportunity to replace over half of its career SES corps. The response to this challenge and opportunity will have enormous implications for the government's ability to transform itself to carry out its current and future responsibilities rather than simply to recreate the existing organizational structures.

With respect to the challenge, the federal government and governments around the world are faced with losses that have a direct impact on leadership continuity, institutional knowledge, and expertise. Focusing on succession planning, especially at the senior levels, and developing strategies that will help ensure that the SES corps reflects diversity will be important. We have gained insights about selected succession planning and management practices used by other countries that may be instrumental for U.S. agencies as they adopt succession planning and management strategies.[4] We found that leading organizations engage in broad, integrated succession planning and management efforts that focus on strengthening both current and future organizational capacity. As part

[4]U.S. General Accounting Office, *Human Capital: Insights for U.S. Agencies from Other Countries' Succession Planning and Management Initiatives*, GAO-03-914 (Washington, D.C.: Sept. 15, 2003).

of this approach, these organizations identify, develop, and select their people to ensure an ongoing supply of successors who are the right people, with the right skills, at the right time for leadership and other key positions.

Succession planning is also tied to the federal government's opportunity to change the diversity of the SES corps through new appointments. Leading organizations recognize that diversity can be an organizational strength that contributes to achieving results. By incorporating diversity program activities and objectives into agency succession planning, agencies can help ensure that the SES corps is staffed with the best and brightest talent available regardless of gender, race, or ethnicity. As stated earlier, the succession pool of candidates from the GS-15 and GS-14 levels should have significant numbers of minority candidates to fill new appointments to the SES. It will be important to identify and nurture talent from this workforce and other levels in agencies early in their careers. Development programs that identify and prepare individuals for increased leadership and managerial responsibilities will be critical in allowing these individuals to successfully compete for admission to the candidate pool for the next level in the organization. Succession planning and management is starting to receive increased attention from the Office of Management and Budget (OMB) and OPM,[5] and we have also seen a positive response from these leadership agencies in developing and implementing programs that promote diversity.

In commenting on our January 2003 report, OPM concurred with our findings on SES attrition and diversity and said it welcomed the attention the report brings to a critical opportunity facing the federal workforce and federal hiring officials. The Director said that increasing diversity in the executive ranks continues to be a top priority for OPM and that the agency has been proactive in its efforts to help federal agencies obtain and retain a diverse workforce, particularly in the senior ranks.[6] Both OPM and EEOC said that our analysis was an accurate reflection of the likely future composition of the career SES if recent patterns of selection and attrition

[5]OMB revised Circular A-11 to require that federal agencies' fiscal year 2005 annual performance plans prepared under the Government Performance and Results Act identify specific activities agencies plan to take to ensure leadership continuity. In addition, as part of the President's Management Agenda, OPM set the goal that continuity of leadership and knowledge is assured through succession planning and professional development programs in 25 percent of all federal agencies by July 2004.

[6]To promote diversity in succession planning, OPM has unveiled plans for a Candidate Development Program that targets qualified minorities.

continue. EEOC expressed concern about the trends suggested by our analyses to the extent that they may point to the presence of arbitrary barriers that limit qualified members of any group from advancing into the SES. EEOC also stated that in the years ahead, federal agencies will need to continue their vigilance in ensuring a level playing field for all federal workers and should explore proactive strategies, such as succession planning and SES development and mentoring programs for midlevel employees, to ensure a diverse group of highly qualified candidates for SES positions. Other federal agencies told us that they also have leadership development programs in place or are establishing agencywide human capital planning and executive succession programs, which include diversity as an element. They also told us that holding executives accountable for building a diverse workforce was an element in their performance evaluation for agency executives. Continued leadership from these agencies, coupled with a strong commitment from agency management, will go a long way toward ensuring the diversity of senior leadership.

Chairwoman Davis and Members of the Subcommittee, this concludes my prepared statement. I would be pleased to answer any questions you may have.

Contacts and Acknowledgments

For further information, please contact George H. Stalcup on (202) 512-9490 or at stalcupg@gao.gov. Individuals making key contributions to this testimony include Steven Berke, Anthony Lofaro, Belva Martin, and Walter Reed.

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Mrs. DAVIS OF VIRGINIA. Thank you, Mr. Stalcup.

Mr. Sanders, you're recognized for 5 minutes.

Mr. SANDERS. Thank you, Madam Chairwoman, members of the subcommittee. I appreciate the opportunity to appear before you today on behalf of Director Kay Cole James to testify on OPM's efforts to address underrepresentation in the Federal Government's Senior Executive Service. Mr. Mark Robbins, OPM's general counsel, is also with me today to address any questions you may have on the No Fear Act.

Madam Chairwoman, I believe that we all share a goal that is simply stated, an SES corps that reflects the diversity of America's citizenry. You can rest assured that the President and Director James are unequivocally committed to achieving that goal. It represents a mission imperative. We believe that a more diverse SES will result in a Federal Government that better serves our citizens, the ultimate objective of the President's management agenda, and they appreciate the leadership you and your subcommittee have provided in this area.

Madam Chairwoman, the fact is that the SES today is not as diverse as it should be, and although we've seen some gradual improvement in this regard, progress remains slow. So the challenge remains, and it's one that is not amenable to quick fixes. Rather, as you know only too well, it's all about succession planning, managing the Federal Government's leadership development pipeline over a multiyear timeframe and paying attention to its diversity as we do so.

As your hearing 2 weeks ago underscored, a diverse SES depends in large part on a diverse candidate pool. That is where OPM's new Federal SES candidate development program comes in. Designed to complement the executive development strategies of individual agencies, including those that already have their own CDPs, it incorporates the very best practices in leadership development, lessons drawn from organizations, both public and private, that have set the standard for connective excellence and diversity.

In developing our program, we took into account the Constitutional limits upon efforts of affirmative outreach toward traditionally underrepresented groups. OPM CDP is designed to operate within those limits. It is a racially neutral program. Race plays no part in the candidate selection process. OPM's challenge is to create a diverse pool of applicants by ensuring that those qualified members of traditionally underrepresented groups know about the program and are encouraged to apply.

We can do this through Constitutionally accepted standards for outreach. Thus, while a program is not and cannot be reserved for the exclusive development of leaders from underrepresented groups, we believe that includes a number of innovative features that will help us accelerate the accomplishment of that goal.

First and foremost, our program enjoys the strong commitment of this administration's most senior leaders, including the members of the new Chief Human Capital Officers Council. All of its members are keenly aware of the executive succession challenge that we all face; and as our program's ultimate board of directors, they are sensitive to diversity issues, as they work to ensure continuity of leadership excellence in their agencies.

Second, our program is uniquely demand driven, designed to find and develop high caliber successors to replace an agency's specific projected SES losses. This is in contrast to many agencies' CDPs, which attract, develop and graduate many talented candidates who never reach the SES, largely because they are not part of an effective succession strategy.

Third, while we obviously cannot guarantee the diversity of our program's candidates, or for that matter the SES itself, we can increase the odds of both by actively and aggressively reaching out to all sources for the most diverse pool of potential executive talent that we can. We've already actively engaged in the various organizations that represent the interest of female and minority Federal employees, many of whom are here today to help us in this regard.

In addition, unlike most agency CDPs, we intend to open our program to all U.S. citizens, not just current and former Federal employees, a reservoir of potential talent that is substantially broader and substantially more diverse than the typical agency CDP applicant pool. We also intend to conduct targeted print, electronic and direct marketing to and through minority, disabled employees and female professional associations that are potential conduits to that talent pool.

Fourth, our applicant screening and assessment process will be based on merit and merit alone. Conducted jointly with participating agencies, OPM will identify the most outstanding applicants, and participating agencies will then have the opportunity to select one or more candidates from this finalist cadre, appointing them to a full-time developmental position at the GS–14 or 15 level.

Fifth, participants in our program will benefit from a series of intensive leadership development activity specifically designed to prepare them for the SES. The program will be hands-on and experiential, with each individual having the opportunity to actually practice and demonstrate leadership in one or more executive level assignments. To support these assignments, OPM will provide each participating agency with a temporary SES allocation. Those that graduate will be certified by an OPM SES qualification review board and be eligible for noncompetitive promotion to the SES.

Finally, no effort as important as this would be complete without some means of assuring accountability. We now have such a mechanism. As part of the President's management agenda, OPM has established a human capital assessment and accountability framework as a means of evaluating how well agencies are managing their people. It includes standards for dealing with work force diversity and leadership succession. Agencies that do not meet these standards do not receive high marks; and those marks are accorded to the President, I can assure you that they matter.

Can we absolutely guarantee that our program will improve diversity in the SES? No, we cannot. However, we can and will do everything we possibly can to ensure that its applicant pool truly reflects America's diversity, that its candidate assessment process is absolutely free from any improper bias, that final selections involve senior agency leaders who understand the importance of and are committed to leadership excellence, continuity and diversity, and that agencies are held accountable for their efforts.

Before I conclude, let me turn briefly to the No Fear Act. This summer the President delegated to OPM the responsibility to promulgate regulations implementing the act. Toward that end we've been working with the Justice Department, the Treasury Department, Office of Special Counsel and the EEOC. We've also had discussions with external stakeholders, including the No Fear Coalition. Regulations implementing the judgment fund reimbursement provisions of the act have been drafted and are currently being reviewed by OMB.

Further, we're drafting regulations that will implement the additional sections of the act.

Madam Chairwoman, in his landmark management agenda the President has recognized the Federal Government's work force as one of its most valuable assets, that our employees are a national resource and that the American people expect them to be managed efficiently and effectively. They also expect them to reflect their own diversity, from the front line to the executive suite. The President and Director James are unequivocally committed to that goal. Our new CDP represents part of that commitment, and we believe that it will ensure a ready reservoir of exceptional SES candidates and eventually an SES corps that reflects the diversity of America.

I'll be pleased to answer any questions. Thank you.

[The prepared statement of Mr. Sanders follows:]

Statement of

DR. RONALD P. SANDERS
ASSOCIATE DIRECTOR
FOR
STRATEGIC HUMAN RESOURCES POLICY
U.S. OFFICE OF PERSONNEL MANAGEMENT

Before a hearing held by the
SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES

On

DIVERSITY IN THE SENIOR EXECUTIVE SERVICE (SES)

Introduction

Madam Chair, my name is Ron Sanders, and I am OPM's Associate Director for Strategic Human Resources Policy; I appreciate the opportunity to appear before you today on behalf of Director Kay Coles James to testify on the Office of Personnel Management's aggressive efforts to improve the representation of those groups of employees that have traditionally been underrepresented in the Federal Government's

Senior Executive Service (SES). Mr. Mark Robbins, OPM's General Counsel, is also with me today to address any questions you may have on the No FEAR Act.

Madam Chair, I believe that we all share a goal that is simply stated: an SES corps that reflects the diversity of America's citizenry, and you can rest assured that as the President's Chief Human Capital Officer, Director James is unequivocally committed to achieving that goal...not only because this is the right thing to do (there is no doubt or debate about that), but also because it also represents a *mission* imperative: a more diverse SES will result in a Federal Government that better serves our citizens, the ultimate objective of the President's Management Agenda. The President and Director James simply will not be satisfied until this is accomplished, and they appreciate the strong and dedicated leadership you and your Subcommittee have provided in this area.

The Goal: An SES Corps that Reflects America

Madam Chair, the fact is that the SES today is not as diverse as it should be, and although we have seen some gradual improvement in this regard, progress remains unacceptably slow. In 1998, minority representation in the SES was about 13 percent. In 2003, minorities comprise nearly 15 percent of the SES. That translates into a 9 percent gain for minorities over that period, with an accompanying 1 percent decline in non-minority representation. Between 1998 and 2003, there was an 18 percent increase in the number of women in the SES, with a corresponding decrease in the number of men.

The SES is currently comprised of almost 9 percent African Americans, 3 percent Hispanics, and nearly 2 percent Asian/Pacific Islanders. Women now comprise over 26 percent of the SES, up from 22 percent in 1998. Disabled members of the SES increased from 3.8 percent to 3.9 percent during this period. We had hoped for even more progress, taking advantage of an expected higher-than-normal rate of executive retirements to provide the opportunity for even more candidates from traditionally underrepresented groups to enter the SES. While those retirements have not yet materialized, we are

confident that they will…and they represent a potential "silver lining" in the trend lines I have described.

A Long-Term Challenge

So while the Federal Government is getting better, we are still not nearly good enough…the challenge still remains before us, and it is one that is not amenable to quick fixes. Rather, it is all about succession planning…managing the Federal Government's leadership development "pipeline" over a multi-year time frame, and paying attention to its diversity as we do. At the risk of stating the obvious, a diverse SES depends in large part on a diverse candidate pool of mobile, high-performing GS-14s and 15s, talented managers who are ready to take the next step up – right now, or some time over the next five years. That is where OPM's new Federal SES Candidate Development Program (or FedCDP) comes in…I'll talk more about this in a moment.

However, even with aggressive SES candidate development (formal and otherwise), the diversity of that successor pool still depends on the one below it…the reservoir of high potential GS-12s and 13s, those "leaders in learning" who will be ready to compete for the SES in to five to ten years. And the diversity of that pool depends on our ability to recruit the best and brightest, either directly into those positions, or more likely, at a more junior level with tools designed to staff the very beginning of the executive development pipeline: Presidential Management Interns (PMIs), Outstanding Scholars, Federal Career Interns, and cooperative education students.

At the entry level, these tools have proven to be extremely effective at bringing exceptional young people from all walks of life into the Federal service…especially those who aspire to leadership. For example, the PMI "class" of 2003, arguably the best long-term source of Federal senior executives, is a model of diversity; 21 percent of that class are minorities (up from 17 percent in 1998), and with 58 percent women, 12 percent African American, 5 percent Asian/Pacific Islanders, and 4 percent Hispanic, this year's

PMI cohort is far more diverse than the SES overall. Similarly, the Outstanding Scholar program, open to college graduates with a 3.5 grade point average or top 10 percent standing in their graduating class, has been just as successful in assuring a diverse leadership succession pool…in 2003, nearly 26 percent of those appointed under this authority were minorities, up from 23 percent in 1998. All of these programs are designed to prepare their participants as future leaders, and with aggressive outreach to minority-serving institutions (something OPM has started to do with the PMI program), we can improve the diversity of those future leaders.

We are also improving mid-career leadership development efforts. As a complement to FedCDP, we are developing an Executive Readiness Program designed to prepare high-potential GS-13s and 14s to eventually enter an SES candidate development program… or in some cases, the SES itself. It is modeled after similar efforts in "best practice" agencies like the Internal Revenue Service, the Department of Health and Human Services (with its Emerging Leaders Program), and the Department of Labor, which has implemented a strategy designed to recruit new MBAs directly into mid-level leadership and management positions, so far with excellent success. These are examples of the kind of attention and investment required to meet the leadership succession challenge and at the same time, improve the diversity of the SES development pipeline.

Madam Chair, I know you know this…you held a hearing on this very subject just two weeks ago, so I need not belabor the point; however, the reality is that it will take some time -- even though I also know you (and my boss and hers) are anxious for results. For example, if you consider the Federal Government's current population of GS-14s and 15s as the most likely "feeder" group for most SES positions, its diversity is only slightly better than the SES corps. Currently, 20 percent of the Federal Government's GS-14 population are minorities, up from 16 percent in 1998, and nearly a third are women, up from 25 percent in 1998. 18 percent of all GS-15s are minorities, up from 16 percent in 1998, with women accounting for 27 percent of that population, up from 22 percent in 1998. However, let me put these figures into perspective: while only 20 percent of all GS-14s and 15s are minorities, this still translates to over 32,000 potential minority SES

candidates, compared to a current career SES corps that totals about 7,000 individuals. So the numbers are there, and we are convinced that the talent is as well. It just needs to be discovered and developed…and as quickly and effectively as we can

A Focus on Here and Now

Thus, there is cause for optimism over the long term. The President's Management Agenda is providing the impetus for progress, and agencies are beginning to pay attention. We have the tools and the commitment to achieve our goal…over time. But what can we do right now? What are we doing today to get better? As I have noted, OPM's FedCDP represents one of our most important initiatives in this regard. Designed to complement the executive development strategies of individual agencies (including those that already have their own CDPs), as well as OPM's own government-wide efforts, it incorporates the very best practices in leadership development…lessons drawn from organizations, both public and private, that have set the standard for executive excellence *and* diversity.

In developing our Program, we took into account the Constitutional limits upon efforts at affirmative outreach toward traditionally underrepresented communities. OPM's CDP is designed to operate within those limits. It is a racially neutral program. Race plays no role in the candidate selection process. OPM's challenge is to create a diverse pool of applicants by ensuring that those qualified members of traditionally underrepresented communities know about the program and are encouraged to apply. We can do this through Constitutionally acceptable methods of aggressive recruiting and outreach.

Thus, while the Program is not (and cannot be) reserved for the exclusive development of leaders from traditionally underrepresented groups, we believe that it includes a number of innovative features that will help us accelerate the accomplishment of that goal.

Commitment from the Top. First and foremost, FedCDP enjoys the strong commitment of this Administration's most senior leaders, including the members of the new Chief

Human Capital Officers (CHCO) Council. I will discuss that Council's role in this endeavor in more detail below; however, suffice it to say that all of its members are keenly aware of the executive succession challenge that we all face, and as our Program's ultimate "board of directors," they are sensitive to diversity issues even as they work to ensure continuity of leadership excellence in their respective agencies. It takes this sort of top-down drive to achieve real success…it is the secret ingredient of any effective leadership development strategy, and in this case, we have it, plainly manifested in and by the number of agencies that have signed up to participate.

In this regard, FedCDP is uniquely demand-driven, designed to meet an agency's specific SES development and succession needs…as expressed by that agency's senior leaders. Agencies that participate in FedCDP will actually identify their projected SES losses, focusing on those that do not have an adequate successor pool, and those expected vacancies will be described (along with any essential technical qualifications) in the announcement soliciting applicants for the Program. This will increase the chances of finding and preparing the right candidates for the right jobs. This is in contrast to many agency CDPs, which focus instead on the supply side of the succession equation. They are not based on projected losses and/or succession requirements, instead attracting, developing, and graduating many talented candidates who never reach the SES…largely because they do not match up with the specific requirements of specific executive vacancies. Government-wide, CDP placement rates are barely above 50 percent, frustrating graduates and agencies alike. By starting with specific succession requirements, identified by senior agency leaders themselves, FedCDP should achieve a much better placement rate…and a much better return on the government's investment.

Aggressive, "All Source" Recruiting. We obviously cannot guarantee the diversity of FedCDP candidates, or for that matter, their ultimate goal: the SES itself. However, we can increase the odds of both by actively and aggressively reaching out for the most diverse pool of potential executive talent that we can. While most agencies take a very passive approach to recruiting for their CDPs, especially with respect to external applicants (typically construed as anyone not already employed by the agency), we will

do just the opposite. We have already engaged the various organizations that represent the interests of female and minority Federal employees, including Blacks in Government, the National Association of Hispanic Federal Executives, the Asian American Government Executive Network, and Federally Employed Women, in the design of our program; they are also helping to encourage top-notch candidates from all backgrounds, including those from traditionally underrepresented groups, to apply...and to persuade agencies to participate.

In this regard, we believe that FedCDP will also offer an opportunity for talented, high-potential internal candidates (including those from traditionally underrepresented groups) to progress where their development and/or career progression in a particular agency may have been stymied...perhaps because there simply may not have been any opportunities available for either where they are. We know that there is plenty of talent out there, uncut diamonds, people with untapped potential eager to be discovered and developed. And while many of these talented individuals have applied for CDP and/or SES positions in agencies other than their own, they typically compete against that agency's own employees, insiders who have the "home field" advantage of being far better known to their senior leaders. In FedCDP, there are no insiders and no "home field" advantage.

We also intend to open our Program to an external applicant pool that is substantially broader, and hence substantially more diverse, than the typical SES "feeder" group of current GS-14s and 15s. Most agencies permit only current or former Federal employees to apply for their CDPs and/or their SES vacancies, thus limiting themselves to an applicant pool that we know is not much more diverse than today's SES. In contrast, our program will be open to *any* U.S. citizen inside or outside government who has the ability and commitment, regardless of their background. And we also intend to conduct targeted print, electronic, and direct marketing to and through groups not exclusively Federal in orientation that are potential conduits to talent, such as the Hispanic and African American MBA Associations. In so doing, we believe that we will attract a large applicant pool that is both exceptional *and* diverse.

Merit-Based Assessment. As envisioned, the Program will bring together over a dozen agencies that, by definition and admission, do not have a ready pool of candidates for their projected SES vacancies. All of them will be searching for talent at the same time, and OPM has designed a candidate assessment and selection process for them that is fair and bias-free. Our job is to preserve and protect the merit system, and in the case of FedCDP, we will be "at the table" with participating agencies as they evaluate FedCDP applicants. In this regard, we have developed an intensive screening and assessment process (based on SES merit staffing regulations and procedures) to identify those uncut diamonds we talked about, a process that will be overseen and managed by OPM. It will include a joint agency/OPM review of written applications against the general leadership and *essential* technical requirements for each position, as well as rigorous, structured interviews conducted by panels of experienced executives...drawn from participating agencies, trained in structured interviewing techniques, and assisted by our staff and program experts. Those interviews will identify the most outstanding applicants, those that have demonstrated the high potential necessary to aspire to the Senior Executive Service, and OPM will certify them as "finalists" as such. Participating agencies will then have the opportunity to select and sponsor one or more FedCDP candidate(s) from this pool of finalists, appointing them to a full-time developmental position at the GS-14 or 15 level, depending on their qualifications.

Those so appointed will comprise the inaugural "class" of FedCDP. Can we absolutely guarantee that this first or subsequent FedCDP classes will be appropriately diverse? No, we cannot, for in addressing the challenge of improving diversity, in the SES and otherwise, we are bound by the Merit Principles set forth in the law...and rightly so. These Principles, OPM's very *raison d'etre*, require absolute neutrality with regard to the race, national origin, gender, physical ability, or age of an SES candidate; just as they forbid any sort of discrimination on such grounds, so too do they prohibit any sort of preference. Thus, we must and will ensure that the development and selection of SES members are based solely on ability, and trust the tested rigors of the merit process to produce the right result: the best person for the job.

Exceptional Developmental Experiences. Once selected, the entire "class" of candidates will begin a series of intensive leadership development activities designed to prepare them for the SES. We will begin the Program with an individualized assessment of each candidate's current strengths and weaknesses as a leader, and for each, the preparation (with agency participation) of an Individual Development Plan designed to produce an SES-ready graduate. The centerpiece of the Program will be "hands on" and experiential, with each individual having the opportunity to actually practice leadership in one or more executive-level developmental assignments in the candidate's sponsoring agency, all the while receiving continuous coaching and feedback from an experienced executive mentor (to support these assignments, OPM will provide each participating agency with a temporary SES allocation).

The entire class will also receive at least three weeks of formal interagency training provided by the Federal Executive Institute (FEI), one of the country's most highly regarded providers of leadership and management education; the curriculum will include an advanced, accelerated version of FEI's flagship *Leadership for a Democratic Society*, designed exclusively for FedCDP participants, as well as coursework, seminars, simulations, and other exercises specifically tailored to our Program. These activities will occur over a period of 12-15 months and will be complemented by continuous candidate assessment and feedback, by agency and/or OPM executive coaches, instructors, and developmental supervisors…to ensure that only those candidates that live up to their potential are retained in the Program.

Upon successful completion, graduates will be "nominated" by their sponsoring agency for SES certification by an OPM SES Qualifications Review Board (QRB). Those who pass this final test will become *eligible* for non-competitive promotion to the SES.

In this regard, note that there is no guarantee that all candidates will satisfactorily complete the Program and/or be promoted to the SES; however, with Merit Principles in mind, here is our pledge to you. We can (and will) aggressively promote our CDP to the widest audience possible, within the Federal Government and without, so as to ensure

that its applicant pool truly reflects America's diversity. We can (and will) provide an applicant assessment process that is absolutely free from any improper bias, illegal and otherwise, that in any way diminishes equal opportunity. We can (and will) involve the most senior leaders from participating agencies in the final selection of FedCDP candidates, leaders who understand the importance of, and are committed to, leadership excellence, continuity, and diversity. And we can (and will) hold agencies accountable for their efforts in this regard. With that pledge, we anticipate a very high "success" rate.

Accountability and Oversight. No effort as important as this would be complete without some means of assuring accountability for its accomplishment, a mechanism that sets high expectations, measures progress against them, and holds senior agency officials accountable for results...or lack thereof. We now have in place just such a mechanism, and perhaps more than anything else, it will help us achieve our goal.

First, as part of the President's Management Agenda (PMA), OPM has established a Human Capital Assessment and Accountability Framework as a means of evaluating how well agencies are managing their human capital. That Accountability Framework, in accordance with the Chief Human Capital Officers Act of 2002, describes six key Standards of Success, human capital benchmarks that form the basis for agency PMA scores – the now-well known "Red, Yellow, Green" scoring scheme that has proven so effective. Those Standards include one mandating a diverse workforce, particularly in mission-critical and leadership positions, as well as a requirement that agencies have effective leadership development and succession plans in place and underway. Agencies that do not meet these standards will not receive high marks, and inasmuch as they are reported to the President, I can assure you that those marks matter...proving once again the old adage that "what gets measured gets done." Two years ago, agencies were almost all in the Red, in terms of both status and progress against the Standards of Success, including those that assessed the efficacy of their leadership succession and diversity efforts; now most are Yellow and many are Green, at least with respect to their progress.

That progress is in part attributable to another component of the Chief Human Capital Officers Act. The Act also requires that each Cabinet department and major executive agency designate a Chief Human Capital Officer (CHCO) to serve as the senior agency official who is ultimately held accountable for the strategic management of the agency's workforce. The CHCO is vested with "stewardship" responsibility for its human resources, much as an agency's Chief Information Officer and Chief Financial Officer are with respect to its fiscal and information resources, and, according to the law, that stewardship includes responsibility for ensuring diversity and leadership continuity in the agency. Thus, the Act establishes a single point of accountability for an agency's people, and when you couple that with the mandate of the President's Management Agenda, as described in OPM's Accountability Framework, progress is inevitable.

OPM Leads the Way

Madam Chair, we can improve the diversity of the SES. We know it can be done. As in so many things, it is just a matter of commitment, and OPM is leading the way. As you may know, Director James has just completed the most sweeping restructuring in the agency's history, and in the process, she has filled over 20 SES positions over the last twelve months, bringing a new team of executive leaders that is both exceptional (even if I do say so myself) and diverse. Under our new structure, fully 10 percent of OPM's SES cadre is African American, with 10 percent Hispanic and 2 percent Asian/Pacific Islander; women constitute 37 percent of that cadre. In this regard, OPM has one of the most diverse SES corps in the Federal Government, far above the average. And Director James has not ignored the leadership development pipeline either…for the first time in several years, OPM has brought in Presidential Management Interns to the agency, over 20 of them, and they too are as diverse as they are outstanding: there are 6 African Americans, 12 women, and 4 Hispanics among them. In addition, she has also established a new mid-career development program for high-potential OPM staff, to prepare them for higher grade, supervisory and eventually, executive responsibilities. Director James practices what she preaches.

The No FEAR Act

Before I conclude, I want to turn very briefly to another topic of interest to this committee, the No FEAR Act. This summer the President delegated to OPM the responsibility to promulgate regulations implementing the Act. Toward that end, we have been working with the Justice Department, the Treasury Department, Office of Special Counsel and the EEOC. We have also had discussions with external stakeholders, including the No FEAR Coalition. Regulations implementing the Judgment Fund reimbursement provisions of the Act have been drafted and are currently being reviewed by OMB. Further, we are drafting regulations that will implement the additional sections of the Act.

In Conclusion

Madam Chair, while the challenge is great, so is the commitment. In his landmark Management Agenda, the President has recognized that the Federal Government's workforce is one of its most valuable assets, that our employees are a national resource, and that the American people expect them to be managed effectively and efficiently on their behalf. They also expect them to reflect their own diversity, from the front line to the executive suite. The President and Director James, as well as the Council of agency Chief Human Capital Officers, are unequivocally committed to that goal. Our new FedCDP represents the extent of that commitment, and we believe that coupled with the other key elements and strategies I have described today, it will help achieve the President's goal of ensuring a ready reservoir of exceptional SES candidates…and eventually, an SES corps…that reflects the diversity of America.

Mrs. DAVIS OF VIRGINIA. Thank you, Mr. Sanders.

Mr. Hadden, thank you for coming, and now you're recognized for 5 minutes.

Mr. HADDEN. Good afternoon, Madam Chairwoman and members of the subcommittee. I appreciate opportunity to appear before you today on behalf of Cari M. Dominguez, Chair of the U.S. Equal Employment Commission. EEOC agrees with GAO that the projected large losses in the SES ranks over the next few years present the Federal Government with both a unique challenge and an opportunity.

As a critical step toward leading the government toward a more inclusive workplace, the Commission unanimously voted to approve new guidance effective October 1st of this year to Federal agencies on how to meet their responsibilities and structure their EEO programs required by Title VII of the Civil Rights Act and Section 501 of the Rehab Act of 1973.

It should be noted that prior to the final approval of the directive, the Commission distributed an earlier draft to Federal agencies for review and comment pursuant to the requirements of Executive Order 12067, and much of the input received from agencies was in fact incorporated into the draft.

The Commission plans to develop operational instructions for the agencies and anticipates issuing those instructions before the end of the calendar year to agencies.

The new directive requires agencies to take appropriate steps to ensure that all employment decisions are free from discrimination and is designed to reemphasize that the quality of opportunity for all in the Federal workplace is key to attracting, developing and retaining top quality employees who can deliver results, ensure our Nation's continued security, growth and prosperity.

The directive requires agencies to systematically and regularly examine their employment policies and practices to identify and remove barriers to free and open workplace competition. Plans for addressing barriers will be developed by the agencies and progress toward removing those barriers will be monitored by the Commission.

The Commission believes it is critical for agencies to pay special attention to potential barriers to entry and to those successor pools of GS–15s and 14s with a focus on those positions which would typically lead to senior level management.

In addition, potential barriers should be examined not only in selection to GS–14 and 15 feeder pools but also the early development of high potential employees at lower grades and to other training and developmental opportunities which increase qualifications for future SES positions.

An important component of the MD–715 is defining of the following essential elements for structuring model EEO programs at Federal agencies. It is the Commission's belief that attainment of a model EEO program at an agency will provide the infrastructure necessary for the agency to achieve the ultimate goal of a discrimination-free work environment characterized by an atmosphere of inclusion and free and open competition for employment opportunities. The six elements are as follows: First, demonstrated commitment from agency leadership; second, integration of EEO into the

agency's strategic mission; third, management and program accountability; fourth, proactive prevention of unlawful discrimination; fifth, efficiency; and, sixth, responsiveness and legal compliance.

We also should know that MD–715 addresses the unique challenges which face employees with disabilities. Although not addressed by the GAO report, this is an area of particular concern to the Commission.

In fiscal year 2002 the percentage of employees with targeted disabilities in the Federal work force decreased for the 5th consecutive year, stretching this decline to 20 percent over the last decade. Agencies must make immediate and significant improvements in the ability to provide opportunities to qualified individuals with disabilities to work and compete equally for all levels of positions within the Federal Government.

Complementing the Commission's efforts with MD–715 is the recent passage of the No Fear Act. EEOC has responsibility for issuing governmentwide regulations under Title III of that act, and that requires agencies post on their public Web sites on a quarterly basis information pertaining specifically to the processing of administrative complaints of employment discrimination filed under 29 CFR, Part 1614.

This summer the Commission voted on proposed interim regulation under Title III of the No Fear Act. Following the Commission's vote, the regulation was circulated for agencies for review, comments were received from 23 agencies. Revisions were made based on the revised comments, and the Commission voted to approve the proposed interim regulation late last week, and that has now been submitted to the Office of Management and Budget for approval.

The No Fear Act should provide the Federal Government one more tool to assist in efforts to identify and eliminate barriers to equal opportunity for all to compete for positions at senior levels. As the act states, agencies cannot run effectively if they practice or tolerate unlawful discrimination. The No Fear Act is designed to hold agencies to greater accountability in compliance with the nondiscrimination laws.

Through the various mechanisms available under the act, agencies should be more aware of and responsive to issues of discrimination and retaliation in their agencies. We anticipate that this heightened awareness will be positively reflected in agency management of personnel practices and, to the extent that discriminatory practices are placing barriers to equal employment opportunity in the SES work force, lead toward the elimination of practices and create a level playing field.

Thank you. I'll be glad to answer any questions that you may have.

[The prepared statement of Mr. Hadden follows:]

STATEMENT OF
CARLTON M. HADDEN, DIRECTOR
OFFICE OF FEDERAL OPERATIONS
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
BEFORE THE
SUBCOMMITTEE ON CIVIL SERVICE
AND AGENCY ORGANIZATION
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES

October 15, 2003

Good morning Madame Chairman and Members of the Subcommittee. I appreciate the opportunity to appear before you today on behalf of Cari M. Dominguez, Chair of the U.S. Equal Employment Opportunity Commission (EEOC). I am Carlton M. Hadden, Director of EEOC's Office of Federal Operations.

The United States government employs over two million women and men across the country and around the world. The ability of our government to meet the complex needs of our nation and the American people rests squarely on these dedicated and hard-working individuals.

Now more than ever before–as the public's need for effective government institutions is expanding in very real and complex ways--federal agencies must position themselves to attract, develop and retain a top-quality workforce, led by a talented and effective senior executive corps, that can deliver results and ensure our nation's continued security, growth and prosperity.

To do so, federal agencies must ensure that employees, including those at the senior level, are drawn from all segments of society after fair and open competition. Selection, advancement and all other employment decisions must be based solely on merit to ensure that all receive equal opportunity and to maximize the probability of selecting those with the best skills to do the job.

In addition, agencies must maintain an inclusive work environment in which the talents and energy of all individuals are valued, respected and fully utilized.

As the federal government embarks on this common path, the January 2003 General Accounting Office (GAO) study on the federal Senior Executive Service indicates that agencies will be faced with both significant challenges and opportunities. GAO found that two-thirds of current SES positions are occupied by white males and less than fourteen percent (14%) are occupied by minority males and females. GAO further found that by October 2007 more than one-half of the over 6,000 career SES members will have left service. Most significantly, GAO has projected that if current appointment trends remain the same, there will be very little change in the diversity of the federal senior executive corps when the vacated positions are filled. GAO predicts that, if current appointment trends continue, the number of white women holding positions in the SES will increase by 2007--from 19% of the SES ranks to 23%--but there will be virtually no change in the number of minorities holding senior positions. GAO noted, in discussing these trends with federal agencies, that it was generally recognized that more will have to be done than in the past if diversity in the SES is to be enhanced.

Management Directive (MD)-715

EEOC agrees with GAO that the projected large losses in the SES ranks over the next few years present the federal government with both a unique challenge and an opportunity. As a critical step towards leading the federal government towards a more inclusive workplace, the Commission unanimously voted to approve new guidance, effective October 1 of this year, to federal agencies on how to meet their responsibilities and structure the equal employment opportunity (EEO) programs required by Title VII of the Civil Rights Act of 1964 and Section 501 of the Rehabilitation Act of 1973. This guidance is known as EEOC Management Directive

(MD)-715 and its full text is available on our website at eeoc.gov. I have also provided the Subcommittee with a copy of the directive and ask that it be placed in the official record of this hearing.

It should be noted that prior to final approval of the directive, EEOC distributed an earlier draft to federal agencies for review and comment, pursuant to the requirements of Executive Order 12067. Much of the input received from agencies was incorporated into the final draft.

Approval of the guidance is especially significant as the last time EEOC issued guidance in this area was over fifteen years ago. The new directive will replace Management Directives 712, 713 and 714 which were issued in the 1980s. EEOC will provide agencies with operational instructions for the implementation of MD-715. We anticipate these instructions being issued before the end of this calendar year (December 31). EEOC will also offer a series of training sessions to federal agency personnel who have responsibilities for agency compliance with MD-715.

The new directive requires agencies to take appropriate steps to ensure that all employment decisions are free from discrimination and is designed to reemphasize that equality of opportunity for all in the federal workplace is key to attracting, developing and retaining top-quality employees who can deliver results and ensure our nation's continued security, growth and prosperity. The Directive requires federal agencies to systematically and regularly examine employment policies and practices to identify and remove barriers to free and open workplace competition. Plans for addressing barriers will be developed by agencies and progress towards removing barriers will be monitored by EEOC.

In its study, GAO found that the "vast majority of replacements" for departing SES members come from the ranks of federal employees at the GS-15 and 14 levels. Therefore, EEOC believes that it will be critical for agencies to pay special attention to potential barriers to entry into these successor pools of GS-15s and 14s, with a focus on those positions which typically lead to senior level management. In addition, potential barriers should be examined in training and other developmental opportunities which increase qualifications for future SES positions. Finally, as future SES positions may also be filled by candidates moving from private industry rather than the federal ranks, potential barriers in areas like executive recruitment efforts should also be examined.

Another important component of MD-715 is the defining of the following "Essential Elements" for structuring model EEO programs at federal agencies. It is EEOC's belief that attainment of a model EEO program at an agency will provide the infrastructure necessary for the agency to achieve the ultimate goal of a discrimination free work environment characterized by an atmosphere of inclusion and free and open competition for employment opportunities. In brief, the six elements identified as necessary for a model EEO program are:

- Demonstrated commitment from agency leadership;
- Integration of EEO into the agency's strategic mission;
- Management and program accountability;
- Proactive prevention of unlawful discrimination;
- Efficiency; and
- Responsiveness and legal compliance.

In achieving a model program, the directive requires federal agencies to fully integrate access, inclusion and equality of opportunity into all aspects of the mission of the agency, and align equal opportunity principles with strategic agency plans and objectives. Agencies will be

asked to conduct periodic self-assessments of their Title VII and Rehabilitation Act programs against the six model elements. Areas in need of improvement will be addressed in action plans developed by agencies and monitored by EEOC.

It should also be noted that MD-715 addresses the unique challenges facing employees with disabilities. Although not addressed by the GAO report, this is an area of particular concern to EEOC. In FY 2002, the percentage of people with targeted disabilities in the federal work force decreased for the fifth consecutive year, stretching this decline to more than 20 percent over the last decade. Our nation is home to approximately 30 million people of working age who have disabilities. The rate of unemployment among those with severe disabilities has been estimated as high as 70 percent. The President has made his New Freedom Initiative, aimed at bringing people with disabilities into all aspects of mainstream life, a hallmark of his Administration. Agencies must make immediate and significant improvements in their ability to provide opportunities to qualified individuals with disabilities to work and compete on equal footing for all levels of positions within the federal government.

In addition to the new guidance provided to federal agencies in Management Directive 715, EEOC has been, and remains, vigorously engaged, on a day-to-day basis, in assisting federal agencies in the proactive prevention of discrimination. We provide outreach, technical assistance and oversight to federal agencies in their efforts to develop and maintain model EEO programs. EEOC monitors and evaluates agencies' plans to identify and correct barriers to equal opportunity, their reasonable accommodation procedures for individuals with disabilities, and their alternative dispute resolution programs. EEOC also gathers and analyzes data on employment trends and EEO complaint processing from federal agencies and issues periodic reports which are publically available. In addition, through our Revolving Fund, EEOC develops

and delivers training to federal agencies and other interested parties on a wide variety of federal sector non-discrimination issues.

No Fear Regulations

Complementing EEOC's efforts is the recent passage of the Notification and Federal Employee Antidiscrimination Act ("No Fear" Act), which was signed into law in May 2002. The No Fear Act has several components intended to enhance federal agency compliance with anti-discrimination and whistleblower laws, hold agencies to greater accountability, and improve Congressional oversight.

Among the features of the law are:

- requirements for reimbursement to the Treasury by agencies for judgments and settlements;
- notification and training for employees about their rights under the various laws;
- mandatory reporting by agencies to the Congress, EEOC and the Department of Justice; and
- the posting of agency EEO data on agency public web sites.

EEOC has responsibility for issuing government-wide regulations under one of the titles--Title III--of the Act. Under Title III, federal agencies must post on their public web sites, on a quarterly basis, information pertaining specifically to the processing of administrative complaints of employment discrimination filed within their agency under 29 C.F.R. Part 1614. In addition to its rulemaking responsibilities and the requirement common to all federal agencies to post internal EEO data, EEOC must also post on its web site, again on a quarterly basis, government-

wide data for administrative EEO complaints in which a hearing is requested or an appeal is filed.

This summer, the Commission voted on a proposed interim regulation under Title III of the No Fear Act. Following the Commission's vote, the proposed regulation was circulated to federal agencies for review under Executive Order 12067. Comments were received from 23 agencies. Revisions were made based on the comments received, and the Commission voted to approve the revised proposed interim regulation late last week. The proposed interim regulation has now been submitted to the Office of Management and Budget (OMB) for approval under the Executive Order 12866 process.

The No Fear Act should provide the federal government with one more tool to assist in efforts to identify and eliminate barriers to equal opportunity for all to compete for positions at senior levels. As the Act states, agencies cannot run effectively if they practice or tolerate unlawful discrimination. The No Fear Act is designed to hold federal agencies to greater accountability and compliance with the non-discrimination laws. Through the various mechanisms available under the Act, agencies should be more aware of and responsive to issues of discrimination and retaliation in their agencies. We anticipate that this heightened awareness will be positively reflected in agency management of personnel practices, and to the extent that discriminatory practices are placing barriers to equal employment opportunity in the SES workforce, lead toward the elimination of such practices and create a level playing field. This would include not only personnel decisions made at the SES level, but also agency actions affecting those grades that most often lead to advancement to the SES.

It should be the goal of all federal agencies to make appointments to the SES that ensure that the most qualified candidates are selected without regard to race, ethnicity, religion, sex or

disability. By requiring agencies to report and post information about their internal cases and complaints and by holding them fiscally responsible, the No Fear Act will contribute toward reaching this goal.

Thank you. I will be happy to answer any questions you may have.

Mrs. DAVIS OF VIRGINIA. Thank you, Mr. Hadden, and as I generally do in this subcommittee, I'm going to begin the questioning by yielding to my ranking minority member, Mr. Davis.

Mr. DAVIS OF ILLINOIS. Thank you very much, Madam Chairwoman, and I certainly want to thank all of the witnesses for their testimony.

You know I was smiling to myself, because it seems as though I can't get away from my mother in terms of always remembering something that she said to us. She used to tell us that charity begins at home and spreads abroad. And I was thinking that the first question I might want to ask is would each one of you discuss the number of SES openings in your agency and how you go about filling them.

Mr. STALCUP. If I could start out, I could ask Ron Stroman, who is the Managing Director of our Office of Opportunity and Inclusiveness, to come to the table—he was sworn in—and respond to that question.

Mr. STROMAN. Thank you, Mr. Davis. Let me begin by talking about the manner in which we fill the SES positions. Essentially we have a feeder group that comes from our Band III employees, our analysts at the Band III level. Essentially what we do is we have a Candidate Development Program in which staff is pooled from the Band IIIs, and we have developmental staff who go through a fairly rigorous SES process. After completion of that process, they then emerge into the SES. Diversity principles are essentially one of the cornerstones in selection of people into the SES. So, for example, in our most recent SES candidate pool of the nine SES candidates, we have two of those nine are African American women, and we wanted clearly to make sure that they were clearly represented.

In terms of the actual numbers in the SES, let me give those to you, Mr. Davis.

In our career SES pool right now, there are approximately 9.1 percent of the SES is African American, 3.3 percent of that SES pool is Hispanic, and 4.1 percent is Asian.

Mr. DAVIS OF ILLINOIS. Thank you. Mr. Sanders.

Mr. SANDERS. Thank you, Mr. Davis. As you know, Director James practices what she preaches. OPM has just gone through a major restructuring, perhaps the most dramatic in its relatively short history, and we've just finished filling almost 20 new SES positions. We now total about 60 or so SES positions in the agency, and we're far above the average in the Federal Government. First, let me point out when we filled those jobs, we went to all-source recruiting. We opened it up for everybody. We had almost 1,000 applicants with about half from outside the Federal Government, half from within. And we ended up of the 20 positions we selected, one-third of those were non—former non-Federal employees that came from the private sector or the military services.

The net result, an SES corps that we believe is a model; 10 percent of OPM's corps is African American, 10 percent Hispanic, 2 percent Asian Pacific islander. Women constitute 37 percent. We've got two people who are going to enter our own candidate development program, and we've also brought in for the first time in several years a class of 20 new Presidential management interns, and,

again, they are just as diverse. Of those 20, 6 are African American, 12 are women and 4 Hispanic.

Thank you.

Mr. DAVIS OF ILLINOIS. Thank you very much.

Mr. HADDEN. The Commission is in a unique position. We are in a hiring freeze and we don't have SES openings, but the Commission has in fact planned; and what we have done is established a candidate development program in fiscal year 2001, and of the candidates in that program, they reflect a diversity of the Commission. There are 6 candidates and 83 percent are women and 33 percent are Hispanic and 33 percent are African American.

In regard to the Commission's current profile, the way we look today, I think we're probably—I don't want to say the most diverse Federal agency, but I think we're amongst the top. In fiscal year 2003, minorities constitute 56 percent of the SESers at the Commission. Women constitute 46 percent of the SESers at EEOC.

Mr. DAVIS OF ILLINOIS. Thank you very much. Madam Chairwoman, I know that my time is about to expire. So I'm going to ask could we have a second round with this group? I know we've got three panels, but——

Mrs. DAVIS OF VIRGINIA. I think we can allow for a second round.

Mr. DAVIS OF ILLINOIS. Thank you.

Mrs. DAVIS OF VIRGINIA. Ms. Holmes Norton.

Ms. NORTON. From OPM is it Mr.——

Mr. SANDERS. Sanders, yes, ma'am.

Ms. NORTON. I'm looking at the GAO report, and I'm looking at page 6, number of SES percentages of women and minorities on October 1st. And this is where he does projections. With minorities there are 12 agencies that probability increases. Eight agencies—I'm just looking at this for the first time, so you just correct me if I'm wrong—that probability decreases. And one of them is OPM, in minorities, minus 2.3. Percentage—and yet the figures you have just given of fairly large numbers of people in your pool now—and I'm looking at percentage on October 1, 2007 using current appointment trends and percentage change from October 1, 2000. And I'm looking at OPM, and I'm wondering why of all places OPM would be projecting minus 2.3 change in minorities.

Mr. SANDERS. Ms. Norton, those are GAO's projections, and that I think underscores a flaw in their report. It's a flaw that they recognize. It's grounded on the assumption that what was will be.

Ms. NORTON. Well, that's the only thing they have to go by, sir.

Mr. SANDERS. It is and I'm not faulting their methodology. Their projections are based on an October 2000 base. It projects forward to October 2007, and it simply assumes that the way OPM filled its SES jobs in the past will be the way OPM fills its SES jobs through 2007. Director James has taken advantage of the restructuring of the agency to fundamentally change that assumption. So those projections are wrong, and we hope that frankly all of them are wrong. I think GAO would support that. It's simply an extrapolation of history, and we all know we can change history.

Ms. NORTON. What do you have to say, Mr. Stalcup?

Mr. STALCUP. Well, we did make projections. Our point was to raise the red flag that large numbers would be leaving, and if the hiring and appointment trends from the late 1990's persisted

through 2007 this is where we would end up. Again, this was a projection. It was a warning flag. It was in no way a prediction. In fact, it was just the opposite, of trying to raise the issue so that in fact change did happen.

Ms. NORTON. Could I ask you further, Mr. Stalcup, you're looking at, I presume, the Federal work force as if in fact jobs are going to be filled in the normal way in which they were filled, and yet we are seeing the administration come here with bills for contracting out huge numbers of jobs, often in the largest agency. I wonder if we're talking about the same kind of work force that would be in fact depending on the Civil Service to do its work.

I recently saw a chart on the growth in Federal employees, and if you include people who were contracted out, it was a million employees contracting out over which we have nothing to say about the gender or virtually nothing to say except through the normal process that we use on of course private sector employees and keeping their records; but we have—what you see are a huge block of jobs that are going outside of the work force, and I wonder if you've taken that into account in projecting how many SES positions are going to be available or might in fact disappear because the Federal work force is disappearing as we speak.

Mr. STALCUP. Well, again, our projections were based on what in fact happens from the years 1995 to 2000. During that course in time undoubtedly there was some contracting out. So to the extent that dynamic of contracting out goes up after that period of time, our projection would not have covered that.

Ms. NORTON. That could mean fewer SESs altogether, just like——

Mr. STALCUP. Again, our study did not cover that. I understand your question. It is a good question, but it was not covered in this study.

Ms. NORTON. Thank you very much.

Mrs. DAVIS OF VIRGINIA. Thank you, Ms. Holmes Norton. So let me, Mr. Stalcup, Mr. Sanders, make sure I understand it. The projections were based on if we did the same thing yesterday—if we did what we did yesterday, if we're doing it today, then we'd be in the same place tomorrow. And in fact that is not true, at least for OPM, because you changed the way you were doing things. Is that correct?

Mr. STALCUP. Yes, ma'am.

Mrs. DAVIS OF VIRGINIA. When we talk about improving diversity, there's been a suggestion about one of the ways to bring more members of the minority groups into the Federal Government is through the hiring process, but all of that is based on the fact that—or the assumption that we're going to have all these retirements or loss of jobs through attrition. Does that still hold true? I guess this would be to OPM. Do you all have any projections as to how many vacancies there's going to be? I mean——

Mr. SANDERS. Yes, ma'am. Those retirements will occur. They've been deferred for various reasons. You know, anecdotally people say the economy, they're waiting for it to pick up before they look at a post Federal career, etc. All we know is that the number of folks who were eligible to retire in the Senior Executive Service continues to grow. In effect, we've created a bow wave. If anything,

we may see a greater rate of retirements. Even though the eligibility is creeping up, the fact is that they may all go over a shorter period of time once they decide to. So the opportunities are going to be there. They've just been deferred slightly, and frankly, that gives us an opportunity to prepare the successor pool for them.

Mrs. DAVIS OF VIRGINIA. So we're still looking 2004, 2005 where we can make the greatest change in the percentage of diversity?

Mr. SANDERS. Yes, ma'am.

Mrs. DAVIS OF VIRGINIA. Mr. Stalcup, I know that recruiting takes a lot of effort, and if human resources offices and agencies are understaffed, which I think some probably are, maybe they need to get outside help for at least a short term.

Do you know, do any of the Federal agencies use what we call executive head hunters to fill any of their positions and to bring in greater diversity? Do you know if any of the agencies are doing that?

Mr. STROMAN. Mrs. Davis, no, we're not aware of the use of executive head hunters in any particular agency, although as Mr. Stalcup indicated, we did not look at that issue to determine that. So there is perhaps an outside possibility, but it's nothing that we examined.

Mrs. DAVIS OF VIRGINIA. So if they were using outside agencies, outside head hunters, how would we control that? I mean, how would we make the changes for greater diversity if that were happening, because we don't—I think what you're saying is you don't know for sure. Right?

Mr. STROMAN. Right.

Mr. STALCUP. We don't. But I believe it's factors like that need to be considered, and what we talked about. The bottom line message of our report is the need for the long-term succession planning to be able to know with some certainty where you're going to be and what your needs are going to be as the years unfold, so that you can plan ahead and, in fact, have not only the people immediately available but the pipeline backing that up that will feed into what you need over time.

Mr. STROMAN. The other issue, Mrs. Davis, is that what you would have to do is if you were contracting with an outside agency is what you would do with any contractor. That is, if you wanted diversity to be part and parcel of the pool, the people that you are recruiting, I think you would have to make it abundantly clear to the contractor that this was an important part of what they were expected to do and then hold them accountable for the results as you would hold your own employees accountable for those results.

Mrs. DAVIS OF VIRGINIA. So it ultimately falls back on the different agencies and the agency heads?

Mr. STROMAN. That's correct.

Mrs. DAVIS OF VIRGINIA. Which brings me to the question I personally have is how do we make sure that our agencies and those who are responsible within the agencies know what they're supposed to be doing, and how do we get the message out to them?

Mr. SANDERS. I think hearings like this do. I think the fact that it is now part of the human capital assessment and accountability framework. It's part of GAO's models. So as we evaluate agencies, we look at those things. As they evaluate agencies, they look at

them. And hearings like this highlight them on a periodic basis. The Chief Human Capital Officers Council has addressed this on a number of occasions. So, too, has the Interagency Task Force on Hispanic Employment that Director James chairs. So I can tell you that the awareness has certainly been elevated, and I think hopefully action will follow.

Mrs. DAVIS OF VIRGINIA. What happens if action doesn't follow?

Mr. SANDERS. I think as I said in my statement, the best we can do is focus on creating as diverse an applicant pool as we possibly can at all levels of the Federal Government, including for SES vacancies, and then we have to trust the merit process to achieve the right result, the best person for the job.

Mrs. DAVIS OF VIRGINIA. Those questions were just for my own personal use, by the way, because I just wanted to make sure how we're doing it and who is doing it and are we going to have to hold this hearing every year infinitum until we find out what we're supposed to be doing.

I'm going to go ahead and stop and let Mr. Davis have a second round.

Mr. DAVIS OF ILLINOIS. Well, thank you very much, Madam Chairwoman.

Mr. Stalcup, in your testimony as you were giving it, you indicated that as you spoke with executives in different agencies, that they all pretty much agreed that something more needed to be done, that obviously we were not doing enough. Did any of them indicate that they were going to do anything? I'm saying they agreed that something needed to be done, but did they also indicate that they were in the process of doing something?

Mr. STALCUP. Absolutely. Again, we have a formal comment process whenever we do any report. So we had written comments from all the agencies involved, OPM, EEOC and then several of the line agencies also. And across the board, as you say, all agreed with the need that more needed to be done. All were able to cite specific actions that they had under way or on the drawing board, so to speak, to get that done. The candidate program that Mr. Sanders referred to is one of those at OPM. EEOC, during the course of the past year, has issued a new strategic plan. The witness talked about Management Directive 715, which provides many of the needed actions on the part—I think now the key is the roadmap is kind of laid out there. It's going to require follow-through on the part of OPM, EEOC as well as the agency managers themselves.

Mr. DAVIS OF ILLINOIS. Mr. Sanders, you indicated that progress obviously is slow, that change oftentimes is indeed—much of the time it's much more covert than overt. But you also indicated that the new candidate development program was race neutral, and if it's to be race neutral, how is there assurance that race will be impacted in terms of changing the composition of the work force?

Mr. SANDERS. Mr. Davis, we can't make that assurance. What we can assure you of is that we're going to do everything we possibly can to reach out to ensure that we have an applicant pool that is as diverse as we possibly can make it. I've outlined some actions that I think we can take that will improve the diversity of that applicant pool over agency experience to date. But once we've done that we have to trust the merit process to run its course. We can't

provide preference or anything like that. There are Constitutional limits by which we are bound.

Mr. DAVIS OF ILLINOIS. So we are operating on the theory that much of the problem had to do with the applicant pool and that there weren't enough people in the pool that through the normal process of extracting out the best, that we would also have the kind of diversity that is desired?

Mr. SANDERS. I think all you have to do is look at the feeder pool of GS–14s and 15s, primarily GS–15s. That's typically where agencies draw from for candidate development programs and SES positions. It's not much more diverse than the SES corps. And that is in gross numbers. It's not talking about locations and occupations and specific demand and requirements. So it is kind of a roll of the dice if all you're doing is looking at GS–15s as your source for executive candidates. One of the things we know we can do is go beyond that candidate pool, look outside the confines of the Federal Government. There's lots of talent out there and, again, increase the diversity of the people we're considering and trust the merit process to do its thing.

Mr. DAVIS OF ILLINOIS. Let me ask you this. I recently heard of a situation in an agency where essentially one person for the last 20 years has pretty much determined who the individuals were who got promoted or who moved up into the SES ranks. Could that happen under any scenario that you could think of in terms of policies and practices?

Mr. SANDERS. I suppose it could, but, again, looking forward I do think one of the subtle but important changes that has occurred, in part thanks to the actions of the Congress, is the creation of these new chief human capital officers in the major departments and agencies. Those are the individuals who will be held accountable. They have stewardship responsibility for the way the agency manages its people, and if you looked at the folks who have been named as CHCOs, as chief human capital officers, they are far more senior than, for example, agency HR directors in the past. These are individuals who take that accountability seriously.

I've sat through a couple of meetings now that the CHCOs council has had. So while in theory that could happen, one person could control it and for whatever purposes he or she wanted, I think that is now changing as we're elevating the importance of the human capital business and the people who are responsible for it, again in part thanks to hearings like this.

Mr. DAVIS OF ILLINOIS. And Madam Chairwoman, with your indulgence my last question would be to Mr. Hadden, and that is if we find that agencies don't really have the feeder pools that are necessary, what should happen to make sure that those feeder pools are in fact adequate?

Mr. HADDEN. Well, I think under MD–715, what we would hope agencies would do, and each agency circumstance may be different, is to examine what are the factors which caused that to occur, why aren't there people in the pipeline. That may be an example of looking at are there training opportunities being shared throughout the agencies, throughout the organization. We expect an agency to look at its own particular circumstances. It's not as easy as a stock answer for how each agency would deal with that, but we would

expect each agency to look at its own practices, and we would then monitor and see for ourselves what barriers might have existed to keep that from happening.

Mr. DAVIS OF ILLINOIS. Thank you very much, Madam Chairwoman. I know that my time is up, and I appreciate the indulgence.

Mrs. DAVIS OF VIRGINIA. Thank you, Mr. Davis.

And Mr. Davis, I would just say that we will have written follow-up questions for all three of the panels that we would ask that you would answer and get back to the committee. And so if you have any further questions, we can certainly do it that way.

Ms. Holmes Norton.

Ms. NORTON. Thank you, Madam Chairwoman.

Mr. Hadden, in a fairly elliptical sentence in your testimony, you say, therefore—page 4—EEOC believes it will be critical for agencies to pay special attention to potential barriers to entry into those successor pools of GS–15s and 14s. With a focus on those positions that typically lead to senior management—senior level management—see, I'm interested—not so much interested in the 14s and 15s. First of all, those are verified positions in the Federal Government, too. Those people have been leaving the Federal Government—the minorities and Whites, according to the GAO report, have been leaving the Federal Government and GS–15s at about the same rate. And you know why? Because these are people that are very much sought after. You know, they don't need the Federal Government. This isn't your grandfather's economy, and the private sector knows how to give health care, the kind the Federal Government doesn't give, sometimes picking up the whole thing. And we haven't come close to that. They know how to make bonuses really get more work out of managers, and people who attain 14 and 15 are very ripe to be picked off.

So we've been concentrating on those levels. Well, you can concentrate all you want on those levels, but by the time somebody finally makes his way to 14 or 15 he may be applying all over the map. Who needs you anymore?

So I really am just as interested in what we are doing to make the feeder pool fatter and to make people want to stay in the Federal Government to have enough sense that there is promotion to get to the place where you can be looked at for SES. I read the sentence from Mr. Hadden about how you get into the feeder pools and what you're doing to make sure, particularly given retirements, given competition, the sexy place to be, gentlemen, is not the Federal Government these days. The sexy place to be is in the private sector. So I want to know what you're going to do to retain people long enough to get them and what you're going to do to make sure the people get into the feeder pool so that they can be looked at by the SES in the first place. That I didn't find in the testimony.

Don't you all speak at once, please.

Mr. SANDERS. If that is a general question, I'll take it on. Starting with the very beginning of the pipeline, we're really doing a tremendous job bringing in bright young folks to the Federal service, the Presidential management intern program, outstanding scholars, the Federal career intern program. The recruit rates are high, and the diversity statistics are pretty impressive. For example, in

the class of 2003 for Presidential management interns, 21 percent were minority and almost 60 percent were women.

Ms. NORTON. What grades were those interns?

Mr. SANDERS. They start at GS–9. So at the beginning of the pipeline, we're doing quite well. We need more work in the middle of the pipeline. A number of agencies are doing very innovative things. IRS, my old place, HHS with its emerging leaders program, the Department of Labor has really had remarkable success bringing in MBAs straight into mid-level positions. OPM is about to develop and deploy an executive readiness program which is sort of one level down focusing on high potential 13s and 14s to prepare them for the SES candidate development program and the next step after that the SES. Those programs are under way. They're under development. And that is probably the weakest part of the leadership development pipeline.

But in terms of keeping good folks, you know this because Director James has testified on this before and so has Dan Blair, our Deputy Director. We need to make the general schedule far more performance based so that when we have somebody who is on the fast track we can reward them, we can promote them, we can compensate them and keep them so they can get to the SES and not have to wait around for 20 or 25 years.

Ms. NORTON. You have to watch out how you do that too, because they can believe there is favoritism.

Finally, let me ask you a question about accountability, Mr. Sanders. It says at page 10 of this testimony that we can hold agencies accountable for their efforts in this regard. You are doing a lot of good work in trying to do the groundwork. The accountability has always been a major problem here.

And you go on in this testimony to talk about human capital, benchmarks of red, yellow and green, and apparently that is how the agency is marked, including the diversity of the work force and diversity in leadership decisions.

Then you continue to get to the individuals who will be held accountable. And you speak about a chief human capital officer and her stewardship for ensuring diversity and leadership continuity in the agency. What you indicate is that at least you have a single point of accountability.

I want to know how that person is going to be held accountable. If this were the private sector, for example, that person might be held accountable through their compensation. Diversity would be a specific element of their compensation. It might even be broken down as to high level diversity and diversity in the ranks, how the employee was evaluated. Diversity would be an important part of the evaluation of the manager or the leader. I want to know any such accountability notions that are a part of your system of accountability.

Mr. SANDERS. Particularly at the level of the chief human capital officer, for the most part these are senior political appointees in agencies. So accountability is directly to their Cabinet secretary, department head, to the President and, in part, to you all.

I think hearings like this are part of the Federal Government's accountability mechanism. So while, for example, we can't reward or penalize them in terms of compensation, what we can do is put

a spotlight on those that do good things, that make progress, and those that don't.

Our focus will be on making sure that they have——

Ms. NORTON. Are these people evaluated?

Mr. SANDERS. In terms of formal performance evaluations?

Ms. NORTON. In any way.

Mr. SANDERS. I think they have their own performance evaluations individually, and agencies are certainly evaluated as well.

Ms. NORTON. Well, are these people—are these people evaluated in any way? And if so, can they be evaluated for their achievement in diversity in the terms in which we are now discussing?

Mr. SANDERS. I think that evaluation occurs as they are held accountable by their agency head and by the President.

Ms. NORTON. Well, I just—for the record, you have not said to me that anybody will be evaluated or otherwise held personally accountable for the achievement of diversity benchmarks. That is what I am looking for.

Mr. STROMAN. Ms. Norton, if I can just comment on that, I can tell you that at the General Accounting Office, the Comptroller General awards bonuses to his senior managers as a result of performance at the end of each fiscal year. And one of the important elements with regard to those bonuses is diversity; that is, we track what the promotion opportunities have been during the course of a year, what the senior level looks like in a particular team, and the Comptroller General makes a decision. And diversity is an important component.

So I agree with you that money at some point can be made available and can be used as an important stick to move diversity forward.

Ms. NORTON. Madam Chairwoman, I thank you for your indulgence. I do want to just say for the record that unless—it is a part of human nature, and it is a part of the way in which government and every enterprise has run since the beginning of time. If an agency holds somebody accountable for how that agency processes Civil Service, sorry, Social Security, then you say that is important to this agency.

And unless the agencies are going to be held accountable for whether they achieve and how much, how far they go in achieving—and I mean meeting goals. There is a sky—we got some this year. You will never satisfy at least some members of this committee unless there are goals set and unless you know whether those goals have been met.

As far as this member is concerned, there is no accountability system. Thank you, Madam Chairwoman.

Mrs. DAVIS OF VIRGINIA. Thank you, Ms. Holmes-Norton.

I would like to clear up something in my own mind. I don't remember which one of you said it. Are you saying that the chief human capital operating officer, are they all political appointees? If so, who do they report to?

Mr. SANDERS. No, not all of them. That was a matter for each agency head to decide. But I do believe the majority of them are senior political appointees reporting; in many cases they are assistant secretaries, so they are reporting to their Cabinet secretary.

Mrs. DAVIS OF VIRGINIA. So they come and go with the Cabinet secretaries when them come and go with the administration?

Mr. SANDERS. Yes, ma'am. The legislation doesn't specify whether the chief human capital officer is a political appointee or a career. And, frankly, that is a delicate balance because you do want somebody who is going to have the voice and the weight of the department head speaking on human capital matters. They, of course, have a career staff, including senior HR folks in the SES who report to them, who provide the continuity.

Mrs. DAVIS OF VIRGINIA. Ms. Holmes-Norton, I understand what you are saying, but I also wonder how you can use diversity as something to go by when you are counting bonuses and salaries and the like, if the pool—and I am hearing that the pool may not be there. If the pool isn't there, how can you hold the person accountable for not hiring the people if they don't have the pool to hire from?

Which brings me to my question, I guess of, are there barriers out there, and what barriers are out there to achieving what we are looking for here, diversity in the SES corps?

And, quite frankly, just to give you where I stand, it would suit me fine if everybody could be hired based on whoever is hiring them never seeing their names so they can't guess whether they are male or female, and never seeing their face so they couldn't see what color, or their height or weight or anything.

I don't know the magic answer to that question. But if you can——

Mr. STALCUP. Well, in part, in answer to that question, and going back to Ms. Norton's question, we are doing a study now looking at agencies across government in terms of how specifically they are holding their executives accountable for elements such as diversity.

We are very early in the stages of that; it is a request from the Senate side, and that report will be coming out next year. So it is a key issue, one that we are in agreement with in terms of importance and one that will help us sort this out.

Mrs. DAVIS OF VIRGINIA. Let me just say this. If you start doing that, and you make your senior executives—if you hold them liable for not having a diverse—for not hiring minorities, could we be getting to the point where they hire minorities just because they are minorities rather than hiring the best person for the job?

Mr. STALCUP. Well, I would hope not. Obviously, our study also showed—the report that we talked about today—that, really, numbers is not necessarily a problem. Our study shows, at least at the GS–15 and 14 levels, that there will be sufficient numbers, both minority and White people.

Mrs. DAVIS OF VIRGINIA. In the pool?

Mr. STALCUP. In the pool, yes, down the road. So that is not necessarily an issue.

Mrs. DAVIS OF VIRGINIA. OK.

Mr. SANDERS. Madam Chairwoman, in terms of appointing people to the Senior Executive Service, frankly that is one of the most expeditious ways of bringing folks into government. Not every agency practices it, but as Director James has demonstrated, and others, you can literally bring SESs on board in 30 days if you put your mind to it.

You can reach out to a broad candidate pool, not just Federal Government or former Federal employees, but the private sector. There is wonderful talent out there. There is wonderful talent inside as well. You can do this very quickly. You can move fast. It just takes will.

And it goes back to the issue of accountability and having somebody now that you all can talk to and point to, as well as the President saying, what are we doing?

Mrs. DAVIS OF VIRGINIA. Well, I am impressed that OPM has raised their numbers. I am glad to hear that the report was based on what you used to do, so if you changed what you are doing, we can get a little higher.

We will have some other questions we will submit to you for the record, if you can answer them and get them back to us. And that is open to my colleagues as well. I thank you all of you for being patient, and for being with us here today.

I would now like to invite our second panel of witnesses to please come forward to the witness table. On this panel we will be hearing from some of the agencies themselves.

First is Gail Lovelace, Chief Human Capital Officer for the General Services Administration. Next we will have Jo-Anne Barnard, the Chief Financial Officer for the U.S. Patent and Trademark Office. Third will be Dr. Reginald Wells, the Deputy Commissioner for Human Resources at the Social Security Administration.

And we have already sworn you all in. So if you will take your seat, we will begin with the statements.

We will now recognize you. We will ask you to summarize your testimony in 5 minutes. Any more complete statements you may wish to make will be included in the record.

I would like to welcome you, Ms. Lovelace, and thank you for being with us today. We will begin with you. You are recognized for 5 minutes.

STATEMENTS OF GAIL T. LOVELACE, CHIEF HUMAN CAPITAL OFFICER, GENERAL SERVICES ADMINISTRATION; JO-ANNE BARNARD, CHIEF FINANCIAL OFFICER, U.S. PATENT AND TRADEMARK OFFICE; AND DR. REGINALD F. WELLS, DEPUTY COMMISSIONER FOR HUMAN RESOURCES, SOCIAL SECURITY ADMINISTRATION

Ms. LOVELACE. Thank you. Good afternoon, Madam Chairwoman, members of the subcommittee. I appreciate the opportunity to appear before you today on behalf of Steven Perry, the Administrator of GSA. I am Gail Lovelace, GSA's Chief People Officer, and I am also the Chief Human Capital Officer for GSA.

Today, I will briefly address three issues: the current level of diversity in GSA's SES work force; recruitment and development of minorities and women in preparation for SES positions; and a quick update on the implementation of the No Fear Act inside GSA.

We believe that GAO is absolutely correct when they write that diversity can be an organizational strength that contributes to achieving results. In addition, diversity at the highest levels of an organization sets a positive and visible example for the rest of the organization to follow and to emulate.

The desire to encourage and increase racial, ethnic, gender and other types of diversity in the Federal work force, including diversity at the senior executive levels, is explicit in guidance that covers much of my daily work. The President's management agenda includes an initiative for the strategic management of human capital, and this initiative establishes a goal of "a diverse work force, including mission-critical occupations and leadership."

GSA's Human Capital Strategic Plan, first published in August of last year, outlines seven human capital goals. Two of the seven goals are focused on executive leadership and diversity. As stated in our plan, one of the goals is "to ensure that we have a diverse work force." Our plan is to continually assess our work force and take steps to ensure that there is appropriate representation by minorities, women and other identified groups in the GSA work force as a whole, and at various grade levels, certainly including the Senior Executive Service.

In GSA, we believe that our overall work force is diverse. Currently, minorities comprise 37.8 percent of the work force; women represent 45 percent of our overall work force. At the executive level, GAO's report showed that as of October 1, 2000, 13.8 percent of our Federal career executives were minorities and 23.6 percent were women.

At that time, GSA's numbers were slightly better than the average; 14.3 percent were minorities, and 28.6 percent were women. On September 30, 2003, 3 years later, GSA's numbers have regrettably declined for minorities, at 10 percent, but improved for women at 28.8 percent.

For us, there is certainly room for improvement. With 80 career executives in GSA, we represent a very small portion of the governmentwide total. Even within that small number, we continue to see movement within our executive ranks. Just since March of this year, we have lost three women and four minority executives, either through transfers to the Department of Homeland Security, retirement or through movement to another position outside of GSA.

Today, we are recruiting for several career executive positions. We are well aware of the opportunities that this presents and will make every effort to ensure that we are attracting a diverse group of candidates to GSA.

As career senior executives leave the GSA work force, their vacant positions are filled from within GSA, or from other sources outside the agency. We are focusing our efforts on attracting a pool of diverse candidates from both directions.

GSA, like many other agencies, uses a variety of sources to attract applicants. Our new recruiting branding strategy, "You can do that here," is being utilized in a variety of settings to attract applicants to GSA.

In addition to our recruitment efforts, GSA is also focused on development of internal staff to get them ready to move into executive positions. We recently established a new five-tier Leadership Institute that offers leadership development programs for managers, supervisors, senior specialists and analysts.

In fiscal year 2002, with the support of OPM, GSA established our Advanced Leadership Development Program as one tier of our

Leadership Institute. The Advanced Leadership Development Program is designed to develop future leaders and plan for executive succession in the coming years.

The impetus for this endeavor is the potential for a pending leader exodus from GSA. As in many other government agencies, over half of GSA's executives, supervisors and managers will be eligible to retire in the next 5 years. It was deemed prudent to begin an accelerated leadership development program to prepare for the future.

That program is comprised of three competitive phases, an application process, an assessment process and executive interviews. Once the applicant has successfully passed these phases, they enter into a coaching relationship and begin various programs required for their development. We are pleased that in our 2003 program, 25 percent of our participants are minority, 48 percent are women.

In our external recruitment efforts, we are maximizing the use of Web-based technology and other supplemental methods of communication to reach out to new or previously untapped sources of highly qualified candidates. Most of our executive vacancy announcements, we have advertised for both Federal employees and outside applicants. We believe that this increases our opportunity to attract a more diverse applicant pool.

We are also considering use of OPM's proposed new Federal SES Candidate Development program as another opportunity to increase our diverse pool of candidates.

Before I close, I would like to turn to the No Fear Act. As required by the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002, GSA is implementing increased accountability for violations of antidiscrimination and whistleblower protection laws. We are moving forward with plans to effectively implement the No Fear Act, based upon the interim regulations that were issued by the Equal Employment Opportunity Commission, and anticipated guidance from OPM.

Just last week our Associate Administrator for Civil Rights led a leadership group at GSA in a discussion about the law, and will continue to share updated information with them as we implement the plans that we expect to get as a result of requirements of the new regulations.

We are developing an e-learning module for our OnLine University, and we are using our Web site to educate our associates about the act. In addition, our Office of Civil Rights has installed a new data base that will capture and report the data required by the act.

In their model, GAO examined career senior executive service trends between 1995 and 2000. They projected that, based upon those trends, the proportion of minority men and women in the SES will remain virtually unchanged. We will be successful in meeting the challenge of creating a more diverse work force if at a future date GAO's projection has proven to be incorrect. That will require a concerted level of effort at all agencies.

GSA is committed to taking steps needed to improve our diversity across GSA, including our executive ranks. Thank you for the opportunity to testify before you today, and I look forward to any questions.

[The prepared statement of Ms. Lovelace follows:]

STATEMENT OF

GAIL T. LOVELACE

CHIEF PEOPLE OFFICER

U.S. GENERAL SERVICES ADMINISTRATION

BEFORE THE

SUBCOMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION

COMMITTEE ON GOVERNMENT REFORM

U.S. HOUSE OF REPRESENTATIVES

OCTOBER 15, 2003

Good morning Madam Chairman and members of the subcommittee, and thank you for the opportunity to testify today on behalf of the General Services Administration (GSA). I am privileged to serve as GSA's Chief People Officer, and I am also designated as our agency's Chief Human Capital Officer.

GAO is absolutely correct when they write that "diversity can be an organizational strength that contributes to achieving results." In addition, diversity among the leaders of an organization sets a positive and visible example for the rest of the organization to follow, and to emulate.

The desire to encourage and increase racial, ethnic, gender and other types of diversity in the Federal workforce, including diversity at the senior executive levels, is explicit in guidance that governs much of my daily work. The President's Management Agenda includes an initiative for the strategic management of human capital, and this initiative establishes the goal of "a diverse workforce, including mission critical occupations and leadership."

GSA's Human Capital Strategic Plan, first published in August of last year, focuses on seven specific aspects of human capital management. Two of the seven aspects are executive leadership and diversity. Our goal, as stated in the plan, is to promote diversity in our workforce. Our plan is to continually assess our workforce and take steps to encourage that there is appropriate representation by minorities and women in the GSA workforce as a whole, and at various grade levels, including the Senior Executive Service.

GAO's report showed that as of October 1, 2000, 13.8 percent of Federal career executives were minorities and 23.6 percent were women. At that time, GSA's numbers were slightly better than the average – 14.3 percent were minorities and 28.6 percent were women. On September 30, 2003 – three years later – GSA's numbers have regrettably declined for minorities at 10 percent, but improved for women at 28.8 percent. There is ample room for improvement.

As career senior executives leave the GSA workforce, their vacant positions are filled from inside GSA or from other sources outside the agency. We are focusing our efforts on attracting a pool of diverse candidates from both directions. Inside GSA, our Leadership Institute offers developmental

programs for supervisors and managers that comprise our principal internal "feeder group" for the Senior Executive Service. More specifically, we are learning how to more effectively ensure that GSA associates who compete for selection into our Advanced Leadership Development Program represent a diverse cross-section of our workforce. In our external recruitment efforts, we are maximizing the use of web-based technology and other supplemental methods of communication to reach out to new and previously untapped sources of highly qualified candidates.

As required by the Notification and Federal Employee Anti-discrimination and Retaliation Act of 2002, GSA is implementing increased accountability for violations of anti-discrimination and whistleblower protection laws. We are moving forward with plans to effectively implement the "No Fear" Act, based upon interim regulations issued by the Equal Employment Opportunity Commission, and anticipated guidance from the Office of Personnel Management. For example, our Associate Administrator for Civil Rights just last week briefed senior GSA leadership about the law, and will continue to share updated information with them as implementation plans evolve. We are developing an e-learning module for GSA's "On-Line University"

website to educate all GSA associates about the Act. In addition, our Office of Civil Rights has installed a new database that will capture and report the data required by the Act.

In their model, GAO examined career Senior Executive Service appointment trends between Fiscal Years 1995 and 2000. They projected that, based upon those trends, the proportion of minority men and women in the career Senior Executive Service will remain "virtually unchanged" between today and the year 2007. That poses a challenge for agency leaders throughout the Federal government. We will be successful in meeting the challenge of creating a more diverse Federal workforce if – at a future date – GAO's projection is proven to have been incorrect, and all members of the Federal workforce consider themselves to be well protected from discrimination. I look forward to that date.

Thank you for the opportunity to testify before your subcommittee today, and I look forward to answering any questions you may have.

SES Demographics as of September 30, 2003

GRADE	ALL	WHITE		BLACK		HISPANIC		ASIAN		INDIAN		ALL
		FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	OTHER
SES Total	102	23	69	4	3	1	1	0	1	0	0	0
SES Career only	80	19	53	3	3	1	0	0	1	0	0	0

SES Demographics as of September 30, 2002

GRADE	ALL	WHITE		BLACK		HISPANIC		ASIAN		INDIAN		ALL
		FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	OTHER
SES Total	104	24	66	4	6	1	1	1	1	0	0	0
SES Career only	84	20	53	3	5	1	0	1	1	0	0	0

SES Demographics as of September 30, 2001

GRADE	ALL	WHITE		BLACK		HISPANIC		ASIAN		INDIAN		ALL
		FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	OTHER
SES Total	97	21	60	4	7	1	2	1	1	0	0	0
SES Career only	85	19	54	4	5	1	0	1	1	0	0	0

FY 2002 SES Hires

GRADE	ALL	WHITE		BLACK		HISPANIC		ASIAN		INDIAN		ALL
		FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	OTHER
Total SES Hires	18	3	14	1	0	0	0	0	0	0	0	0
SES Career	7	1	6		0	0	0	0	0	0	0	0
SES Noncareer	11	2	8	1	0	0	0	0	0	0	0	0
SES Ltd Term	0	0	0	0	0	0	0	0	0	0	0	0

FY 2003 Hires

GRADE	ALL	WHITE		BLACK		HISPANIC		ASIAN		INDIAN		ALL
		FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	OTHER
Total SES Hires	19	3	15	0	1	0	0	0	0	0	0	0
SES Career	13	2	10	0	1	0	0	0	0	0	0	0
SES Noncareer	2	0	2	0	0	0	0	0	0	0	0	0
SES Ltd Term	4	1	3	0	0	0	0	0	0	0	0	0

Mrs. DAVIS OF VIRGINIA. Thank you, Ms. Lovelace.

Now I would like to recognize Ms. Barnard. I would like to thank you for being with us today; you are recognized for 5 minutes.

Ms. BARNARD. Madam Chairwoman, Ranking Member Davis and members of the subcommittee, I appreciate the opportunity to testify today for the USPTO. Americans can be proud that when they apply for a patent or a trademark, they are relying upon one of the more diverse agencies in the Federal Government.

This wide diversity is well represented within the agency's SES ranks. Since 1999, the USPTO has seen substantial increases in the number of African Americans, Asian Americans and women on our SES staff. Currently 14 of our 46 SES members are women, including one Asian American and three African American women.

This represents a 133 percent increase over 1999 when we had six female SES members on our rolls. During the same 4-year period, we have increased the number of African Americans in our SES ranks by 100 percent, from two to four individuals, and the number of Asian American SESers by 200 percent, from one to three individuals.

The USPTO's SES diversity profile compares favorably with that of the Federal Government as a whole. The most recent governmentwide SES demographics issued by the Office of Personnel Management in 2001 indicate that governmentwide, 25 percent of SES members are women and nearly 14 percent are minorities.

At the USPTO, 30 percent of SES members are women, and over 15 percent of all appointments are held by minorities. As we replace retiring members of our existing SES corps over the next few years, we expect this diversity to further increase, because of the significant diversity in the pool of existing employees that we have.

The USPTO currently has 46 members of the SES; 19 of these individuals, 41 percent, are now retirement-eligible, or will become eligible over the next 2 years. Although a few of our existing SES positions, like my own, are in the financial and administrative area or the information technology field, the vast majority of our SES jobs are highly specialized in nature.

In addition to the managerial skills normally required for SES positions, incumbents and applicants for these jobs possess extensive intellectual property knowledge in either patent or trademark law. SES members in the patent business area manage a work force comprised largely of scientists and engineers. And those in the trademark area direct a staff of intellectual property attorneys.

Executives in both of these areas must possess both the technical knowledge required to direct the work force, and a high degree of specialized knowledge about intricate, often complex examination rules, regulations and procedures. Much of this specialized knowledge can only be acquired through years of experience in the office. As a result, virtually all of our patent and trademark SES positions are filled from within the USPTO.

Diversity is likely to increase in our SES ranks because of the underlying diversity of the pool of patent and trademark professionals from which many of our future SES executives are likely to be drawn. Our current work force presents a recruitment pool of 370 patent professionals at the GS–15 level, most of whom occupy supervisory and managerial positions. Of this total, 83 are

women, 31 are African American, 84 are Asian American, 9 are Hispanic and 2 are Native Americans. We also have 72 attorneys at the GS–15 level, including 39 women, 4 African Americans, 3 Asian Americans, and 2 Hispanics.

In order to enhance the qualifications of this SES pool, many of these patent and trademark professionals have taken advantage of the managerial, supervisory, leadership and executive management training and development assignments that we offer and fund. We have put in place and constantly seek to improve upon developmental opportunities that have included managerial training provided by the Office of Personnel Management's Federal Executive Institute and other facilities, a management certificate program that was designed specifically for the USPTO by Syracuse University's Maxwell School, in-house technical and managerial training and opportunities for numerous career development details throughout the agency.

The USPTO also currently has an SES candidate training program under development. Our priority is always to select the best qualified person, regardless of race, national origin, sex or religion, for each SES position that we fill. Because we have so many talented men and women and minorities in our senior supervisory and managerial ranks, we are confident that many of them will rise to the SES level.

In addition, we will continue to conduct the broadest possible searches for our financial, administrative and information technology SES vacancies.

As for the No Fear Act, the USPTO is actively implementing the reporting and notification requirements pursuant to the act and the upcoming regulations. We have purchased software that will aid in meeting the reporting requirements and migration of current complaint data into a Web-based format is now under way.

To meet the notification requirements, we have arranged to place a notification on each employee's printed pay stub, and on the USPTO Internet Web site. The notice will explain the rights and protections guaranteed by Federal antidiscrimination and whistleblower protection laws. We also have incorporated No Fear Act information into the training module that is given to all new managers and supervisors at the agency.

The Office of Personnel Management is currently drafting regulations on the implementation of the reimbursement requirements of the act.

We are prepared to take any steps necessary to implement these requirements as soon as the regulations are issued. I appreciate the opportunity to share this information and to testify today.

Mrs. DAVIS OF VIRGINIA. Thank you, Ms. Barnard.

[The prepared statement of Ms. Barnard follows:]

Statement of Jo-Anne Barnard
Chief Financial Officer and Chief Administrative Officer
United States Patent and Trademark Office
Testimony before the House Committee on Government Reform
Subcommittee on Civil Service and Agency Organization
Hearing on Achieving Diversity in the SES Workforce
October 15, 2003

Madam Chairwoman, Ranking Member Davis and Members of the Subcommittee,

I appreciate this opportunity to testify on behalf of the United States Patent and Trademark Office -- the USPTO -- on Senior Executive Service diversity issues.

I. Diversity Among the Current USPTO SES Workforce

President Abraham Lincoln, a great champion of the American patent system who was himself awarded a patent, noted that patents "added fuel to the fire of genius." Today, all Americans can be proud that when they apply for a U.S. patent on a new and useful invention or register for a trademark for a product or service, they are relying upon one of the most diverse agencies in the federal government.

This wide diversity is well-represented within the agency's SES ranks. Since 1999, we have seen substantial increases in the number of African-Americans, Asian-Americans, and women on our SES staff. Currently, 14 of the USPTO's 46 SES members are women, including one Asian-American and three African-American women. This represents a 133 % increase over 1999, when there were six female SES members on our rolls. During the same four-year period, we have increased the number of African-Americans in our SES ranks by 100%, from two to four individuals, and the number of Asian-American SESers by 200% -- from one to three individuals.

The USPTO's SES diversity profile compares favorably with that of the Federal government as a whole. The most recent government-wide SES demographics issued by the Office of Personnel Management in 2001, indicate that government-wide, 25% of SES members are women and nearly 14% of all SES appointments are held by minorities. At the USPTO, 30% of SES members are women and over 15% of all SES appointments are held by minorities.

II. The Continued Recruitment of Minorities into the USPTO SES Workforce

As we replace retiring members of our existing SES corps over the next few years, we expect this diversity in our SES ranks to further increase because of the significant diversity of the pool of existing employees we have, in addition to outside applicants, from which to select. The USPTO currently has 46 SES members. Nineteen of these individuals -- 41 percent -- are now retirement-eligible or will become eligible over the course of the next two years.

Although a few of our existing SES positions – like my own -- are in the financial and administrative area or the information technology field, the vast majority of the USPTO's SES positions are highly specialized in nature. In addition to the managerial skills normally required for SES positions, incumbents and applicants must possess extensive intellectual property knowledge in either patent or trademark law. Our SES members in the patent business area manage a workforce composed largely of scientists and engineers, and those in the trademark area direct a staff of intellectual property attorneys. Executives in both these areas must possess both the technical knowledge required to direct a professional workforce and a high degree of specialized knowledge about intricate, often complex examination rules, regulations and procedures. Much of this specialized knowledge can only be acquired through years of experience in the Office. As a result, virtually all of our patent and trademark SES positions are filled from within the USPTO.

Diversity is likely to increase in the USPTO's SES ranks because of the underlying diversity of the pool of patent and trademark professionals from which many of our future senior executives are likely to be drawn. Our current work force presents a recruitment pool of 370 patent professionals at the GS-15 level, most of whom occupy supervisory or managerial positions. Of this total, 83 are women, 31 are African-American, 84 are Asian-American, nine are Hispanic, and two are Native-American. We also have 72 attorneys at the GS-15 level, including 39 women, four African-Americans, three Asian-Americans, and two Hispanic Americans.

In order to enhance their qualifications for SES membership, many of these patent and trademark professionals have taken advantage of managerial, supervisory, leadership, and executive management training and developmental assignments offered or funded by the USPTO. We have put in place, and constantly seek to improve upon, developmental opportunities that have included managerial training provided by the Office of Personnel Management at the Federal Executive Institute and other facilities, a managerial certificate program designed especially for the USPTO by Syracuse University's Maxwell School of Citizenship and Public Affairs, in-house technical and managerial training, and opportunities for numerous career development details throughout the USPTO. The USPTO also currently has an SES candidate training program under development.

Our priority is always to select the best-qualified person regardless of race, national origin, sex, or religion for each SES position that we fill. Because we have so many talented women and minorities in our senior supervisory and managerial ranks, we are confident that many of them will rise to the SES level. In addition, we will continue to conduct the broadest possible searches for our financial, administrative and information technology SES vacancies.

III. USPTO Implementation of the "No FEAR Act"

The USPTO is actively implementing the reporting and notification requirements pursuant to the No FEAR Act and the upcoming promulgated regulations. We have purchased software that will aid in meeting the reporting requirements and migration of current complaint data into a web-based format is now underway. We expect to generate reports using the new software by November 30, 2003. To meet the notification requirements, we have arranged to place a notification on each employee's printed pay stub and on the USPTO Internet website. The notice will explain the rights and protections guaranteed by federal anti-discrimination and whistleblower protection laws. We also have incorporated No FEAR Act information into the training module that is given to all new managers and supervisors at the USPTO. The Office of Personnel Management is currently drafting regulations on the implementation of the reimbursement requirements of the Act. We are prepared to take any steps necessary to implement these requirements as soon as the regulations are issued.

I appreciate this opportunity to share information with the Subcommittee regarding USPTO's commitment to promote diversity in its SES workforce. If you have any questions, I would be pleased to answer them.

Mrs. DAVIS OF VIRGINIA. And Dr. Wells, we appreciate you being here today, and you are recognized for 5 minutes.

Mr. WELLS. Thank you, Madam Chairwoman, and Mr. Davis for asking me to be here today to discuss the Social Security Administration's efforts to achieve diversity in its Senior Executive Service.

I am pleased to have the opportunity to tell you about the efforts that SSA has made to develop and recruit a diverse work force as we also address the challenges presented by the forthcoming retirement wave among career civil servants.

The Social Security Administration is an agency of 65,000 employees working in 1,500 installations nationwide. As Commissioner Jo Anne B. Barnhart has often said, the men and women of Social Security are "the agency," and I share her view that the Social Security work force is the best in government.

Our goal is to provide the American people with the service they expect and deserve. To succeed we must understand and meet the needs of a diverse public. That means we need a high-performing, well-trained and well-equipped staff, from our front line right up to our highest executives.

Seventy-one percent of our employees are women, and 44 percent are members of minority groups. Diversity is reflected in all of the major components, at all levels, including among our deputy commissioners, regional commissioners and associate commissioners. We are also a very experienced group, with an average of 20 years of service, and an average age of 47. That is both a challenge and an opportunity for SSA, as the agency faces the massive increase in workloads that the aging of the baby boomers is already starting to create. Sixty percent of SES and GS–14s/15s will be eligible for regular retirement by 2008, and we will need to replace 24,000 of 65,000 employees over the next 10 years. But SSA views this turnover as an opportunity to increase diversity as we recruit and hire the work force that will take the agency into the future.

Over the past 4 years, we have hired approximately 12,000 permanent employees. We have focused on ensuring equal opportunities for all, including minorities and women. Today, 44 percent of our employees are members of minority groups, compared to 28.5 percent in the civilian labor force and 30.8 percent in the Federal work force. We employ an increasing number of Hispanics, who now comprise 11.9 percent of SSA's work force, compared to 12.2 percent of the civilian labor force and 7.1 percent in the Federal work force. SSA ranks third among Federal agencies in this area.

Further, SSA is second among major Federal agencies in hiring Hispanic employees. The Office of Personnel Management's June 2003 report to the President highlighted SSA as one of the model agencies for Hispanic hiring.

In October 2002, our SES corps of 123 individuals included 41 minority men and women, representing one-third of the total. Ninety-four percent of the most recently completed SES candidate development program class, remaining with the agency, has been selected for placement in SES positions at SSA.

Of the 30 SES appointees from this class, one-third were women and 40 percent were minority. However, Commissioner Barnhart and the entire agency leadership is firmly committed to continuing

our efforts to build a work force that truly reflects the Nation as a whole.

SSA's long tradition of developing leadership from within means that a diverse SES corps depends in large part on a diverse total work force. SSA recruits at historically Black colleges and universities and Hispanic-serving institutions, and has cooperative agreements with Native American tribal colleges and universities.

SSA also uses the Outstanding Scholar Program to recruit minorities, as well as the authority granted by OPM to use bilingual registries in hiring. We are also establishing partnerships with national organizations, such as the National Association of Colleges and Employers, the Association on Higher Education and Disability, and the Hispanic Association of Colleges and Universities.

SSA has three national development programs for employees from grades GS–9 through GS–15 that will enable the agency to meet the staffing and leadership challenges of the 21st century. These programs are considered to be among the best in government. In addition to our national programs, we offer numerous regional and component level programs.

I would like to turn for a moment to the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002, also known as the No Fear Act. SSA strongly supports the implementation of the No Fear Act.

Prior to October 1, 2003, the effective date, SSA took affirmative steps to comply with the notification provisions of the new act, and I am pleased to report that SSA has successfully completed all of the five required steps to inform employees of their legal protections and rights.

In closing, I would like to emphasize SSA's pride in its work force and its efforts to promote diversity among its employees.

Thank you, and I will be glad to answer any questions you may have.

Mrs. DAVIS OF VIRGINIA. Thank you, Dr. Wells.

[The prepared statement of Mr. Wells follows:]

Statement of Reginald F. Wells
Deputy Commissioner of Human Resources
Social Security Administration
Testimony before the House Committee on Government Reform
Subcommittee on Civil Service and Agency Organization
Hearing on Achieving Diversity in the SES Workforce
October 15, 2003

Mr. Chairman and Members of the Subcommittee:

Thank you for asking me to be here today to discuss the Social Security Administration's (SSA) efforts to achieve diversity in its Senior Executive Service (SES) representation. I am pleased to have the opportunity to tell you about the efforts that SSA has made to develop and recruit a diverse workforce as we also address the challenges presented by the forthcoming retirement wave among career civil servants.

Who we are

The Social Security Administration is an agency of 65,000 employees working in 1,500 installations nationwide. We are a workforce that is highly committed to the Agency's mission and values. As Commissioner Jo Anne B. Barnhart has often said, the men and women of Social Security *are* the agency. And I have to confess that I share her view that the Social Security workforce is the best in government.

Our overarching goal is to provide the American people with the service they expect and deserve. To do this we must understand and meet our diverse public's needs. And, if we are to accomplish that, we need a high-performing, well trained, and well-equipped staff, from the front line field office workers to the highest executives.

SSA's workforce is a diverse group—71 percent of our employees are women, and 44 percent are members of minority groups. Diversity is reflected in all of the major components and at all levels, including our Deputy Commissioners, Regional Commissioners, and Associate Commissioners.

There is another important characteristic of the SSA workforce. We are also a very experienced group, with an average of 20 years of service and an average age of 47. And that brings me to the challenges—and the opportunities—that the agency faces as we prepare ourselves for the massive increases in workload that the aging of the Baby Boomers is already starting to create. I would like to discuss some of those challenges before I focus on diversity in the Senior Executive Service (SES), because we believe these challenges carry with them the seeds of opportunity to ensure that we are able to meet our goals for a diverse workforce and a diverse SES corps.

Workforce challenges

According to SSA's own Retirement Wave Study that was published in 2000:

- ◊ SSA retirements will rise steadily and peak in 2007-2010 when about 2,500 will retire each year.
- ◊ 37 percent of overall staff will be eligible for regular retirement through 2010.
- ◊ 60 percent of SES and GS-14/15s will be eligible for regular retirement by 2008; and
- ◊ We will need to replace 24,000 of 65,000 employees over the next 10 years.

We have turned the retirement wave into an opportunity. Over the past four years, we have hired approximately 12,000 permanent employees, and we have focused on equal opportunities for all, including minorities and women.

We attribute our success to several factors:

- ◊ Support from the highest levels of the agency;
- ◊ Strong linkage to the agency strategic plan;
- ◊ Development of a long-term service vision;
- ◊ Analysis and study of potential future losses;
- ◊ A specific workforce transition plan; and
- ◊ National and regional leadership development programs.

SSA has a comprehensive recruitment plan administered by a National Recruitment Coordinator. We filled the position with a career human resources professional who has worked continually with our components and regions, lending consistency and professionalism to the recruitment process.

We are educating our managers on modern, effective recruiting practices. Under the guidance of our Recruitment Coordinator, we have developed a professional marketing strategy that enables us to compete effectively with government and private organizations.

Diversity and SSA

As I noted earlier, SSA has a diverse workforce. By comparison to the 44 percent of our employees who are members of minority groups, minorities comprise 28.5 percent in the civilian labor force and 30.8 percent in the Federal workforce.

I am pleased to report that we employ an increasing number of Hispanics, who now make up 11.9 percent of SSA's workforce compared to 12.2 percent in the civilian labor force and 7.1 percent in the federal workforce. SSA ranks third among federal agencies in this area. Further, SSA is second among major Federal agencies in hiring Hispanic employees. The Office of Personnel Management's (OPM) June 2003 report to the President highlighted SSA as one of the model agencies for Hispanic hiring.

Employees with disabilities represent 8.1 percent of SSA's workforce compared to 7.1 percent in the Federal workforce. SSA ranks third among Federal agencies in staffing and hiring persons with disabilities.

In October 2002, our SES corps of 123 individuals included 41 minority men and women, representing one-third of the total.

SSA has been recognized for its commitment to diversity by the League of Latin American Citizens, National Image, the Office of Personnel Management, Equal Opportunity Publications, Baltimore City, the Ford Foundation, and the John F. Kennedy School of government at Harvard University.

However, Commissioner Barnhart, and the entire agency leadership, is firmly committed to continuing our efforts to build a workforce that truly reflects the face of our nation as a whole. I would like to take a few moments to discuss some of our agency-wide initiatives because SSA's long tradition of developing leadership from within means that a diverse SES corps depends in large part on a diverse total workforce.

Recruiting a Diverse Workforce

Executives in SSA are held accountable for diversity in their performance agreements. SSA's Office of Human Resources produces a monthly hiring report that cumulatively tracks fiscal year hires on a monthly basis for all EEO groups both at the agency and Deputy Commissioner level. The hiring rates for women and minorities are well above their availability in the national civilian labor force.

On-campus college recruiting is an important source of diverse new hires. First SSA is working with colleges and universities that have large populations of underrepresented groups. SSA regularly recruits at historically black colleges and universities and Hispanic-serving institutions and has cooperative agreements with Native America tribal colleges and universities. SSA also uses the Outstanding Scholar Program to recruit minorities as well as authority granted by OPM to use bilingual registers in hiring.

Further, we are establishing partnerships with national organizations with ties to colleges and universities to help us attract employees with diverse backgrounds. Such organizations include the National Association of Colleges and Employers, the Association on Higher Education and Disability, and the Hispanic Association of Colleges and Universities.

SSA's six Equal Employment Opportunity advisory groups assist the Agency in its recruitment initiatives in addition to their primary role of assisting our agency to better address our employees' concerns and to better serve persons with disabilities, women, minorities, and the non-English speaking public. The six employee advisory groups are:

- American Indian and Alaska Native Advisory Council (AIANAC)
- Black Affairs Advisory Council (BAAC)

- Hispanic Affairs Advisory Council (HAAC)
- Pacific Asian Americans Advisory Council (PAAAC)
- National Women's Advisory Committee (WAAC)
- National Advisory Council on Employees with Disabilities (NACED)

Commissioner Barnhart and I believe that SSA's aggressive recruiting efforts will form the basis for a capable and diverse SES corps for the future.

Leadership Training

Among SSA's many comprehensive training opportunities for its employees develop are the leadership development programs. Our three national development programs are for employees from Grade GS-9 to 15. They cover all positions and will enable the agency to meet the staffing and leadership challenges of the 21st century.

OPM has recognized SSA's leadership programs for their "best practices", and the programs are considered to be among the best in government. The programs are structured and managed to link performance to results. Key features include a structured selection process using assessment centers based on key leadership competencies, individualized development plans, program evaluations from each participant and assigned mentors for each participant. Ninety-four (94) percent of the most recently completed SES Candidate Development Program class remaining with the agency has been selected for placement in SES positions at SSA. Of the 30 SES appointees from this class, one-third were women and 40 percent were minority.

And the Advanced Leadership and the Leadership Development Programs, for GS-9 to 14 employees, are equally important for a quality, diverse SES corps in the future. In addition to our national programs, we offer numerous regional and component level programs.

SSA's Response to the No FEAR Act Requirements

Before I conclude my testimony, I would like to turn to the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002, also known as the No FEAR Act, which is one of the topics of this hearing. SSA strongly supports the implementation of the No FEAR Act. We believe it reaffirms the strong public policy commitment to ensure that all federal employees are free to come forward with allegations of wrongdoing or misconduct, by making sure they are aware of their rights and legal protections.

Prior to the October 1, 2003 effective date for the Act, SSA took affirmative steps to comply with the notification provisions of the new Act and to meet the Office of Special Counsel's (OSC) five requirements for compliance with the law, under its Certification Program. Under the program, OSC issues a certificate of compliance, good for three years, to agencies that successfully complete the five-step project.

I am pleased to report that SSA has successfully completed the five steps to inform employees of their legal protections and rights afforded under Federal antidiscrimination and whistleblower protection statues. SSA completed the following:

- Placed informational posters about prohibited personnel practices and whistleblower protections at its agency facilities throughout the nation to make employees aware of the whistleblower protection laws;

- Provided information about these protections to new employees as part of their orientation process;

- Provided periodic information to current employees about their rights and remedies under the Whistleblower Protection Act;

- Trained supervisors and managers on the whistleblower protection laws and prohibitions against discrimination via an IVT broadcast on September 22, 2002 and

- Created a hyperlink from the agency's intranet website to the OSC website. This hyperlink can be accessed from both the Office of Civil Rights and Equal Opportunity and the Office of Personnel websites.

In addition, SSA has provided written notice to employees, former employees and applicants for employment concerning the agency's policy prohibiting discrimination and advising them of their rights and protections afforded under the antidiscrimination laws.

SSA has a long-standing and consistent policy of taking appropriate disciplinary actions against Federal employees who discriminate against any individual in violation of the antidiscrimination and whistleblower laws. SSA will comply with the spirit of the new Act by continuing to take appropriate disciplinary action against Federal employees who are found to have engaged in discriminatory conduct.

As soon as the guidelines are received from the Equal Employment and Opportunity Commission and the Office of Personnel Management, SSA is prepared to post on its public Website, in the time, form, and manner prescribed under the new Act, summary statistical data relating to equal employment opportunity complaints filed with the agency by employees, or former employees of, or applicants for employment with the agency.

Conclusion

In closing, I'd like to emphasize SSA's pride in its workforce and its efforts to ensure diversity among its employees. Thank you and I will be glad to answer any questions you may have.

Mrs. DAVIS OF VIRGINIA. I would like to thank all three of our witnesses for being patient and being here with us today.

Before I go to Mr. Davis, I have a question of Ms. Barnard. In inviting the Patent and Trademark Office to attend today's hearing, we were expecting them to send someone very knowledgeable about the agency's personnel and human resources functions relating to the Senior Executive Service.

As the CFO, would you explain your role in the management, selection and oversight of the Senior Executive Service at the Patent and Trademark Office?

Ms. BARNARD. Yes. I am the Chief Financial Officer and the Chief Administrative Officer. So I also have under me the Office of Human Resources, and I am responsible for recruitment, for directing the committee that selects senior executives, the Performance Review Board, and the Executive Review Board.

So I am directly involved in the agency's hiring and training programs.

Mrs. DAVIS OF VIRGINIA. For the SES?

Ms. BARNARD. Yes.

Mrs. DAVIS OF VIRGINIA. Thank you.

Mr. Davis.

Mr. DAVIS OF ILLINOIS. Well, thank you very much, Madam Chairwoman.

Ms. Lovelace, I was intrigued with your testimony, especially the point where there has been some decrease. Could you explain how that may have happened, or how that could happen?

Ms. LOVELACE. The decrease in the number of minorities and women that are in our executive ranks comes from the fact that we have had turnover within the agency. There are people that have moved to other agencies, have retired, or have transferred into other positions outside of the government.

We see a decrease in the number of SESers, and an increase in the number of minorities and women that actually leave the agency. We in fact will see that the numbers overall in terms of our percentages will decrease as well.

There are some opportunities inside GSA right now. We are currently trying to recruit to fill career executive positions, to fill behind some of those losses. And so I think that is a unique opportunity for us.

Mr. DAVIS OF ILLINOIS. I certainly agree with your comment, in terms of indicating that there was opportunity, because as I looked at the numbers and—you know, I saw that in terms of SES hires in 2002, there was one Black female, no Black males. And in 2003, there was one Black male and no Black females.

Do you have your own candidate training program?

Ms. LOVELACE. It is not actually a candidate development program. It is a program to develop people to take on new leadership roles within GSA. So it is not a formal candidate development program.

Mr. DAVIS OF ILLINOIS. You did indicate, though, that you were talking with OPM about possible use of their program?

Ms. LOVELACE. Yes. As a matter of fact, we are discussing this program at my Executive Resources Board at GSA. This meeting has actually been planned for some time, we will discuss our use

of that program, and discuss the numbers that you see in front of you in terms of the hiring or lack thereof of minorities and women inside our executive ranks at GSA.

We realize that there are issues inside GSA, which is why we have included a very specific goal in our human capital strategic plan to try to address that issue within GSA.

Mr. DAVIS OF ILLINOIS. Thank you very much.

Ms. Barnard, I was certainly struck, as I looked at your testimony and as I heard you, in terms of the percentages. I mean, you look at the percentages in your agency and you say, Wow. You know, you just—then, of course, you look at the numbers. And you say, Well, the wow is a little more understandable; that is, if you are going from one to three, or you are going from two to four. But, even so, that represents significant movement.

And I don't mean to downplay that in any kind of way, but my question is, prior to those years, did the agency have a formal program that was designed to help move people up and in?

Ms. BARNARD. No, we have never had a formal SES development program, per se. The Department of Commerce has a program in which we have participated. As part of our human capital program right now, we are developing, under the aegis of the President's management agenda, a training program along the lines of the one Ms. Lovelace talked about, where we will be offering training to various levels of managers.

As I spoke earlier, we really see our opportunities for improving the diversity of our work force in that underlying pool of managers, and because we are so diverse at that level, we think we will be able to make better inroads than in the past.

For instance, if you look at the 23 selections that we have made in the past 4 years in the Senior Executive Service, 22 percent of those have been minorities. So we are having the minorities developed through our ranks of managers. And that is where we are placing our emphasis.

Mr. DAVIS OF ILLINOIS. Let me just ask both of you quickly. Would it be just as simple and just as easy, perhaps, to use the program that OPM has developed? Is there a reason perhaps to have some other activity?

Ms. LOVELACE. The OPM program is not fully developed yet and has not been made available to agencies. Our Leadership Institute has actually been in existence for about 3 years; I believe we are going into our 4th year. We needed to step up our level of effort before OPM even began development of this program.

But we will look to see how we can enhance our ability to recruit minorities and women by use of that program, and see how it aligns with what we are already doing inside GSA.

Mr. DAVIS OF ILLINOIS. OK.

Dr. Wells, quickly, I don't want to take issue with the comment that you made about the Social Security Administration having the best work force in the Federal Government, and I really don't know about that. But I do know about that bunch that work out of Region 5 in Chicago, and they are about as good as they come. So you don't get much better than they are.

Mr. WELLS. Thank you, Mr. Davis.

Mr. DAVIS OF ILLINOIS. I have had a wonderful experience working with them. And they have had some of most committed and dedicated people that I have ever run into. I mean, they are out all times of the night, all over the place with us, as we try and take information to the people.

Let me ask you, how long have you been in Federal Government service?

Mr. WELLS. In the Federal service, well, if you count my time with District Government, which doesn't actually count technically, although it is the same retirement system, I have actually been in the Federal Government proper since 1994.

Mr. DAVIS OF ILLINOIS. So you are a career person?

Mr. WELLS. I am, yes, sir.

Mr. DAVIS OF ILLINOIS. Not a political——

Mr. WELLS. I am not a political, no.

Mr. DAVIS OF ILLINOIS. I am wondering, if having people in certain positions coming from a career service vantage point might not make a difference?

I suspect that throughout the Social Security Administration, there are people like you who have career service status and rank, and have moved up to certain levels and have responsibility. That responsibility carries with it certain continuity, and so there seems to be a level of professional commitment to doing the job.

That is really what I am trying to get at and to suggest. Would you comment on that?

Mr. WELLS. Mr. Davis, I think—in my experience, I have been fortunate in that most of the Federal employees I have had the occasion to work with, both career and political, have been very dedicated to the work. I have had a very good experience with that.

There is something to be said for continuity, and that is why we have the two sides. The career service is for purposes of keeping things going on an even keel. And clearly in the case of the Social Security Administration, which has very few political senior executive positions relative to some other agencies, we have really enjoyed a lot of continuity with the careerists that are there.

I happen to be the designated chief human capital officer for the Social Security Administration. So I am one of the exceptions that Ron Sanders spoke of. I happen to wear that hat. I am also the Deputy Commissioner for Human Resources.

Mr. DAVIS OF ILLINOIS. So I kind of gathered that. That was really the genesis of my question.

And I think it does make a great deal of sense and provides opportunity for a level of professional thought, action and continuous commitment. If something doesn't happen, we can really come back to you 2 years from now and expect that you will still be there, or we can come back 3 years, 4 years maybe, and expect that you are still there.

Mr. WELLS. I certainly hope to be.

Mr. DAVIS OF ILLINOIS. Rather than a political appointee, you might come back next year and they are gone. And whoever is there can then say, well, I really didn't have responsibility for what was going on year before last because I just got here.

Mr. WELLS. That is kind of in my genes. I happen to be a second generation Fed. My mother worked for the Internal Revenue Serv-

ice for 45 years. So I don't know if I will go quite as long as she did, but I am intending to stay here for a career.

Mr. DAVIS OF ILLINOIS. Well, maybe good fruit doesn't fall too far from the tree. Thank you very much.

Madam Chairwoman, I have no further questions.

Mrs. DAVIS OF VIRGINIA. Thank you, Mr. Davis.

Dr. Wells, I will just say that if today is any indication of your loyalty and your commitment to your job—because as I understand it, you opted to be here rather than Austria; I am not sure that I would have that kind of dedication—I would imagine with that kind of commitment, you will probably be here in 3 or 4 years.

Mr. Davis, I don't think you have to worry about that too much.

Ms. Barnard, I was just rechecking your statement in the beginning. I think I heard you say that because of the type of work and all that you have in the PTO, generally promotions are from within, the feeder group is from within, you don't go outside to bring people up into the SES positions.

Did I hear you correctly on that?

Ms. BARNARD. We go outside for administrative, for legal, information technology positions, just as all agencies do. And actually, that would be the extent that we would rely on OPM's training program. But the vast majority of our SES positions are specialized positions. They are patent group directors or patent managers or people that negotiate treaties worldwide in the patent and trademark area, or trademark managing attorneys.

Those people we do tend to select come mostly from within because the nature of the rules and the rules of practice are things that are learned best through years of experience in the agency. It is extremely difficult to recruit people who are familiar with the government rules from the outside. In fact, we are constantly competing to retain our people because we have law firms and private industry that are trying to attract them away from us.

Mrs. DAVIS OF VIRGINIA. Could you tell me, on the patent side, what percentage you have of minorities that would be in the feeder pool, GS–14, 15s?

Ms. BARNARD. Of the 370 that we have at the GS–15 level—let's see, I have those numbers here—83 are women, so that is approximately 22 percent. About 10 percent, 9 to 10 percent, are African American; 22 percent are Asian American; less than 1 percent are Hispanic and Native American.

Mrs. DAVIS OF VIRGINIA. Now, can you tell me in the SES pool on the patent side your breakdown on minorities?

Ms. BARNARD. Pardon?

Mrs. DAVIS OF VIRGINIA. On the patent side, your SESs, could you give me the breakdown of the minorities?

Ms. BARNARD. I don't have that information, but I would be glad to provide that to you.

Mrs. DAVIS OF VIRGINIA. Can you get that back to us for the record?

And less than 1 percent were Hispanic, I think you said.

I want to thank all three of the witnesses for being here and for being patient today. And we will have other questions for the record that we will submit to you, if you can get back to us in writ-

ing, and any other questions that we ask that we didn't get the answers to.

I really appreciate your being here. I will dismiss this panel and bring in the third panel.

I would like to thank our third panel of witnesses for being very patient with us.

Today on this panel we have representatives of various employee groups that are all very interested in today's topic. From the African American Federal Executive Association we have its president, William Brown. Second is Jasemine Chambers, Chair of the Asian American Government Executive Network. Third we have Manuel Oliverez, president of the National Association of Hispanic Federal Employees.

Fourth, that will be Shirley Harrington-Watson, National Legislative Review Committee Chair from Blacks in Government. And fifth we will hear from Patricia Wolfe, the president of federally Employed Women. Last, the committee will hear from Linda Rix, Co-CEO of AVUE Technologies Corp.

And I believe we have sworn you all in. You all were here when we did the swearing in. Correct. And I will ask that each of you—we have your prepared statements, so if you would like to summarize and try to keep to the 5 minutes, we would certainly appreciate it.

This is a very large panel. And we would like to get through all of the statements and then have the members of the committee be able to ask questions.

So I would like first to welcome Mr. Brown. And thank you again for your patience. And thank you for being with us today. You are recognized for 5 minutes.

STATEMENTS OF WILLIAM A. BROWN, SR., P.E., HAIA, PRESIDENT, AFRICAN AMERICAN FEDERAL EXECUTIVES ASSOCIATION; JASEMINE C. CHAMBERS, CHAIR, ASIAN AMERICAN GOVERNMENT EXECUTIVES NETWORK; MANUEL OLIVEREZ, PRESIDENT AND CEO, NATIONAL ASSOCIATION OF HISPANIC FEDERAL EXECUTIVES; SHIRLEY HARRINGTON-WATSON, CHAIR, NATIONAL LEGISLATIVE REVIEW COMMITTEE, BLACKS IN GOVERNMENT; PATRICIA M. WOLFE, PRESIDENT, FEDERALLY EMPLOYED WOMEN; AND LINDA E. BROOKS RIX, CO-CHIEF EXECUTIVE OFFICER, AVUE TECHNOLOGIES CORP.

Mr. BROWN. Madam Chairwoman, Congressman Davis and Congresswoman Norton, thank you for the opportunity to testify.

In January of this year I retired from Federal service as the Deputy Director of Military Programs for the U.S. Army Corps of Engineers, after a 38½-year career. I was fortunate to achieve the rank of Senior Executive, level 5, but I assure you it was no easy feat. I encountered many obstacles despite my qualifications.

I was and am a licensed professional engineer, one of the youngest persons to be inducted in the College of Fellows of the Engineering Association, an honorary member of the American Institute of Architects, and I have held a variety of GS–15 positions with the U.S. Air Force.

In January 1995, after applying for 23 SES vacancies, and making the short list and being interviewed 15 times, I became the first African American career civil servant sworn into the Senior Executive Service in the field of engineering in the entire Department of Defense. Additionally, I was the only African American promoted to SES in the entire Army that year.

Now, that was just 8½ years ago. Can you imagine the number of highly qualified minorities who preceded me and who were denied the opportunity to serve our Nation at the highest levels? Just think of where our Nation might be now if selecting officials had taken advantage of the skills and experience of the hundreds of highly qualified African Americans who are willing to stand up for America and put duty, honor and country before all else.

In February 2002, several African Americans, including myself, who attended Harvard University, formed the African American Federal Executive Association. Our goal is very simple; we promote the professional development and advancement of minority groups with particular emphasis on African Americans into the Senior Executive Service. With that, I would like to provide you a few specific comments.

Most Federal agencies are not serious about diversity. The good old boy network continues to flourish. Agencies continue to change the rules of engagement, and minority groups are pitted against one another for the few vacancies that become publicly available each year.

The General Accounting report on SES diversity indicates that with current trends, the number of White SES females will increase by 4 percent by year 2007, while the number of minority males and females will only increase by 0.7 percent.

Our Nation can ill afford to wait at this snail's pace for the complexion of our government leaders to change. The latest census results indicate our Nation is more diverse than ever. How long must a citizenry wait before the leadership reflects the ethnicity of our population? Are we not striving for ethnic equality in Iraq and Afghanistan? Why then are we not striving for the same in America?

To help the subcommittee achieve ethnic equality, I offer several recommendations.

Recommendation No. 1: We recommend endorsement of the OPM-CDP program. We provided comments during the development, and while not all of our comments were incorporated, those dealing with direction, vision, intent and implementation were. We commend the Honorable Kay Cole James for her leadership and willingness to consider alternatives to business as usual.

CDP is, however, one option that needs to be included in a diversity tool box. Much more must be done if diversity is to be achieved in the near future.

Our second recommendation is that you consider withdrawing all authority from an agency to hire Senior Service Executives until that agency achieves diversity in the SES ranks equal to ethnic representation in the United States as a whole.

In the interim, OPM or a congressionally appointed board should be given authority to fill all career SES vacancies in that agency until SES parity is achieved.

Our third recommendation is that you pass legislation prohibiting Federal agencies from changing the rules of engagement within 1 year of filling a vacancy. I have observed firsthand the selection of individuals without a college degree into the SES corps. None were minorities.

I have also observed discussions on the academic qualifications of candidates when an African American is one of the top candidates. Invariably, the discussion always centers on the African American not having enough degrees or the right degrees. This changing of the rules when a minority is being considered must be eliminated. If a degree is required, require it of all candidates. If it is not required, require it of none of the candidates.

I recently met with African Americans from a very visible agency, where an African American has not been promoted beyond the GS–14 level in the last 20 years.

In this agency, one SES screens all candidates for senior positions and makes the vacancy selection. No other person is involved in the selection process. The process being used by agency ensures that no African American ever gets into the pipeline to compete for an SES position. Why is this kind of process being allowed to exist in our government?

Madam Chairwoman, our fourth recommendation is that your subcommittee put an end to this kind of practice by enacting legislation requiring all agencies to use a panel of no less than three individuals to screen applicants for all GS–14 and above vacancies.

Furthermore, we recommend that the legislation include a provision that when a minority is among the top three candidates, the agency be required to justify in writing to the agency head why the minority was not selected.

We also recommend that the selection panel be required to include a voting minority at or above the level at which the position will be filled.

To offset the argument that qualified minorities cannot be found to serve on the panels, we further recommend that your legislation include a provision for the agency to hire and reimburse retired minority Federal employees to sit on the selection panels.

Finally, Madam Chairwoman, we are finding that complaints against an agency are not being adjudicated in a timely manner. I am sure that when agencies realize that under the No Fear Act they will be required to pay from their budget settlement fees, they will be quick to resolve complaints as well as take steps to ensure issues do not reoccur. For these reasons, we support the No Fear Act.

Madam Chairwoman and members of the subcommittee, I thank you for the opportunity to share our thoughts with you. I have always believed that pride in public service occurs when you treat people with dignity and respect, and you allow them to be all that they can be. There have been times when this belief has been tested.

In the final analysis, I was the one of the lucky ones. I served on diplomatic missions to Russia, Nigeria, Hungary, France, etc., and I was able to stand tall for America.

But remember, I said I was lucky. What about those who are not so lucky? What about those who could have made America even

stronger? What about your children, my children, the future generations to come?

People are America's greatest asset. You have the opportunity to make America an inclusive rather than exclusive society by implementing the recommendations that I have outlined for you. Thank you.

Mrs. DAVIS OF VIRGINIA. Thank you, Mr. Brown. And thank you for your service to our country.

[The prepared statement of Mr. Brown follows:]

TESTIMONY OF
WILLIAM A. BROWN SR, P.E, HAIA,
PRESIDENT, THE AFRICAN AMERICAN FEDERAL EXECUTIVE ASSOCIATION BEFORE THE COMMITTEE ON GOVERNMENT REFORM, Subcommittee on Civil Service and Agency Organization, OCTOBER 15, 2003

Good morning, my name is William A. Brown Sr. I am President of the African American Federal Executive Association. In January of this year I retired from federal service as the Deputy Director of Military Programs for the US Army Corps of Engineers after a 38-½ year career. I was very fortunate to achieve the rank of Senior Executive, level five, but I assure you it was no easy feat.

I encountered many obstacles in reaching the SES ranks despite my qualifications. I was a licensed professional engineer. At age 32, I became one of the youngest persons to be inducted into the College Of Fellows of The Society of American Military Engineers. In 1986, the American Institute of Architects conferred honorary membership upon me, which is the highest honor they give an allied professional. I had held a variety of responsible GS-15 positions including, Chief Engineer, Chief Architect and Chief of Program Management for the US Air Force Civil Engineers office.

In January 1995 after applying for 23 SES vacancies and making the short list and being interviewed 15 times, I became the first African American career civil servant sworn into the Senior Executive Service in the field of engineering in the Department of Defense. Additionally, I was the only African American promoted to SES in the entire Army that year. That was just eight and one half years ago! Can you imagine the large number of qualified minorities who preceded me and who had been denied the

opportunity to serve our nation at the highest levels? Just think of where our nation might be now if selecting officials had taken advantage of the skills and experience of the hundreds of highly qualified African Americans who were willing to stand up for America and put duty, honor and country before all else.

In February of 2002 several African Americans including myself came together and vowed that if our government was to reflex the mosaic of America and not just the face and ideas of the majority we would have to become proactive. We formed the African American Federal Executive Association. Our goal is very simple. We promote the professional development and advancement of minority groups, with particular emphases on African Americans, into and within the senior levels of the Federal government. With that as a backdrop I would like to comment on SES diversity in the federal government.

Most federal agencies are not serious about diversity! The good ole boy network continues to flourish, agencies continue to change the rules of engagement just as more minorities become qualified, and minority groups are pitted against one another for the few vacancies that becomes publicly available each year. This year the General Accounting Office issued report 03-34, on SES diversity. This report indicates that with current trends, the number of white SES females will increase by 4 percent by year 2007 while the number of minority males and females will only increase by .7 percent.

Our nation can ill afford to wait at this snails pace for the complexion of our government leaders to change. The latest census results indicate that our nation is more diverse then ever. How long must the citizenry wait before the leadership reflects the ethnicity of our population? Are we not striving for ethnic equality in Iraq and Afghanistan? Why then are we not striving for the

same in America? I would offer that we have not yet developed the resolve to do what is right for America and it will be up to this Subcommittee to put America on the right track. To help you achieve this goal I offer several recommendations.

Recommendation number one: We recommend endorsement and support for the new SES Candidate Development Program that the Office of Personnel Management has initiated. AAFEA provided comments during the development of this program and while not all of our comments were incorporated, those dealing with direction, vision, intent and implementation were. Like most things in life, the devil is in the details and it is at that level that we are continuing to work with the OPM staff. The Honorable Kay Cole James, Director of the Office of Personnel Management and Ron Sanders, Associate Director are commended for their leadership and willingness to consider alternates to business as usual.

Much more needs to be done however if diversity is to be achieved in the SES corps in the near term. **Our second recommendation** is that you consider withdrawing all authority from an agency to hire senior service executives until the agency achieves diversity in the SES ranks equal to ethnic representation in the US as a whole. In the interim OPM or a congressionally appointed board should be given authority to fill all career SES vacancies in that agency until ethnic SES parity is achieved.

Our third recommendation is that you pass legislation prohibiting federal agencies from changing the rules of engagement within one year of filling a vacancy. I have observed first hand the selection of individuals with out a college degree into the SES corp., none were minorities. I have also observed discussions on the academic qualifications of candidates when an African American is one of the top candidates. Invariably the

discussion always centers on the African American not having enough degrees or the right degree. This changing of the rules of engagement when a minority is being considered must be eliminated. If a degree is required it must be required of all candidates and if it is not required it must not be required of any candidate.

I recently met with African Americans from a very visible agency where an African American has not been promoted beyond the GS 14 level in the last twenty years. I discovered that in this agency one SES screens all candidates for senior positions and makes the vacancy selection. No other person is involved in the senior promotion process. The process being used by this agency is ensuring that no African American ever gets in the pipeline to compete for an SES position. Does anyone wonder why African Americans are being frustrated in their efforts to serve our nation? Why is this kind of process being allowed to exist in our government? Madame Chairman **our fourth recommendation** is that your Subcommittee put an end to this kind of practice by enacting legislation requiring all agencies to use a panel of no less then three individuals to screen applicants for all GS 14 and above vacancies. Furthermore, we recommend that the legislation include a provision that when a minority is among the top three candidates the agency be required to justify in writing to the agency head why the minority was not selected. We also recommend that the selection/recommendation panel be required to include a voting minority at or above the level at which the position will be filled. To offset, the argument that qualified minorities cannot be found to serve on the panels we recommend that your legislation include a provision for the agency to hire and reimburse retired minority federal employees to sit on the selection panels.

Finally Madame Chairman we are finding that complaints against an agency are not being adjudicated in a timely manner. I am sure

that when agencies realize that under the No Fear Act they will be required to pay from their budget settlement fees that they will be quick to resolve complaints as well as take steps to insure issues do not reoccur. For these reasons, AAFEA supports the No Fear Act.

Madame Chairman and members of the Subcommittee, I thank you for this opportunity to share our thoughts with you. I have always believed that pride in public service occurs when you treat people with dignity and respect and you allow them to be all they can be. There have been times when this belief has been tested. In the final analysis I was one of the lucky ones, I got to serve on diplomatic missions, travel all over the world and stand tall for America. But remember, I said I was lucky, what about those who were not so lucky, what about those who could have made America even stronger, what about your children, my children, the future generations to come? People are Americas greatest asset. You have the opportunity to make America an inclusive rather then exclusive society by implementing the recommendations that I have outlined for you. Thank You! I will be happy to respond to any questions that you might have.

Mrs. DAVIS OF VIRGINIA. Ms. Chambers, you are recognized for 5 minutes.

Ms. CHAMBERS. Good afternoon, Madam Chairwoman, Mr. Davis and Ms. Norton.

According to the 2000 U.S. census, there are 12.8 million Asian Pacific Americans in the U.S. population. That amounts to 4.4 percent. Today, about 87,000 APAs serve in the Federal executive branch, 56,000 on active duty in the military, and 26,000 in the military Reserves, as well as 56,000 in the U.S. Postal Service. These 200,000-plus employees do not include those in the legislative and judicial branches or the national security agencies.

Despite the participation and contributions, APAs have largely been absent from the top Federal leadership and executive positions. Although the number of APAs in the SES doubled from about 50 to over 100 in the last decade, only 1.7 percent of the current SES members are Asian Pacific Americans, and that is well below its representation in the entire Federal work force or in the general population.

According to the GAO report, based on the current separation and hiring trends, the number of APAs in the career SES will increase only modestly to 104 by the year 2007, but still remain at only 1.7 percent of the total SES.

The Asian American Government Executives Network [AAGEN], shares this extremely alarming observation, and believes that the actual problems are more severe than reported because of several reasons.

No. 1, there are 2,900 Asian Pacific Americans in the GS–15 pipeline. However, more than half of the 2,900 APAs serve as nonsupervisory medical personnel under special pay plans in the Department of Veterans Affairs, and these positions are not structured to advance into the SES; and this number can be very misleading, if you just look at the plain number in the GS–15 pipeline.

Our second observation is, as the Federal Government's human resource agency, the Office of Personnel Management itself has not had one Asian Pacific American serving in either its career SES or at the GS–15 rank. From the year 1990 through September 30, 2003, the single Asian Pacific American SES was believed to be brought in on October 1, 2003, a couple of weeks ago.

And third, to illustrate this pipeline problem, the only APA SES member in the 65,000-employee Social Security Administration is expected to retire soon. And in this 65,000 employee agency, there are believed to be only eight Asian Pacific Americans in the GS–15 pipeline to fill this and other upcoming vacancies.

And unfortunately, some of these APAs are themselves eligible to retire soon.

And finally, as another example in the pipeline problem, out of a class of 50 candidates, only 3 minorities, 1 Asian Pacific American and 2 Hispanic Americans, and no African-American, were recently accepted into the SES candidate development program conducted by the Department of Agriculture.

The Asian American government executive network recognizes that sound decisions can be made only with good data and good analysis. We commend the subcommittee and the GAO for producing a very insightful report.

However, we also note that there are significant data information gaps about the Federal work force. For example, OPM's demographic data has become less available to the public. The most recent demographic profile of the Federal work force on the OPM Web site dates back to September 30, 2000. That data more than 3 years old. Timely and reliable information is a form of public accountability.

Beginning October 1, 2003, the No Fear Act became effective. The law now requires Federal agencies to disclose employment complaint statistics on the Internet. The Asian American government executives network believes that these same principles underlying the No Fear Act—and that is public disclosure and accountability—are equally applicable in work force diversity issues.

In closing, the Asian American government executives network urges Congress and the administration to proceed to the next stage of reaching out to the APAs and removing the employment barriers that prevent APAs from reaching the full potential, offering true equal opportunities to enter the SES and other senior positions and also be included in the current transformation to a 21st century government.

AAGEN concurs with the four GAO recommendations, and in addition, we propose the following, that the recommendations by the GAO be linked to specific agency strategic plans and actions, established performance goals, continuing to monitor results and consequences of good or poor performance. And No. 2, the Congress continues to exercise oversight by directing the GAO to conduct annual audits and to hold hearings such as this to address the progress or the lack of it.

No. 3, the OPM and U.S. Postal Service should be directed to restore the availability of timely reliable and accurate demographic work force data to the public, including both the employment and the applicant pool information.

And finally, the subcommittee continues to include the Asian American government executives network and the Asian Pacific American perspectives in the current transformation of the SES. Madam Chairwoman, Mrs. Davis, Ms. Norton, thank you very much. This concludes my statement.

Mrs. DAVIS OF VIRGINIA. Thank you, Ms. Chambers.

[The prepared statement of Ms. Chambers follows:]

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ASIAN PACIFIC AMERICANS IN THE SENIOR EXECUTIVE SERVICE

Statement of
Jasemine Choy Chambers, Ph. D., Esq.
Chair, Asian American Government Executives Network

before

The Subcommittee on Civil Service and Agency Organization
The Committee on Government Reform
U.S. House of Representatives

October 15, 2003
Washington, D.C.

Good afternoon, Chairwoman Davis, Ranking Member Davis, and distinguished members of the House Subcommittee on Civil Service and Agency Organization.

The Asian American Government Executives Network, also known as AAGEN, was founded in 1994. We are a 501(c)3, bi-partisan, non-profit organization of current and former top managers and executives who share the mission to promote, expand, and support Asian Pacific American leadership in the Federal, state, and local governments.

My name is Jasemine Choy Chambers, and I serve as the Chair of AAGEN. I thank you for this opportunity to brief you on the under-representation of Asian Pacific Americans in the Senior Executive Service and to offer our thoughts and ideas to correct this situation and reverse the recent trend.

ASIAN AMERICANS

Available records indicate that Filipino sailors jumped ship from Spanish galleons and established a settlement in the Louisiana bayous in the 1760's. Three Chinese sailors first sailed into Baltimore harbor on board of the merchant ship "Pallas" in 1785. They were among the earliest arrivals of Asians in the United States.

More than two hundred years later, the Census Bureau reported 7.3 million Asian Pacific Americans,[1] or 2.9 percent of the total U.S. population, in the 1990 census. This total increased to 12.8 million, or 4.4 percent of the U.S. population in 2000, making Asian Pacific Americans one of the fastest growing segments in the nation.

The Asian Pacific American population is extremely diverse; they differ in language, culture, and length of residence in the United States. The Pacific Islanders are the indigenous peoples of Hawaii, Guam, Samoa, and other Pacific islands; many Chinese and Japanese Americans have been in the U.S. for generations, while Vietnamese, Hmong, and others of Southeast Asian origins are more recent immigrants. This year marks the centennial of the arrival of Koreans in the U.S. There has also been a steady influx of Filipinos and Asian Indians, who are now the second and third most populous Asian groups in the United States.

The diverse backgrounds of the Asian Pacific Americans are united in their contributions and sacrifices to this nation. They fought in the Civil War and built the trans-continental railroad in the 19th century; they risk their lives to carry out space shuttle missions and dedicate their research to develop new medical treatments to AIDS in the 21st century.

[1] This term refers to the combination of Asian Americans and Pacific Islanders. Although OMB revised the race and ethnic definitions to create a separate "Hawaiians and other Pacific Islanders" category in 1997, the Office of Personnel Management and the Equal Employment Opportunity Commission have continued to report combined workforce statistics for Asian Americans and Pacific Islanders.

The Asian Pacific Americans have also served the nation with pride, dedication, and loyalty in public service, including the Federal government. Today, about 87,000 Asian Pacific Americans serve in the Executive Branch,[2] 56,000 on active duty in the military, 26,000 in military reserve, and 56,000 in the Postal Service.[3] These figures do not include those in the Legislative and Judicial Branches and national security agencies. These 200,000+ men and women represent about 4.8 percent of the civilian workforce in the Executive Branch, 3.9 percent of the active duty military, and 3.0 percent of the reserve respectively.

THE SENIOR EXECUTIVE SERVICE

Despite their participation and contributions, Asian Pacific Americans have largely been absent in top Federal leadership and executive positions.

The first Asian Pacific American Congressman was Representative Dalip Singh Saund (D-CA), an immigrant from India who served in the House from 1957 to 1963. Hiram Leong Fong (R-HI), an American of Chinese ancestry, was the first Asian Pacific American elected to the Senate in 1959.

It was not until 2000 when Secretary Norman Y. Mineta became the first Asian Pacific American to hold a post in the presidential cabinet. Secretary Elaine Chao became the first female Asian Pacific American cabinet official in 2001.

With the retirement of General Eric Shinseki as Army Chief of Staff in June 2003, there is only one other Asian Pacific American above the rank of O-7 (the equivalent of Brigadier General) in the entire U.S. military.

Commissioned by the House Subcommittee on Civil Service and Agency Organization, the two reports[4] by the General Accounting Office (GAO) provide a grim assessment of the past, present, and future state of Asian Pacific Americans in the Senior Executive Service (SES).

For example, according to the GAO reports,

- In 1990, only 51 Asian Pacific Americans, representing 0.8 percent of the total, were members of the career SES. Among the 24 CFO agencies,[5] eight had no

[2] Not including the U.S. Postal Service.
[3] This is an estimate; workforce information about the U.S. Postal Service is not publicly available.
[4] GAO-01-377, *Senior Executive Service: Diversity Increased in the Past Decade*; and GAO-03-34, *Senior Executive Service: Enhanced Agency Efforts Needed to Improve Diversity As the Senior Corps Turns Over.*
[5] GAO defined CFO departments and agencies to be those covered by the Chief Financial Officer (CFO) Act. These 24 agencies reportedly covered more than 96 percent of the Federal civilian employees.

Asian Pacific Americans in the career SES, including 5 cabinet-level departments.[6]

- During the period of 1990-1999, there were almost 5,300 career SES vacancies. Asian Pacific Americans filled 89 such positions, a rate of 1.7 percent. During this ten-year period, 7 CFO agencies[7] had 376 career SES opportunities and did not fill one with Asian Pacific Americans.

- In 1999, the number of Asian Pacific Americans in the career SES reached 100, or about 1.6 percent of the total. Seven[8] of the 24 CFO agencies had no Asian Pacific Americans in the career SES ranks.

- Based on current separation and hiring trends, GAO projects that the number of Asian Pacific Americans in the career SES will increase modestly to 104 by the year 2007, or 1.7 percent of the total. Compared to the 2000 levels, the slight increase of Asian Pacific American women (from 33 to 39) will be offset by a corresponding decline of Asian Pacific American men (from 70 to 65). According to GAO projections, as many as 9 out of 24 CFO agencies,[9] - one more than in 1990 - will have no Asian Pacific Americans in the career SES by the year 2007.

GAO anticipates that severe under-representation of Asian Pacific Americans in the career SES will continue in the foreseeable future under the current trends. AAGEN shares this extremely alarming observation, and believes that the actual problems are in fact more severe than reported because:

- Data used by GAO did not cover the national security, intelligence, and law enforcement agencies such as the National Security Agency (NSA), Central Intelligence Agency (CIA), and the Federal Bureau of Investigation (FBI), as well as the newly created Department of Homeland Security and special pay-band plans, where representation of minorities and women in the upper ranks is well known to be weak.

- The GS-15 level is commonly recognized as the primary pipeline to the career SES; over 80 percent of the promotions to the career SES come from this level. However, more than half of the 2,900 Asian Pacific Americans in the reported GS-15 positions serve as non-supervisory medical personnel under special pay plans in the Department of Veterans Affairs. These positions are not structured

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[6] They include the cabinet-level departments of Agriculture (USDA), Housing and Urban Development (HUD), Interior, Labor, and Veterans Affairs (VA) and three other agencies – Office of Personnel Management (OPM), Small Business Administration (SBA), and U.S. Agency for International Development (AID).

[7] HUD, Labor, State, OPM, AID, Federal Emergency Management Agency (FEMA), and General Services Administration (GSA).

[8] HUD, Labor, State, OPM, AID, SBA, and FEMA.

[9] Education, HUD, Interior, Labor, State, OPM, SBA, AID, and FEMA. AID and FEMA no longer exist due to AID's merger with the Department of State and FEMA's migration to the Department of Homeland Security.

to advance into the career SES. Among the remaining GS-15 employees, many are not in supervisory positions, nor are they in occupational series that would lead them into the senior positions. Therefore, Asian Pacific Americans face a similarly serious under-representation problem (well less than 2.7 percent of the total) in the GS-15 positions.

- As the "Federal Government's Human Resource Agency," the Office of Personnel Management (OPM) itself has not had one Asian Pacific American serving in either its career SES or the GS-15 ranks since 1990. It is quite possible that OPM has never had an Asian Pacific American serving in either of these top positions since its establishment.

- To illustrate the pipeline problem, the only Asian Pacific American member of the career SES in the 65,000-employee Social Security Administration is expected to retire soon. There are only 8 Asian Pacific Americans in the GS-15 pipeline to fill this or any other upcoming vacancies, and some of them are eligible for retirement.

- As another example of the pipeline problem, out of a class of 50 candidates, only three minorities (one Asian Pacific American, two Hispanic Americans, and no African American) were recently accepted into a SES Candidate Development Program conducted by the U.S. Department of Agriculture.[10]

According to the GAO, representation of Asian Pacific Americans in the career SES ranks was "more than 50 percent below its percentage in five out of six labor forces"[11] selected by the GAO - it was the most significant disparity among all of the women and racial and ethnic groups studied by the GAO. The sixth labor category was the Postal Service career executive corps, which demonstrates only that representation of Asian Pacific Americans is similarly poor in the U.S. Postal Service.[12]

AAGEN OBSERVATIONS

The GAO reports show Federal departments and agencies with a paucity of Asian Pacific Americans in the career SES now and into the future. While the Government has an important opportunity to affect SES diversity, "little will change if current appointment trends continue."[13] In fact, the percentage of all minorities in the SES

[10] USDA added 33 candidates to the class after protests by multiple groups. The total number of Asian Pacific Americans in the class increased to 2 after the addition.
[11] GAO-01-377, page 31, Table 1.
[12] Asian Pacific Americans reportedly made up slightly over 2 percent of the nearly 800-member Postal Career Executive Service.
[13] GAO-03-34, page 7.

dropped from 14.4 percent in 2000 to 13.7 percent in 2001.[14] There are pipeline and succession issues that are similarly important.

Equal employment opportunity is not only a matter of law; diversity at all grades and ranks is a sound business case.

AAGEN believes that lack of appreciation and understanding of the Asian Pacific American perspective in the Federal government has contributed to the campaign finance controversy and the incarceration of Dr. Wen Ho Lee. Hate crimes led to the death of Vincent Chin in Detroit in 1982. In times of tension or conflict with Asian countries, as in 1942 after the Japanese attacked Pearl Harbor or in the late 1990s after the allegations of Chinese espionage in the national weapons laboratories, Asian Pacific Americans suffered hostility and profiling because of their race and ancestry. In the aftermath of the September 11 tragedy, there were violence and bigotry against fellow Americans of Sikh and Arab origin.

We believe that the lack of Asian Pacific American perspective in the Federal government nurtures an institutional bias and culture that contributes to the continuing negative image of Asian Pacific Americans as "perpetual foreigners," despite our achievements and dedication to the American society and loyalty to the United States for many generations.

The Committee of 100[15] conducted a national opinion poll[16] about American attitudes toward Chinese Americans and Asian Americans in 2001. It was found that 25 percent of the American public holds a very negative attitude toward Chinese Americans and Asian Americans. That is one out of every four Americans! This can be extremely damaging to our nation if similar views are held or inherent in the making of public policies and decisions. Lack of Asian Pacific American leadership in the intelligence agencies, the law enforcement agencies, and public service in general denies all of us an opportunity to help unite the nation.

It is perhaps most alarming to observe that OPM, which is expected to "provide government-wide leadership and policy direction in the selection, development and management of diverse, highly-qualified Federal executives,"[17] is among the worst performing agencies toward inclusion of Asian Pacific Americans. A lead agency with this kind of performance record for at least 13 years lacks credibility in the Asian Pacific American community.

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[14] Latest available statistics from the OPM web site at http://www.opm.gov/ses/demograph.html, as of October 4, 2003.

[15] A national non-partisan organization composed of prominent American citizens of Chinese descent. Additional descriptions available at http://www.committee100.org/.

[16] American Attitudes Toward Chinese Americans and Asian Americans, A Committee of 100 Survey conducted in collaboration with the Anti-Defamation League (ADL) and performed by Martilla Communications Group and Yankelovich in February and March 2001.

[17] GAO-01-377, page 103.

While statistical representation is very important, AAGEN firmly believes that members of the career SES must be among the best qualified and the most talented. The few Asian Pacific Americans who are able to join the career SES typically have one or more advanced degrees and extensive experience. They have also demonstrated that they are exceptional leaders and performers among their peers. There are many more Asian Pacific Americans who are qualified, able, and willing to take responsibilities as 21st century Federal senior executives.

AAGEN recognizes that the 21st century Federal senior executives can be quite differently from those of our past and present generations. We fully support changes that will lead to an accountable Government that serves all of its people, values the diversity of its workforce, and produces top performance and results. Some of the changes being proposed to the SES and the Federal workforce are needed and can have profound effects on the future of the Government. There will be discussions and debates of many issues. Asian Pacific Americans have a significant role in this national dialogue; we want to be included and become a constructive and significant part of the 21st century United States Government.

Sound decisions can be made only with good data and good analysis. We commend the Subcommittee and GAO for taking the initiative and producing two insightful reports. However, we also note that there are significant data and information gaps about the Federal workforce.

Military and civilian data are reported separately; the civilian data are scattered and incomplete. The vacancy and hiring data used by the GAO are public information that is not readily available to the public. In addition, applicant flow data are rarely collected. When they are collected, the results are not reported. Consequently, when under-representation problems are identified, as the GAO has, it is not even clear whether they are caused by an agency's failure to conduct outreach or its persistent employment barriers in the application and selection process.

FedScope, an excellent interactive data resource available from the OPM web site, explicitly suppresses the reporting of race and national origin data. As the Government's human resource agency, OPM is expected to monitor the diversity of the Federal workforce, particularly at senior levels. However, OPM's demographic data have become less available to the public. The most recent demographic profile of the Federal workforce on the OPM web site dates back to September 30, 2000.

Timely and reliable information is a form of public accountability. Beginning October 1, 2003, The Notification and Federal Employee Antidiscrimination and Retaliation (No FEAR) Act became effective. It is an extraordinary legislation passed unanimously by the House and by voice vote in the Senate. No FEAR was prompted in part by testimony before Congress of continued, widespread discrimination and retaliation

within the Federal government. The law now requires Federal agencies to disclose publicly their employment complaint statistics on the Internet and make direct payment for complaint settlements and judgments without dipping into the Judgment Fund. AAGEN believes that the same principles underlying the No FEAR Act – public disclosure and accountability – are applicable in workforce diversity issues.

WHAT AAGEN DOES

To accomplish our mission, AAGEN networks with organizations who share our common interests. We are a member of the Coalition of Asian Pacific American Federal Employee Organizations and are active among community, civil rights, and professional organizations. We also interact with sister organizations including the National Association of Hispanic Federal Executives, the African American Federal Executives Association, and the Senior Executive Association.

Among other activities, AAGEN

- Sponsors events featuring prominent and influential speakers who share their insights and serve as role models;
- Educates our community by organizing seminars and publishing informative materials about the Government and public service;
- Organizes events to share lessons learned, emerging management concepts, and recent workforce trends and patterns; and
- Offers help to ourselves and others through mentoring, coaching, preparation for career development and enhancement, and information exchange.

In particular, during the creation of the Transportation Security Administration to enhance the nation's homeland security, AAGEN networked with the Asian Pacific American law enforcement organizations and assisted in the efforts to recruit Federal security executives and personnel by exchanging information on available opportunities, use of special Federal hiring authorities, and the required executive core qualifications for the SES under special pay-band plans.

AAGEN is committed to ensure that Asian Pacific Americans will have an opportunity to participate in and contribute to the most senior levels of the Federal, state, and local governments. Its members are dedicated to serve as mentors and lead in other capacities to successfully deliver the AAGEN mission.

WHAT WE WOULD LIKE CONGRESS TO DO

David Montoya, past President of National Image, Inc. and former Director of Civil Rights at the U.S. Department of Agriculture, once said,

> "Advocates of equal employment opportunity have observed that barriers to career advancement are flexible lids. For the groups who are reserved in their interaction styles, their lack of assertiveness is cited as a barrier. For those who are less advanced in formal education, their relatively low level of educational attainment is a barrier. For those who are vocal, they are considered too loud and therefore a liability to their career. For those who are focused in their professional pursuit, they are deemed to be not managerial material and they are left in their 'technical ghetto.' Some are blocked from advancement because they are too specialized; others are kept from upward mobility because they lack technical expertise."

Many analyses have been performed and reports written about the under-representation of women and minorities in the Federal workforce. Although some improvements have taken place when there was attention and intervention by Congress and the Administration, what has been lacking is the accountability to implement and enforce the recommendations.

The GAO reports confirm that Asian Pacific Americans are severely under-represented at the SES and other senior levels of the Federal government and that there are serious concerns about the lack of inclusion of Asian Pacific Americans at the pipeline levels and in succession planning.

AAGEN urges Congress and the Administration to proceed to the next stage of reaching out to Asian Pacific Americans and removing the employment barriers that prevent Asian Pacific Americans from reaching their full potential, offering true equal opportunities to enter the SES and other senior positions, and be included in the current transformation to a 21st century Government.

In summary, AAGEN concurs with the four GAO recommendations:

1. Recruitments directed at all under-represented groups;
2. Inclusion of diversity in workforce and executive succession planning;
3. Monitoring of existing workforce and selection for hiring and promotions; and
4. Holding executives accountable for diversity.

In addition, AAGEN proposes that

5. These recommendations should be linked to specific agency strategic plans and actions, established performance goals, continuous monitoring of results, and consequences of good or poor performance;

6. Congress continues to exercise oversight by directing GAO to perform annual audits and to hold hearings to address progress or the lack of it;

7. OPM and the U.S. Postal Service should be directed to restore the availability of timely, detail, and accurate demographic workforce data to the public, including both employment and applicant pool information; and

8. The Subcommittee continues to include AAGEN and the Asian Pacific Americans perspectives in the current transformation of the SES.

Chairwoman Davis, Ranking Member Davis, and distinguished members of the Subcommittee, this concludes my statement. AAGEN will be glad to respond to your questions and provide additional assistance to your efforts. I thank you most sincerely for the opportunity to share our views.

Mrs. DAVIS OF VIRGINIA. Mr. Oliverez, certainly feel free to summarize your statement if you would. We have your full statement in the record. You're recognized for 5 minutes. Thank you.

Mr. OLIVEREZ. Madam Chairwoman——

Mrs. DAVIS OF VIRGINIA. Could you turn your mic on, sir, or pull it a little closer. Yes.

Mr. OLIVEREZ. My name is Manuel Oliverez, and I am the president and CEO of the National Association of Hispanic Federal Executives [NAHFE]. It is an honor for me to represent for the subcommittee an organization of Hispanic professionals concerned about Hispanic representation in the Senior Executive Service. The Hispanic population represents the largest minority group in the United States, according to U.S. bureau statistics, and will continue to increase at a rapid rate within the next few years.

At the present time Hispanics represent more than 13 percent of the total population, and more than 12 percent of the civilian labor force is Hispanic. Hispanics, according to the June 2003 OPM report to the President on Hispanic employment in Federal agencies, represent 6.9 percent of the Federal work force. Incidentally, Hispanics are the only ethnic underrepresented group in all of the Federal agencies in the government.

Hispanic representation at the Senior Executive Service level is only 3.3 percent, including professionals who receive senior pay but are not in the senior executive or management positions. Hispanic representation in the pipeline for senior executive positions is 4.5 percent, 3.8 percent, 3.3 percent for GS–13s, 14s and 15s respectively.

NAHFE concurs with the GAO estimates concerning the upcoming losses of Federal employees in the Senior Executive Service at the GS–15 and 14 levels. NAHFE maintains that if current hiring promotion and retention practices continue, diversity at the senior level of the Federal Government will continue at the present unacceptable levels, and the level of Hispanic representation will continue to be a serious concern to those who design, develop and implement personnel practices in the Federal Government.

The June 2003 OPM report to the President indicates that Federal agencies hired more than 13,000 Hispanics or 9.5 percent of all employees hired in the Federal work force during fiscal year 2002. However, the total number of Hispanic employees increased by 6,151, or 4.7 percent. NAHFE commends the Director of OPM, Ms. Kay Cole James, and those members of the interagency task force on Hispanic employment for their efforts in this right direction.

However, based on the numbers on Hispanic representation, NAHFE agrees with GAO that more consistent efforts and accountability measures are needed to improve diversity in the Federal work force, especially at the senior executive levels. Hispanics are affected not only by past and current discriminatory recruitment hiring, promotion and retention practices, but also by a lack of participation in succession planning, developmental assignments and opportunities for formal and informal training, coaching and mentoring. These barriers are evident by looking at the numbers of Hispanics selected for SES positions as well as Hispanic candidates selected for SES candidate development programs. And to add in-

sult to injury, many of those that complete the SES training are not placed in senior positions.

NAHFE appreciates the material that is developed in Spanish-containing information on employment opportunities in the Federal Government. However, these resources, as well as those invested in training candidates for the SES, will not produce the desired results until other issues are addressed. Hispanic youth deserves the opportunity to learn about public service early in their careers, and Hispanics entering the Federal work force deserve the opportunity to learn about the Senior Executive Service as early as possible. Career development is as important as a potential for leadership.

The National Association of Hispanic Federal Executives would like to thank again the OPM Director for including NAHFE as a stakeholder in the discussion of issues and policies that will save diversity in the Federal Government in the future. NAHFE members are very concerned about the stagnant progress of Hispanic representation in the Federal work force. In spite of continued increase in the Hispanic population. Initiatives and policies will not produce desired results unless there is a consistent support and commitment for diversity from the White House, U.S. Congress, cabinet secretaries and agency heads. NAHFE recognizes and is excited about the President's management agenda, and specifically about the strategic management of human capital that provides guidance to Federal agencies in hiring and retaining policies consistent with agency mission and critical need.

NAHFE supports a pay for performance initiative that will definitely encourage performance and will eventually clean the system of underperformers. And although there may be a need for checks and balances and tools for managers to justify the recommendations and decisions, NAHFE believes that ultimately these policies will encourage Federal employees to maintain and upgrade their level of skills and performance.

In summary, NAHFE recommends that organizations of Federal employees and organizations advocating excellence in public service be given the opportunity to participate in the process. First of all, nonprofit organizations should have access to small business, education and training funding opportunities to assist Federal Departments in the identification, preparation, training and career development programs of candidates that will improve diversity in the Federal work force.

NAHFE has identified several initiatives that, given the adequate attention in funding, will meet the objectives of the strategic management of human capital. Following those initiatives—NAHFE initiatives that can help Federal agencies achieve diversity in the Senior Executive Service level.

The NAHFE annual conferences in development and training where GS–15s are taught how to prepare their SES packages, the Hispanic Federal executive summits, we've had six of those for SESers and GS–15s. Project Tivo, a program for GS–15s, a data base program. Project NARA, a 5, 7 and 9, 11 data program that we have on our Web site. The NAHFE mentoring program, the NAHFE networking initiatives, and the NAHFE Yahoo program where we have over 250 SESers and GS–15s. We provide daily information on the opportunities in the system.

These initiatives will ensure the Hispanics possess the skills to compete for Federal employment at all levels. For those competing for entry level positions, NAHFE can offer training and resume preparation, interviewing skills and general knowledge of requirements for Federal employment.

For those already in the Federal work force, NAHFE can coordinate seminars and other training opportunities to prepare Hispanics for the GS–13 to 15 positions. For those GS–14 and 15, however, NAHFE can support OPM efforts to ensure Hispanic candidates nationwide are aware of the opportunities at the senior level and understand the preparation and application process that will allow them to submit competitive application packages.

All outreach efforts, including the dissemination of materials in Spanish, will not produce the desired results until Hispanic candidates are interested in public service and understand the process and requirements and have access to training and mentoring opportunities to advance to the senior level. The increase in Hispanic population not only in traditionally Hispanic geographical areas demands a comparable diversity at all levels of the Federal Government, most critically at the Senior Executive Service level.

NAHFE wants to thank all members of the Subcommittee on Civil Service and Agency Reorganization, and especially to Representative Jo Ann Davis, chairwoman of the subcommittee, for inviting NAHFE to the discussion of issues concerning diversity at the Senior Executive Service. NAHFE members, mostly in grades 13, 15 and SES, are excited about the opportunity to make a difference, and be part of the developing initiatives and policies that will increase Hispanic representation at the Senior Executive Service and management level.

Thank you.

Mrs. DAVIS OF VIRGINIA. Thank you, Mr. Oliverez. Ms. Harrington-Watson, and if you could, if you see the yellow light on, that tells you you have about 30 seconds to wrap it up. And I'll just repeat, we all have the full statements here. So if you could do a summary, that would be appreciated. Thank you, you're recognized for 5 minutes.

Ms. HARRINGTON-WATSON. Thank you. Honorable Davis, Honorable Davis and Honorable Norton, I am happy to be here representing the national president, Mr. Gregory Reed. He is in Austin, TX on grand jury duty and sends his regrets.

I was just looking at how in depth our presentation is, and you're absolutely right, 5 minutes would not do us justice, and I will not infringe upon going over that time.

I'd like to just step through some of the pages and just raise some issues. Blacks in government, of course, represent African-American employees on the State, local, county and national level. And as we're here today to talk about the section level, we all are here letting you know that we are very much concerned about GS–9s and 13s who we consider to be the tremendous feeder pool that, as of today, feel they have no hope.

We would like to encourage you to help us encourage our membership, because there is no possibility of increasing the numbers if we do not get our constituents to apply. And many of them at this point have given up.

I would like to raise the attention of the panel to page 12. I took the time to go through the entire GAO report, and you will see there the compilations of how African-American males and females compare in the 12 top agencies on size and then also how we fair as relates to SES in the five smallest agencies.

From this chart alone you see our numbers are very small. When we looked at our feeder pools of GS–15s and 14s, there is an alarming statistic that you probably have also reviewed as you looked at the GAO report, and that is our feeder pool is in an age range where many of those GS–15s and 14s will be seeking retirement in the next 5 years.

In our full report, we raise the question of what is going to happen with reforms as it relates to older workers in America, and we were very interested in the statistics and the information that was also provided in the additional GAO report on older workers in America, GAO 03307.

We wanted to make a couple of recommendations that are also found in our report. One is that the leadership of America should not be one that is resting in agencies. We feel that appropriations are needed to develop future leaders of America, and we wish to suggest that may be an area that we could look at in the future, how does Congress finance leadership development so that it does go back to an appropriate higher level rather than throughout the individual agencies?

Additionally, we wanted to just raise to you the possibilities of talking about other certification processes. Blacks in government feel that we are a tremendous training ground, as many other large employee organizations, and there could possibly, with an additional certification process where our leaders who serve for 2 to 4 years, could be certified by OPM.

So as an alternative to some of these very expensive leadership programs, we know that on-job training is one of the highest levels of training that you could possibly get.

I'd like to just conclude by just saying this is quite an opportunity. We have said a lot in our comments to you, but we know that as OPM steps out in the next few months with this trial program of candidate development, we would like to suggest strongly that there would be some uniformity in all CDPs that occur within every agency, also that there would be some uniformity in the way that nonCDP SESers are hired. CDP programs only represent 30 percent of all SESes. So where are the other 70 percent coming from, and exactly how do they get selected?

We are also concerned about current employees of the government. They should have a better opportunity to apply for SES than outside selections.

Thank you, Madam Chairwoman, for giving me this opportunity, and Blacks in government would just like to go on record saying we are here to provide assistance and support.

Mrs. DAVIS OF VIRGINIA. Thank you, Ms. Harrington-Watson, for staying within the 5-minute time limit and summarizing an excellent statement that you brought to us.

Ms. Wolfe, you're recognized for 5 minutes.

Ms. WOLFE. Thank you. federally employed women [FEW], very much appreciates the opportunity to testify at this subcommittee

hearing on diversity in the Senior Executive Service. On behalf of the over 850,000 women employed in the Federal Government and the military, we thank Chairwoman Davis, Ranking Member Davis, and Delegate Holmes Norton for conducting this very important meeting.

FEW is a private nonprofit organization founded in 1968 after Executive Order No. 1375 that added sex discrimination to the other forms of discrimination prohibited in the Federal Government was issued.

As a private organization, FEW works to improve the status of women employed by the Federal Government. This includes contact with Congress to encourage progressive legislation, keeping our members informed of issues, and I would just also like to note that FEW does share delegate Holmes Norton's concern with the contracting-out issue and its impact on diversity.

For over 35 years, federally Employed Women has been working to end sexual discrimination and to enhance opportunities for the advancement of women in government. We have an extensive training program at a national level, a regional level, and we work hard to try to provide women with the opportunities to enhance their skills so that they will be ready to take advantage of opportunities should they come along.

FEW is quite diverse. Approximately one-third of our membership is comprised of minorities. At this time approximately 50 percent of our organization's leadership is comprised of minorities. I'm very proud of this diverse group of leaders. Our leaders come from about 21 States. FEW has also instituted a diversity program with the aim of developing strategies to identify and eliminate barriers within the Federal Government. This program is led by our national vice president for diversity.

We also offer diversity training annually at our national training program and throughout the year at local events.

As we all saw from the stats in the GAO study, we certainly acknowledge that there has been some improvement for women as a gender group in the last couple of years. These levels still do not represent actual employment levels of women and minorities currently serving in the Federal work force.

In order to better reflect the demographics of the entire Federal work force, the SES composition should be at least somewhat comparable to employment levels of both women and minorities.

OPM and the EEOC have provided some recommendations on how agencies and Federal departments can enhance diversity in their SES work forces, and of course we want to applaud OPM's initiative in creating the SES candidate development program. They have also included FEW as a stakeholder, and we are very appreciative of that. We believe that their program, which does include some rotational assignments, formal training, mentoring, etc., is definitely geared to helping women and minorities and disabled Federal workers move into the executive ranks of government.

This type of program should be the model for all Federal agencies in creating a high quality SES that reflects the diversity of the work force.

FEW supports the recommendations of these agencies, and certainly we applaud the agencies that were represented here today for their work in this area. We have some additional measures that we ask might be considered, and they really go to the thing that I've heard mentioned several times today, the feeder pools, these succession pools, because we believe that to have people get into the Federal executive service, the process has to start a lot sooner than when someone is ready at the higher level.

Just as a very small starting point, include more women and minorities at top-level personnel and human resource meetings. Put more emphasis on providing opportunities for career ladder positions for women and minorities. Too often they're stuck in positions that offer no continuous upward mobility to even get them to the grade level of 14, the necessity for entering the Senior Executive Service.

We also believe that agencies should provide guidance to their managers.

Now, just to summarize and mention, FEW also was an active member of the No Fear Coalition, and we very much support that initiative.

Again, we appreciate the subcommittee's interest in this issue and all the support that you have given Federal workers in the past. I'm very proud of the work that we do for the Federal Government, and simply want to ensure that all workers are given the same opportunity to enter the ranks of Senior Executive Service and that the Senior Executive Service truly represents the Federal work force. We believe a proactive approach to diversity will achieve much. I thank you all very much.

Mrs. DAVIS OF VIRGINIA. Thank you, Ms. Wolfe.

[The prepared statement of Ms. Wolfe follows:]

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TESTIMONY OF PATRICIA M. WOLFE, PRESIDENT

FEDERALLY EMPLOYED WOMEN (FEW)

HOUSE SUBCOMMITTEE ON
CIVIL SERVICE AND AGENCY REORGANIZATION

HEARING ON
"Diversity in the Senior Executive Service"

October 15, 2003

Federally Employed Women (FEW)
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FEW is a private, non-profit organization founded in 1968 after Executive Order 11375 – that added sex discrimination to the list of prohibited discrimination in the federal government – was issued. FEW has grown into an international organization serving the over 850,000 federally employed women (both civilian and military). FEW is the only organization dedicated solely to eliminating sex discrimination in the federal workplace, and the only organization that monitors legislation particularly of concern to women employed in the federal government.

INTRODUCTION

FEW very much appreciates the opportunity to testify at this subcommittee hearing on diversity in the Senior Executive Service (SES). On behalf of the over 850,000 women employed in the federal government and military, we thank Chairwoman Davis, Ranking Member Davis and the other Representatives serving on this Subcommittee for conducting this important hearing.

FEW is a private, non-profit organization founded in 1968 after Executive Order 11375 – that added sex discrimination to the other forms of discrimination prohibited in the federal government – was issued. The early organizers of FEW realized that the government could dismantle the Federal Women's Program (FWP) that was established after E.O. 11375 was issued within most Federal agencies. They wanted to ensure that there would always be an organization dedicated to promoting equality for women and addressing concerns of women in the Federal workforce.

As a private organization, FEW works as a constructive pressure group to improve the status of women employed by the Federal government. This includes contact with Congress to encourage progressive legislation. FEW national officers also meet with agency officials at all levels to demonstrate support of the FWP, encourage officials to support the program and to obtain insight on the effectiveness of the FWP at agency and local levels. FEW has been called on in past years to testify before Congress on sexual discrimination and sexual harassment cases.

For 35 years, Federally Employed Women has been working to end sexual discrimination and enhance opportunities for the advancement of women in government. Every day, nationwide, FEW members work together to bring about an awareness of the issues facing women throughout the federal government and to provide women with the opportunities to enhance their skills so that they will be ready to take advantage of opportunities for advancement.

In addition, FEW supports efforts within the government to improve operations and efficiencies in the federal workforce, but asks Congress and federal agencies to obtain input and include federal workers as part of the process.

OUR ORGANIZATION

FEW, as an organization, is quite diverse. Although we have no specific figures on actual membership demographics, our estimates show that about one-third of our membership is comprised of minorities at this time. Further, more than 50% of our organization's leadership is comprised of minorities. I am very proud of this ethnically diverse group of leaders in Federally Employed Women.

FEW also has instituted a diversity program with the aim of developing strategies to identify and eliminate barriers within the federal government. We also offer diversity training annually at our national, regional and chapter training programs.

Our members and leaders firmly believe that diversity should be a mandatory goal in the senior levels of our government. Our organization has listed the following reasons why diversity is so important:

1. Diversity prevents negative assumptions about racial and ethnic community groups.
2. It prevents gender stereotypes.
3. It promotes intercultural understanding.
4. It eliminates communication barriers.
5. Diversity articulates the similarities and differences among cultures.
6. It eliminates organizational norms which legitimize negative assumptions about people.
7. It increases organizational effectiveness.
8. It promotes employee harmony.
9. It values individuality.

THE GAO STUDY

In January of this year, the General Accounting Office (GAO) published the results of a study on "The Senior Executive Service: Enhanced Agency Efforts Needed to Improve Diversity as the Senior Corps Turns Over." As the members of this subcommittee are aware, according to this report more than half of the 6,100 career SES members employed on October 1, 2000 will have left service by October 1, 2007. According to that same study, by 2007 there will be approximately 23.1% white females in the SES, up from 19.1% in 2000. (In 2002, women occupied 25.06% of SES positions; and only 4.6% of these were minorities) Only 14.6% of minorities are expected to be serving in the SES in 2007, up from 13.8% in 2000.

While FEW acknowledges that this is an improvement for women as a gender group over the last several years, these levels still do not represent actual employment levels of women and minorities currently serving in the federal workforce. According to the 2000 OPM Personnel Data files, women comprised about 45% of non-military government employees. Minorities comprised about 30.2%.

In order to better reflect the demographics of the entire federal workforce, the SES composition should be somewhat comparable to employment levels of both women and minorities.

WHAT CAN BE DONE?

OPM has provided some recommendations on how agencies and federal departments can enhance diversity in their SES workforces. These include:

- Including recruitment efforts specifically targeted at underrepresented groups
- Inclusion of diversity goals in workforce planning processes

- Monitoring the numbers of women and minorities in the existing workforce to ensure that the composition of senior management truly reflects the composition of the workforce in general
- Holding executives accountable for diversity in the workforces they manage

I also want to applaud OPM's initiative in creating the SES Candidate Development Program. This program, which includes rotational assignments, formal training, mentoring and performance assessments, is geared to helping women, minorities and disabled federal workers move into the executive ranks of the government. This type of program should be a model for all federal agencies in creating a high-quality SES that reflects the diversity of the workforce, and the US as a whole. We are looking forward to its full implementation this year.

Another agency - the Equal Employment Opportunity Commission - warns in their comments to the GAO report that "In the years ahead, agencies will need to continue their vigilance in ensuring a level playing field for all federal workers." The Commission suggests that agencies pursue proactive strategies to accomplish this, including:

- Succession planning aimed at increased diversity
- SES development strategies to help achieve this diversity
- Mentoring programs for mid-level employees, with an emphasis on women and minorities

FEW supports each of these recommendations. However, we also have some additional measures that we ask be considered:

- Include more women and minorities at top-level personnel and human resources meetings as representatives of these demographic groups to provide insight, and to represent the views and concerns of these groups.
- Put more of an emphasis on providing opportunities for career ladder positions for women and minorities. Too often, women and minorities are

stuck in positions that offer them no continuous upward mobility through a grade level of 14 – a necessity for entering the SES.

- Provide more cross training for women and minorities in order to encourage a natural progression to SES positions.
- Finally, agencies should provide guidance to management officials outlining specific guidelines on how to enhance diversity in their SES workforces. Managers need to fully support these efforts if they are to succeed.

Finally, FEW joined as a member organization of the No Fear Coalition, and was very happy to see the No Fear Act signed into law two years ago. Federal agencies should be held accountable and responsible for discrimination and whistleblower retaliation against federal workers. We will gladly work with this Subcommittee and Congress on any similar bills that will help ensure that our workplace is free from bias and injustice.

Again, we very much appreciate the Subcommittee's interest in this issue and all the support you all have given federal workers in the past. I, and the thousands of other FEW members, am proud of the work we do for the federal government, and simply want to ensure that all workers are given the same opportunity to enter the ranks of the Senior Executive Service and that the SES truly represents the federal workforce.

We believe that a proactive approach to diversity will achieve much in our federal workforce. If we are all committed and work together, cultural biases can be overcome. Diversity then becomes a strength as we pursue the common goals of opportunity and equality for women and minorities in government.

Diversity is about everybody. Thank you, and I will be happy to answer any of your questions.

Diversity is appreciating our similarities as well as our differences. FEW's philosophy regarding diversity is all about achieving results. FEW believes in a proactive approach to diversity and recognizes that there is strength in diversity. FEW believes that if we are committed and work together, cultural biases can be overcome. Diversity then becomes a strength as we pursue the common goals of opportunity and equality for women in government. FEW focuses on providing diversity training and programs designed to help participants understand their perception of other groups and, conversely learn how they are perceived by others. Diversity is about everybody. EEO is about the law, and compliance and Affirmative Action are about the under-representation, manifest imbalances, and conspicuous absence of women and minorities in iobs.

DIVERSITY IS ABOUT RESULTS!!!

FEW's philosophy regarding diversity is all about achieving results.

FEW believes in a proactive approach to diversity and recognizes that there is strength in diversity.

FEW believes that if we are committed and work together, cultural biases can be overcome.

Diversity then becomes a strength as we pursue the common goals of opportunity and equality for women in government.

Won't you take an active role in the diversity equation?

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Federally Employed Women

DIVERSITY WORKS

Diversity is Like A Mirror: It Reflects Your Understanding

FEW's Diversity Program

Through the Diversity Program FEW develops strategies to identify and eliminate barriers within the Federal Government. FEW examines the demographics of the workforce according to age, race, sex, ethnic background, religious affiliation, disability, and sexual orientation. FEW also seeks to expand the notion of cultural groups beyond the categories protected by law and regulation to include socioeconomic status, body-size diversity, and family composition. Diversity training is offered annually at FEW's National Training Programs.

10 Reasons to Value Diversity

1. **Prevents negative assumptions about racial and ethnic community groups**
2. **Prevents gender stereotypes**
3. **Prevents intercultural conflicts**
4. **Eliminates communication barriers**
5. **Articulates the similarities and differences among cultures**
6. **Eliminates "organizational norms" which legitimize negative assumptions about people**
7. **Eliminates culture in/out groups**
8. **Increases organizational effectiveness**
9. **Promotes employee harmony**
10. **Values individuality**

Diversity Resources

Diversity And AA/EEO:

Diversity relates to Affirmative Action and Equal Employment Opportunity legislation but strives to exceed the mandates of these employment laws.

AA/EEO:	Diversity:
Govt. Initiated	Voluntary
Legally Driven	Productivity Driven
Quantitative	Qualitative
Problem Focused	Opportunity Focused
Assimilation	Integration
Internal Focus	Internal/External Focus
Reactive	Proactive

Resources

- Federal Women's Program
- Hispanic Employment Program
- African-American Employment Program
- Disability Employment Awareness Program
- Native American Employment Program
- Asian Pacific Employment Program
- Upward Mobility & Internal Resources to Promote/Highlight Multicultural Employees
- Agency Resource Center
- Use of Diverse Speakers, Consultants, Vendors, etc.

Mrs. DAVIS OF VIRGINIA. Ms. Rix, you're recognized for 5 minutes, and feel free to summarize.

Ms. RIX. Thank you, Madam Chairwoman and members of the subcommittee. We're quite pleased, actually, very honored to be asked to come and speak before you today. I am the founder and co-chief executive officer of AVUE Technologies Corp. I started the company after a 5-year career with the Office of Personnel Management. The company is exclusively devoted on the practice of developing and providing services that are work force management solutions exclusively for the Federal Government sector.

In addition to the 20 Federal agencies and departments that are our customers, we provide on a public service basis job information portals and have partnerships—formal partnerships signed with region 11 of Blacks in Government, which serves the Washington, DC, metro area; National Image, which is an organization that supports the education and employment of Hispanics and Latinos; the Federal Asian Pacific American Council; Black Data Processing Associates; and also the Senior Executives Association.

Our principal effort in providing this public service is to, in fact, increase the capability of Federal Government agencies to reach out to a wider and more diverse audience and encourage individuals to not only apply for Federal positions, but also to understand the process by which individual Federal positions are filled and recruited in the Federal Government sector.

A major feature of AVUE's system for its clients and also for the senior executive's association is a senior executive's portal that includes opportunities for employment in the Senior Executive Service for current employees as well as outside applicants that may be interested. It includes a wide variety of tools for applicants so that they understand, for example, what we mean when we talk about executive corps qualifications, how are those measured, how does one effectively address that, how does one build an effective resume to be entered and be considered fairly in the Senior Executive Service cadre.

Our observations are principally associated around our experience in the Federal Government sector, and it is also principally associated around our current clients and a lot of the successes that they have achieved. We would start with the observation that SES diversity in and of itself, as you have heard, I think, a number of times today already, about the pipeline or the feeder pool, what we have as a basic observation is that Senior Executive Service diversity cannot be compartmentalized from general work force diversity, which cannot be compartmentalized from the available labor pool in the country, and it is very important not to isolate and not to feature a comparative analysis of underrepresentation in the Senior Executive Service against merely the pipeline that currently feeds the senior executive service.

Now, to paraphrase an earlier comment here, you know, if you always do what you've always done, you'll always get what you always got. So we are in the process here of helping our customer agencies and helping our affiliate partners to go forward and to establish, in essence, a new trend line and a new method of evaluation and examination of opportunities.

We feel that external recruitment must be considered as a fundamental source of representation and the improvement of representation in the Senior Executive Service. I did not hear today and I don't know if you are aware of the statistic that the GS–14 and 15 pipeline in the Federal Government today is basically filled from within government ranks currently. In fact, the trend line in looking at OPM's central personnel data file statistics is that 99 percent of the 14s and 15s in the Federal Government today come from within. So you must examine a multifaceted, multitiered layer of how the government goes through the process of recruiting.

It is also true that agencies do differ substantially as to what is a good comparative analysis of what they need and what is available and how we recruit in the Federal Government sector. I think that MD–715 EEOC's new directive on accountability measures and the recruitment process along with the no fear legislation basically reinforces existing the statute, but adds additional accountability levers into that statute.

One of the things that is very important here is that agencies be able to track their applicant flow data to be able to measure continuously whether their recruitment is, in fact, effective and whether their recruitment produces the right result and perhaps their selection process does not or whether this selection process is, in fact, producing the right result; but they need to increase their outreach and their recruitment efforts. At AVUE, our current customer clients currently we have a statistic that 93.64 percent as of today of all applicants that apply for Federal Government agency clients that are AVUE agencies voluntarily report their race, sex and national origin data.

This is an important statistic. Because of EEOC's management directive, what this allows us to do is actually measure concretely and provide metrics on the recruitment process and on recruitment sources and on where our applicant prospect pool is coming from, not just the accomplishment as a result of the selection process.

AVUE provides its client agencies with data that allows them to see every phase of the process and to see how the applicant pool progresses through phases of the process.

I am out of time. So I just want to make one last statement that I think is an important statement here.

It is imperative that the government continue to go through the process of the most aggressive and most successive outreach it can possibly utilize to globally disseminate job information to the widest possible audience. Today we are in danger of having the Office of Personnel Management make the USA job site the only information portal for job information. We would urge you to reconsider that as it is fundamentally contrary to the entire understanding and mechanisms by which outreach operate. We need to provide more information to more people and increase the diversity of our recruitment pool and not do less.

So in closing, what I would like to do is thank you again for this opportunity and to also say that part of our written submittal includes some agency success stories relative to how we are able to actually materially change managerial behavior, the process and transparency of the process that helps agencies not only meet their

existing objectives and existing regulation, but new regulations as promulgated by MD–715 and the No Fear Act. Thank you.

Mrs. DAVIS OF VIRGINIA. Thank you, Ms. Rix.

And thank you all for your testimonies.

[The prepared statement of Ms. Rix follows:]

STATEMENT OF
LINDA E. BROOKS RIX, CO-CHIEF EXECUTIVE OFFICER
AVUE TECHNOLOGIES CORPORATION

BEFORE THE

SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES

DIVERSITY WITHIN THE SENIOR EXECUTIVE SERVICE (SES)
OCTOBER 15, 2003

Thank you, Madam Chairman and Members of the Committee for the opportunity to testify before you today. My name is Linda Rix, and I'm the founder and Co-Chief Executive Officer of Avue Technologies. Prior to founding Avue in 1983, I worked for five years with the US Office of Personnel Management.

Headquartered in Tacoma, Washington, Avue Technologies began as a consulting and seminar company and transformed into a technology firm, providing workforce management solutions to a number of Federal agencies, helping managers with everything from recruitment and performance management to workforce forecasting and succession planning. Our customer base is made up entirely of Federal agencies and departments, and our staff consists of a number of former Federal management and technology experts. We have been working with the Federal government since 1983.

An inherent part of our philosophy is supporting effective execution of agency responsibilities in all matters regarding civil rights in Federal employment. To this end, Avue offers the only HR technology solution that completely integrates all aspects of equal employment opportunity and the Federal Merit System into each and every aspect of workforce management. Avue is very proud of the fact that Blacks in Government (Region XI, Washington DC Metro-Area); the Federal Asian Pacific American Council, and National Image (supporting the education and employment of Hispanics) have all stated that Avue is the "*only* automated solution for the public sector that insures non-discriminatory treatment of all employees and applicants in terms of hiring, promotion, training, disciplinary treatment, and similar issues of workforce management."

Since 1978, when I first joined the Federal service, I have watched the focus on workforce diversity wax and wane, triumph and fail, but, always, remain a cornerstone in each and every employment program in the Federal sector. This constant has also applied to the Senior Executive Service.

We share the opinion that diversity is indeed lacking in the SES. As regulatory agencies have reported, more must be done to assure that Federal senior leadership better reflects the makeup of the public it serves. Some advancement has been made, as we have seen increases in the SES for both African Americans and women. Other areas require more attention. Our research reveals, for instance, that while representation of women in the SES has improved, the compensation of women executives continues to lag that of male counterparts. As I will discuss later in my testimony, increasing diversity relies on improvements in both the strategy and operational effectiveness. Positive gains in improved recruitment can easily be nullified by poor processes surrounding the assessment, selection, and development of new SES recruits

To begin, we should acknowledge that the original intent of the SES, to create a mobile, interchangeable, professional cadre of managers, continues to be a challenge. Specifically, the level of interchangeability has not materialized to the extent desired, especially with regard to movement between the public and private sectors. Other facets of the program, including the candidate assessment process, are in dire need of

improvement. However, to address the immediate issue, agencies urgently must build more avenues of outreach and access to ultimately result in short-term gains in the diversity representation in the SES. Today, 99% of the GS-14 and GS-15 employees in the Federal Government are promoted up from inside the Federal Government. As GAO reported, the SES candidate pipeline flows directly from these GS-14/15 governmental ranks. So, it stands to reason that to achieve greater diversity in the SES ranks, the Federal sector must focus on building the diversity of GS-14/15 pipeline. In addition, we see no reason to exclude a viable external recruitment strategy.

As reflected in EEOC guidance, improving underrepresentation at any level of government requires a concerted, deliberate, and thoughtful plan of action. Such a multifaceted plan uniquely addresses the condition as it is found within a specific employer, rather than a gross generalization of the government as a whole. Like politics, matters of diversity representation are inherently local. At this point in the process of examining the SES, we feel agencies must consider two major factors that will result in increasing the representation of minorities and women in senior leadership positions:

1) Federal agencies must improve their outreach, job information accessibility, and focused recruitment of underrepresented groups at all levels of Government, including looking outside the traditional candidate pool to include "SES-ready," underrepresented applicants from the outside the Federal sector;

2) Recruitment, however, addresses only one of a series of factors which must be aligned into a congruent, mission-sensitive, plan of action. In addition to recruitment and access to information, agencies must more deeply examine and address underlying barriers to effective assessment, compensation, and retention practices, including artificial constraints and confusion produced by the organizational "firewall" between human resources and equal employment opportunity programs and regulatory oversight.

At Avue, we pioneered the ultimate form of job information reach through multiple channels of access. For the first time, job information does not have to be homogenized to a single access point or a single format because of the Internet's great capability as a global information dissemination and access system. Using Avue, client agencies have been given the capability to improve diversity by publishing their job postings to over 1,100 different recruitment sites, simultaneously, completely digitally, in seconds. Ours is the only system in Government to do so.

In addition, we allow for maximum personal engagement by applicants and hiring managers alike by illuminating previously cloaked job application processes. Leading-edge skills in technology architecture coupled with mastery in the human resources and civil rights domains allow a company like Avue to enact the vision of technology as a great equalizer in opportunities for employment and advancement. Simply put, citizen-applicants and Federal employees seek a fair job, not a job fair. Only the latest in technology can provide the means to achieving this.

With the new No Fear Act and EEOC's implementation of Management Directive 715, today is the relevant time to look at current effects of Federal operating practices, the changes necessary to optimize the use of technology in implementing workforce representation, and whether such efforts are being helped or hindered by recent policy shifts by the Office of Personnel Management.

Technology Can Help Achieve Diversity

While technology can be a great platform, one must be extraordinarily careful to use it masterfully. A single policy or technology can produce both opportunity and risk. Such is the case of résumé intake systems in Government. Resume-based Federal hiring processes opened the door for many applicants by allowing them to re-use their résumé for multiple job opportunities. Unfortunately, at the same time, it opened the window to discriminatory employment practices within the Federal Government. Wider access resulted in increased applicant supply but the Government failed to address the need for sufficient human resources capacity to process them. Agencies were, and continue to be, inundated with resumes and do not have the personnel capacity to process them in a merit-based manner. Mistakes are made; rules and regulations are overlooked and biases creep into hiring decisions. This trend results in a competitive disadvantage for minority applicants and in many instances expensive employment litigation at the expense of the American taxpayer.

Today, to safeguard the Merit System and the Uniform Guidelines on Employee Selection Procedures, a new, technology-savvy generation of Federal agencies is making great progress implementing fair and transparent hiring processes through the use of automated recruitment and staffing technology. These solutions automate the way Federal managers determine where needs exist, the way they classify and recruit for positions, and the way citizen-applicants search and apply for jobs. Agencies can instantly post job openings on the web sites of hundreds of minority and professional organizations, broadening the applicant pool to candidates who might otherwise not ever recognize Federal employment opportunities. These agency successes result from leveraging technology to simultaneously cut hiring cycle times by 50% or more *and* to assure nondiscriminatory and merit-based hiring processes.

Today's EEOC directives mandate that agencies enact action plans that make a difference. That, coupled with the recent passage of the Notification and Federal Anti-Discrimination and Retaliation Act – the No FEAR Act, requires individual agencies to carry the accountability for their gains and losses. For the first time individual agencies, not the Federal Treasury as a whole, are liable for settlements, awards or judgments against them in whistleblower and discrimination cases. Since the No FEAR Act shifted the burden to the individual agencies, it is up to the agency to address its own unique underrepresentation issues and examine its practices for barriers to achievement of a non-discriminatory work environment. At Avue, we have innumerable cases that illustrate that the proper use of technology provides the means for agencies to eliminate this risk altogether.

The Library of Congress is an Avue client and offers a striking example of how Civil Rights risk can be reduced substantially or eliminated altogether. At the time the Library first approached our company, it had been subject to a 20-year consent decree arising from a class action alleging discrimination in hiring. With the mutual agreement of the Library and the Class representatives, Avue's automated system for hiring and promotion was incorporated in the consent decree as the core of a redesigned process that would allow the Library to avoid Federal court receivership of their hiring and promotional processes and fully and finally resolve this long-standing controversy. Three years later, all hiring and promotion at the Library is done using Avue's system and the Federal court has closed out the consent decree with no further supervision required.

At Avue, we have extended our commitment to building improved diversity among our client-agencies by formal partnerships with various groups, among them, Blacks in Government, National Image, the Federal Asian Pacific American Council, Black Data Processing Associates, and the Senior Executives Association. Avue, with its 1,100 embedded recruitment sites, ranging from higher education institutions, professional associations, diversity associations, community groups, and other focused audiences, provides the most comprehensive outreach program in Government today. Avue client agencies reach out and communicate job opportunities to a wide and diverse population within seconds of posting a job.

Moving Forward

Despite a constant decrease in Federal human resources capacity, far too many agencies still rely on outdated hiring processes to recruit to fill open positions. These agencies range in size from the very large to the very small, and surprisingly, include the Office of Personnel Management itself. It's no secret that because of these processes, many agencies have no means of guaranteeing merit-based recruiting. To put a stop to this disturbing trend, agencies must implement methods to identify the make-up of their workforces. They must develop processes that guarantee a non-discriminatory hiring environment, and they must broaden their recruitment reach to a larger, more diverse applicant pool. Unfortunately, agencies often lack either the resources or the operational sophistication to achieve these objectives. Implementing smart technology solutions is the only way to correct present day workforce imbalances.

Because SES candidates come largely from the internal ranks of Federal employees, over the long run, the only systemic way to insure diversity in the Senior Executive Service is to insure diversity in the Federal government as a whole. By implementing proven technology solutions such as Avue's, managers can increase recruitment reach, gain insight into diversity needs and trends within their respective agencies, and better adhere to the Merit System. With a more diverse, more qualified, better-trained workforce, agencies will have more opportunities to recruit diverse candidates into the SES.

In the short run, however, in order to achieve acceptable SES diversity levels, agencies must begin to look beyond the traditional SES candidate pools within the bureaucracy to qualified executive candidates who work in the private sector. Using the same policies and technology I've outlined, agencies gain access to an executive talent pool that remains largely untapped.

Barriers to Progress

A persistent 'firewall' between Equal Employment Opportunity and Federal Human Resources policy and operations is the most significant barrier to the Government's ability to produce the right result. Since the Civil Service Reform Act of 1978, agencies have been charged with producing a Federal Equal Opportunity Recruitment Program (FEORP) to achieve certain, specific, diversity recruitment goals. The program's oversight is provided by OPM. The program directly overlaps the government's affirmative action programs, a similar mandate with program oversight provided by EEOC. Since recruitment is regarded as a human resource domain but compliance is regarded as an EEO domain, two programs with the same objectives reside in two different government agencies and, within the agencies, in two separate business functions. As a result, they often overlap, duplicate, or directly conflict with each other, creating an unmanageable burden on agency managers and an adverse effect on workforce diversity.

The most recent, glaring example of this phenomenon is OPM's Recruitment One Stop initiative. This OPM initiative launched at the same time that EEOC issued implementing guidance regarding affirmative action in EEOC's Management Directive 715, effective October 1, 2003. EEOC's directive states that agencies must:

- *"Maintain a system that tracks applicant flow data, which identifies applicants by race, national origin, sex and disability status and the disposition of all applications.*
- *Maintain a tracking system of recruitment activities to permit analyses of these efforts in any examination of potential barriers to equality of opportunity."*

EEOC recognizes that effective workforce representation analysis coupled with specific recruitment strategies and activities is the fundamental building block to improving diversity in Government. Having acknowledged this simple fact, EEOC then issued its Directive. In direct conflict with the EEOC initiative, OPM simultaneously released Recruitment One-Stop without including any process for capturing, tracking, or analyzing such data and thereby making it virtually impossible for any agency using ROS to hire while complying with EEOC requirements. In fact, the OPM ROS representative stated, at the September 23, 2003 hearing on OPM's e-gov initiatives that OPM did not now, and could not, collect data concerning the race, sex, or national origin of the applicants coming through the ROS site (Subcommittee on Technology, Information Policy, Intergovernmental Relations, and The Census, House Committee on

Government Reform). This is a terrible and, potentially, extremely harmful oversight by OPM. Its long term effect further disengages the recruitment and hiring processes from agency EEO programs where agencies may take legitimate, lawfully-provided, preventive and corrective actions to improve workforce representation.

This is further exacerbated by OPM's insistence that its Recruitment One Stop strategy be the only means by which citizen-applicants learn about and apply for Federal positions, making its USA JOBS portal the 'funnel' by which citizen-applicants are channeled and then routed to job opportunities. This focus on 'exclusivity' also flies in the face of prevailing guidance from EEOC. EEOC, in its Directive states that *"In conducting its self-assessment, agencies shall compare their internal participation rates with corresponding participation rates in the relevant civilian labor force (CLF). Geographic areas of recruitment and hiring are integral factors in determining "relevant" civilian labor force participation rates."*

OPM's exclusive use of Recruitment One Stop prevents agencies from answering the EEOC question, *"Are recruitment efforts resulting in a cross-section of qualified applicants? Is there a significant disparity between the proportion of a racial, national origin or gender group in the agency's applicant pools and the proportion of that group in the relevant labor markets from which applicants are drawn?"*

The Directive points to long-standing (1978) guidance regarding how underrepresentation determinations are made. Comparison to the *relevant* civilian labor force statistics means the agency must factor in the local or occupation-specific recruitment pool as its most accurate measurement context. With OPM's desire to make Recruitment One Stop an exclusive job portal, agencies will lose the ability to target recruitment efforts locally and, where they might do so, lose directly targeted applicants in the swimming mass of résumés in the OPM system.

While OPM has jurisdiction and oversight in matters of Government HR *policy*, its attempt to inject itself in *operations* through Recruitment One-Stop will unquestionably produce an inferior and legally risky result. In similar efforts over the past 15 years, since OPM has neither a mandate nor the expertise in operations or leading-edge technology, it has consistently demonstrated a decided lack of effectiveness in any technology-related effort.

Of equal importance, OPM mistakes the need for setting policy requirements on agencies, such as setting a time limit on how long an agency takes to respond to an applicant, for some perceived need to itself provide and operate a system that would accomplish such a result. OPM's approach to Recruitment One-Stop ignores, in fact, not only OPM's complete lack of relevant resources and expertise, but also the clear conflict of interest in providing services to the agencies it regulates.

Effective agency recruitment strategies, whether for senior executives or front-line employees, are inherently local and mission-unique. While a single job portal may seem efficient in the abstract, diversity recruitment does not lend itself well to a "one-

size-fits-all" strategy. Diversity, inherently, does not lend itself to a homogenized process or communications conduit. To reach the highest caliber talent with the greatest effectiveness and efficiency, agencies need to turn to precisely targeted recruitment sources using the very best technology solutions available.

If allowed to continue in its effort to make Recruitment One Stop as the only outreach and intake portal, OPM will have a dramatic and irreversible negative impact on Federal workforce diversity. Although clearly one means of information dissemination, it does not, and cannot, reach out to the diverse communities of citizen-applicants in this country. Even when coupled with OPM-sponsored job fairs in limited major metropolitan areas, the site's capability to serve as an effective diversity recruitment tool falls far short of meeting true diversity recruitment objectives and requirements. Avue has agency clients, for example, that conduct, on average, more than 200 recruiting events *per month*, an effort that OPM cannot even begin to equal.

An observation by the Black Data Processing Associates sums up the issue of how OPM's strategy adversely impacts hiring efficiency:

> *"The job hunt game is constantly changing. You can no longer submit your résumé to the proliferation of career sites and then wait to be called. ... Companies are inundated with literally thousands of résumés and now they are faced with the laborious task of screening résumés. It is hit or miss whether you make the final cut..."*

This statement underscores the critical point of all of these issues. Ultimately, all the résumés collected, hits on a website, and jobs posted are irrelevant if the process does not result in legitimate hires. It is particularly telling that OPM's Recruitment One-Stop strategy focuses on a resume-based hiring process, which even in an electronic form constitutes, at best, "paving the cowpath." The few agencies that have sought to use resume-based systems have learned that such systems produce almost nothing in the way of efficiency, effectiveness, or cost savings.

Unemployment affects minorities at a significantly higher rate than non-minorities -- at least double in most demographics. This pool of job seekers provides the Federal government with a unique opportunity to improve its workforce balance. Increasing diversity in the Federal workforce requires not only more effective outreach, but also deployment of significantly more efficient methods that move applicant-citizens into jobs faster. OPM has remarked that the use of résumé or single application systems allows the Government to identify "passive" job seekers, that is, applicants with résumés "parked" in the pool but not actively engaged in applying for specific jobs. It also offers anecdotal information that job applicants are somehow deterred from seeking Government positions on the basis that the application process is too difficult to follow. On the contrary, Avue's client agencies current average 215 applicants per job posted. Such volumes of applicants factually contradict OPM's stated rationale that the Government is not an attractive employer or that the Federal Government has difficulty

bringing applicants through the Government process. This point is well made in another quote from Black Data Processing Associates:

> *"Civil service careers in government agencies can be very attractive, especially for long-term career potential."*

Simply accepting resumes online does virtually nothing for agencies or citizen-applicants and can hardly be considered "E-Government" – especially considering the far superior technology available. Résumé-based hiring systems in government actually increase the infrastructure cost in agencies, not decrease it. For example, a large Defense component, in FY00, estimated its ongoing infrastructure improvement, maintenance, and change management costs for a résumé-based hiring system would be $25MM for a one-time upgrade. Using this system, the agency had an admitted backlog of approximately 9,000 open positions with an exponential growth, given the lack of HR resources to process hiring actions, in the out-years. It is common for Federal HR personnel to greatly underestimate the total cost of ownership of various technology solutions, in particular, where the system does not effectively reengineer the business process involved. Lack of process reengineering not only adds costs, it elongates transaction cycle time. With OPM defaulting to a retro-70's era of one job application process for all, these same outcomes are expected, however unintended they might be.

Coupled with the cost increase, résumé-based systems also shift the HR burden to hiring managers by default. Since the systems used do not perform any assessment of the individual's qualifications for the job, the hiring manager must now sort and sift through hundreds of applicants. Indeed, one should never confuse résumé search capability with effective applicant assessment. This increases the labor cost and also adds significant discrimination risk into the process.

This leads us to the other major constraining factor in diversity recruitment – use of artificial, inapplicable, or inappropriate criteria in the selection process. Here, EEOC states that agencies must determine:

- *"whether certain qualification standards are truly necessary to the successful performance in a position; and*
- *whether selection criteria used to assess qualifications that have been found to exclude or adversely impact a particular racial, national origin or gender group truly measure the knowledge, skills and abilities that they purport to measure, and whether alternative criteria are available that do not disadvantage any particular group."*

With the applicant assessment process effectively handed to hiring managers, the risk window widens. Unintentionally, indeed habitually, managers will generally apply legacy criteria in evaluating applicant qualifications. With such an onslaught of résumés, it is not surprising that managers introduce criteria into the process that not only bypasses thoughtful consideration of potential adverse impact but also may violate the Merit System or the Uniform Guidelines on Employee Selection Procedures.

Managers are, theoretically, protected from making such violations by careful job analysis, under the watchful eye of HR and EEO professionals, prior to even posting the position. This process is the most expensive and time-consuming part of the hiring process, second only to applicant assessment. With OPM's Recruitment One Stop, the job posting process is effectively detached from the job analysis process.

In fact, OPM plans to introduce capability to post positions from grossly generalized criteria, bordering on personality traits such as "integrity" or "ethics" rather then merit-based, job valid criteria. This deliberately places the agency in jeopardy by encouraging the use of criteria known to have been found contrary to the Merit System and Uniform Guidelines. Such actions will have managers believing that their personal assessment of such characteristics is valid job selection criteria. Nothing could be further from the truth or more harmful to gaining diversity in the hiring process. The more generalized the criteria, the more likely managers are to make serious errors in the selection process, especially when faced with a monstrous mountain of résumés.

We believe these two persistent systemic problems continue to plague the Government's ability to improve its workforce diversity and hire citizen-applicants effectively. Indeed, given the tactics and direction of OPM with regard to Recruitment One Stop, this will likely continue for years to come. We know, from our own experience, however, that this does not have to be the case.

It should be the mission of government recruiters to extend their reach to the broadest possible audience when seeking to fill Federal jobs. It's the only way to assure that the applicant pool for each job vacancy consists of the most diverse group of applicants possible. By empowering agencies with the technology tools necessary to maintain compliance with the Merit System, we take a step in the right direction towards a more qualified, diverse workforce, and, ultimately, a more diverse SES.

I'd like to thank the Chairwoman and the rest of the subcommittee for the opportunity to speak to you here today, and I look forward to any questions that you might have.

Mrs. DAVIS OF VIRGINIA. I'm going to go to Mr. Davis. We had a lot of testimony there, and I'm sure that we're going to have questions that we can't get in today in the time limit that we will submit to you in writing if you could get it back to us for the record.

And Mr. Davis.

Mr. DAVIS OF ILLINOIS. Thank you very much, Madam Chairwoman.

Ms. Chambers, let me ask you first. We've talked a great deal about the Office of Personnel Management candidate development program. You sort of indicated that OPM itself didn't have such a good record when it comes to Asian Americans. Are you suggesting that you don't have confidence in their program or that their program may not generate the kind of results that you're looking for?

Ms. CHAMBERS. The candidate development program that OPM is putting together right now is a new program. It hasn't actually gone into effect. So, I mean, it's a matter of, you know, waiting and see how it goes. And so I think they are making a lot of effort to include groups such as the Asian Pacific American government networks to give input in the design of the program and other groups on the panel have also been involved. But so far the—as far as history goes, the only APA that I'm aware of that is an SES rank since the last 10 years, 13 years, was just appointed recently. So hopefully from now on, it will be much better.

Mr. DAVIS OF ILLINOIS. So you're saying that you do have hope, but you're just pointing out that the history has not been so good, and that change appears to be on the way. I'm saying—my mother used to tell us, you know, what you do speaks so loudly, I can't hear what you're saying. And, you know, that sort of resonated a great deal. So you're not saying that you don't think the program will not net some results, but just up to this point you have not seen—coming from the leader. Of course, they haven't always been around and haven't always been the agency that they are, and so hopefully there is movement.

Ms. CHAMBERS. I think the fact that this subcommittee and yourself have gotten involved in addressing this issues is definitely helping to push forward, you know, the momentum, give it momentum. So appreciate that very much.

Mr. DAVIS OF ILLINOIS. Thank you.

Ms. Wolfe, you know, the GAO report suggested that unless there is some intervention, that the only real change by 2007 will be the diminution of White males but an increase with White females. No movement necessarily for other population entities. Do you have any idea as to why they would arrive at that conclusion?

Ms. WOLFE. I wish I had a magic answer to that. I don't. Now, again, it may be—now, as Ms. Chambers mentioned, something to do with history. I think clearly if things are to change, there has to be more of an outreach effort. There has to be more of getting people in this pipeline that we keep talking about. Perhaps agencies could develop some criteria. Certainly we would encourage them to participate in the OPM candidate development program, but that's at the end of the line, so to speak, perhaps develop some criteria for getting people more in the mid-level manager positions that would again provide some minorities. And we have the idea

of perhaps including them in different meetings, giving opportunities for some cross-training rotational assignments, that kind of thing.

Mr. DAVIS OF ILLINOIS. I've always been—I've always looked at this whole business of subjectivity and tried to figure how it is that individuals can make decisions on an objective basis or how a reporter can write a story and not inject some of him or her self into it, or how an analyst can make an analysis and not inject some of their feeling about whatever the issue is into it.

Mr. Brown, do you think that subjectivity—I mean, you mentioned this one person, whoever might be, that subjectivity has played too much of a role in making these promotions happen.

Mr. BROWN. Absolutely, Congressman. In fact, my belief is that we're somewhat focused on the wrong portion of the issue here. We've been having a lot of talk about getting candidates into the pipeline and so forth, and I totally support that and we must do that; but I would offer to you that the bigger issue is not the pool of candidates, but the pool of selecting officials and the attitudes and the subjectivity that they use in making their decisions.

Mr. DAVIS OF ILLINOIS. Can I just quickly, Ms. Watson, you placed a lot of emphasis on concern for the pool. You mentioned GS–9s and 10's and that kind of thing.

Ms. HARRINGTON-WATSON. Yes, sir.

Mr. DAVIS OF ILLINOIS. Do you agree with Mr. Brown? That or——

Ms. HARRINGTON-WATSON. Yes. I do agree with his summary, but let me just add two things between both of these Houses that I'm sitting in between, those who have made it and the women pool. When you look from the African-American female perspective or the African-American male perspective, I can say that I do terribly disagree with total outside recruitment over increasing outside recruitment, because you have people, as Mr. Brown has said, that have been struggling for 10, 15 years trying to get to a 14- or a 15- and then to see that completely dashed with any possibilities of ever making it to an SES because outside recruitment is so heavy already.

We look at this from Blacks in government perspective that if you look at the age of the average 14 and 15 right now, and you look at the lack of possibilities, we will not see any change for African-Americans, because we're not going to be there in any substantial number to even be considered in a few years. So our plight is a little more—a little different than some of the other categories, but there is no substantial change even in the candidate development concept.

I want to step back to one question you were asking—I think I heard the question underlying when you were talking to Ms. Chambers about where is the real problem in the decisionmaking. When we first went to OPM as stakeholders, it was raised that every person representing OPM in that room was a White male that was making decisions on the SES candidate development program. There were no White females. There were no Black females. There were no minorities represented. So if all the decisionmakers on the leadership of our country are coming from one segment, I would say that we really have not made a lot of progress.

Mr. DAVIS OF ILLINOIS. So you're saying we've got to train the trainers essentially. I have no further questions, Madam Chairwoman, but I appreciate that.

Mrs. DAVIS OF VIRGINIA. Thank you, Mr. Davis. I'm sure I'm going to have a lot of questions after I leave here, but right now I want to zero in on you, Ms. Chambers. And you gave a lot of statistics there, and I'm hoping you have an answer that I asked the previous panel. When I asked Ms. Barnart about the Patent Office, and she gave me a very large percentage of Asian folks that were working there, I think 22 percent, do you happen to know what percentage of the SES in the patent side of the office are Asian?

Ms. CHAMBERS. Well, this is a very interesting question, because I am from the Patent Trademark Office.

Mrs. DAVIS OF VIRGINIA. That's why I'm asking the question.

Ms. CHAMBERS. And I can tell you on the patent side as far as Asian American—Asian Pacific Americans go, there are—let's see. There are three Asian Pacific Americans, two males and one female. And I'm the one female.

Mrs. DAVIS OF VIRGINIA. Out of—and that is SES?

Ms. CHAMBERS. SES.

Mrs. DAVIS OF VIRGINIA. Out of how many?

Ms. CHAMBERS. Out of 24 group directors. As Ms. Barnart said, the group director position is highly technical, specialized. So they manage the 10 examining groups. So there are a total of 24 group directors; and of the 24, three Asians including myself. And as far as—I'm trying to think—African-American goes, I think there is two African-American women and no Hispanic.

Mrs. DAVIS OF VIRGINIA. No African-American males, just women?

Ms. CHAMBERS. Just women at this time.

Mrs. DAVIS OF VIRGINIA. If our math is right, that's 8 percent Asian Pacific Americans out of 22 percent in the pool. Is that about right? Eight percent that are SES out of 22 percent in the pool?

Ms. CHAMBERS. Yeah.

Mrs. DAVIS OF VIRGINIA. I'm sure I've got a lot of questions for the rest of you. I've got to tell you, Ms. Harrington-Watson, you did an excellent job summarizing your statement, and I really appreciate it. So don't think we missed anything.

Ms. HARRINGTON-WATSON. Thank you. I was wondering if I was going to get that compliment. I really tried.

Mrs. DAVIS OF VIRGINIA. You did an excellent job, you certainly did. You get an A plus in my book.

I want to thank all of you for being here. We did have a very long hearing and a lot of witnesses. But we heard a lot. And I will just say to you, Ms. Harrington-Watson, what you said about not liking going outside of the Federal Government to find those who move up, that puts us back, if I'm not mistaken, Mr. Davis, puts us back in the same dilemma if we did that. If the diversity level right now is low and if we had to pull from the pool of the low percentage, we can't ever increase the percentage.

Ms. HARRINGTON-WATSON. Well, let me just give you a scenario, and just see what you think about this opinion. We may be talking about low pools, but when there is no selection within the available pool, that is the real issue at hand. If you have a limited number,

yes, I agree, let's go outside, let's recruit, really recruit; but in most agencies, you have anywhere from 5 to 15 percent in those 14, 15 levels already.

Mrs. DAVIS OF VIRGINIA. Of minorities?

Ms. HARRINGTON-WATSON. Of minorities. And they are not making the highly qualified list.

Now, there are a lot of reasons, many we would like to explore in the future. In fact, that was one of the questions to OPM is how can you help us identify what you see as the shortcoming for minorities when they apply for SES positions, because as you know when you go through that ECQ process and if you don't write in the first person, if you don't put certain data there, then you're just completely knocked out.

So if we're not making the connection in application processing, let's work on that. If we're not making the connection based on first line elimination, which happens at many agencies where the first line supervisor decides which candidates to even send forward, then let's work on that.

If the certification process is where we're losing those minorities that we feel like are highly qualified and have been working in agencies 10, 15 years, then let's work on that.

Right now I would think that we are void on enough data to understand what are the shortcomings and the inside candidates receiving true consideration.

Mrs. DAVIS OF VIRGINIA. Well, it's certainly a lot of food for thought for us here, and I'm sure this isn't the last that we've heard of this subject. And I'm certainly going to work with my colleague, Mr. Davis, to see what we can do. You know, it used to be that I thought White females were part of the minority, but I see here today we're not based on this breakdown. And everybody told me we've come a long way, baby, but not necessarily up here on the Hill. So I understand what you're saying.

Anyway, I thank you all for being here today and for your patience, and like I said, we will submit questions to you for——

Mr. OLIVEREZ. Madam Chairwoman, may I say something?

Mrs. DAVIS OF VIRGINIA. Sure.

Mr. OLIVEREZ. (Speaks in Spanish.).

Mrs. DAVIS OF VIRGINIA. I have no idea what you said, but thank you. Thank you all. Thank you. The hearing is adjourned.

[Whereupon, at 4:50 p.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

Achieving Diversity in the SES
Follow-up Questions

Q. Because of the wave of retirements and normal attrition for other reasons, the federal government will have the challenge and opportunity to replace over half of its SES corps during the fiscal years 2001 through 2007. GAO estimates that almost 3,400 of the 6,100 career SES members as of October 2000 will have left the service by October 2007. What are OPM and the other federal agencies doing to ensure that there is a professionally competent diverse workforce in the SES?

A. The Office Personnel Management (OPM) is providing leadership to manage the Federal Government's leadership development "pipeline" over a multi-year time frame. As mentioned in the testimony, a diverse SES depends in large part on a diverse candidate pool of mobile, high-performing GS-14s and 15s who are ready to move into the SES, as well as a reservoir of "leaders in learning" at the entry levels of the executive development pipeline: Presidential Management Fellows, Federal Career Interns, and cooperative education students.

At the entry level, these tools have proven to be extremely effective at bringing exceptional talent from all walks of life into the Federal service. On November 21, 2003, President Bush signed Executive Order 13318 lifting the cap on the number of Presidential Management Fellows (the new name for Presidential Management Interns) that may be appointed. This effectively allows Federal agencies to make full use of this important hiring tool. He also created a new Senior Presidential Management Fellows program to provide an exciting new mechanism for bringing experienced talent to the Federal service. These special hiring and development programs will significantly strengthen agencies' ability to bring new potential leaders on board.

In addition to identifying professionally competent and talented leaders, the PMF Program is a valuable tool for developing a diverse leadership corps. The "class" of 2003 is an indication of the diverse pool of applicants seeking careers in the Federal service. Twenty one percent of that class are minorities (up from 17 percent in 1998), and 58 percent are women, far more diverse than the SES overall. This program is designed to prepare participants as future leaders, and, with aggressive outreach to minority-serving institutions, we can improve the diversity of those future leaders.

We are also improving mid-career leadership development efforts. We are developing an Executive Readiness Program designed to prepare high-potential GS-13s and 14s to eventually enter an SES candidate development program or even the SES itself. It is modeled after similar efforts in "best practice" agencies like the Internal Revenue Service, the Department of Health and Human Services (with its Emerging Leaders Program), and the Department of Labor, which has implemented a strategy designed to recruit new MBAs directly into mid-level leadership and management positions, so far with excellent success. These are examples of the kind of attention and investment required to meet the leadership succession challenge, and at the same time, tap into the diverse resources of America to ensure a ready pipeline for SES development.

Finally, we have announced a new Federal Candidate Development Program (Fed CDP) to complement the executive development strategies of individual agencies. The first-ever CDP to be sponsored by a consortium of agencies, the program incorporates the best practices in leadership development, and will serve as an effective model for all Government. The program enjoys the strong commitment of this Administration's most senior leaders, including members of the new Chief Human Capital Officers Council. It will be demand-driven to meet agencies' succession planning needs, and will be widely publicized to attract talent, both inside and outside Government to a diverse range of professional groups.

Q. GAO has testified of the importance of succession planning in achieving workforce diversity, especially at the senior executive level. Please explain what OPM has done, or is doing, to promote succession planning by agencies for future executive vacancies.

A. Through our Human Capital Framework, OPM set rigorous standards for Federal agencies to strategically manage their human resources. Leadership planning and implementation is a critical success factor in the Framework, and includes specific performance indicators to evaluate agencies' success in ensuring continuity of leadership through succession planning and leadership development.

Q. OPM announced the creation of a governmentwide SES Candidate Development Program (CDP) in April of this year, which should assist small agencies who cannot afford their own candidate development programs. How is that initiative progressing? Has there been any significant interest in the program by minorities?

A. **Ten** agencies have signed up to sponsor 21 candidates, including two small agencies (OPM and NRC). Other small agencies were not able to participate due to funding restrictions, but some hope to sign up for the program in the future.

Organizations representing minorities in the Federal workforce have expressed strong interest in the program and have committed to spreading the word about the program to their memberships. In addition to conducting briefings for the leaders of these organizations, OPM conducted career development workshops at the Blacks in Government and National Association of Hispanic Federal Executives national conferences. We are currently working with Federally Employed Women to develop several workshops for their national conference next July.

Q. How many other agencies have their own career development programs? How does OPM plan to avoid redundancies between the OPM's program and the programs of other agencies? How does OPM plan to encourage agencies to participate in the OPM program?

A. Currently, 22 Federal departments and agencies have OPM-approved Candidate Development Programs.

OPM's interagency candidate development program is designed to complement single agency programs. As a matter of fact, some agencies that have their own CDPs have signed up to support candidates in the interagency program. Agencies recognize that the demand-driven interagency program, which is closely linked to specific succession planning needs, is intended to identify candidates who closely match projected vacancies, as opposed to the more general recruitment of most agency programs. As mentioned in the testimony, the interagency program will not limit recruiting to Federal employees, but will also seek out highly qualified candidates from outside Government. The program's intensive leadership development segment will have a unique, Governmentwide perspective designed to broaden the experiences of participants and prepare them for a Government environment that breaks down artificial barriers between organizations to promote a unified, coordinated approach to problems and situations that defy traditional boundaries. To support the development of candidates, each agency will receive a temporary SES slot. The OPM CDP enjoys the strong support of the Government's HR Board of Directors, the Chief Human Capital Officers. All of these factors encourage Federal agencies to participate.

Q. On January 15th, the federal government took a huge step forward in revolutionizing the way that workers are recruited and hired, by awarding a contract to Monster Government Solutions to update and streamline the online recruiting tools on the USAJOBS website. Monster's re-design and enhancement of the USAJOBS site focuses on providing job candidates with clearer, more instructive information pertaining to federal job vacancies. In fact, more than one million people visited the new, improved USAJOBS website in its first week, August 4-8, 2003. This was an immediate increase of twenty five percent since July. What is OPM's response to the submitted testimony of Panelist Linda Brooks Rix that OPM's new transformation of the USAJOBS website, is a hindrance to workforce diversity?

A. The Recruitment One-Stop initiative will not adversely impact workforce diversity. The initiative is not seeking to drive all jobseekers through a single job search portal, but fully understands that jobseekers will come to the Government from many avenues including agency career sites, portals such as FirstGov, or USAJOBS. Through harnessing the power of the USAJOBS job search engine, agencies will be able to better use their resources and deliver a streamlined application process for jobseekers.

In her testimony Ms. Rix implied that OPM's changes to USAJOBS would hinder her agency clients from posting to multiple websites at the same time they are posting vacancies to USAJOBS. That is not the case. The new functions in USAJOBS will allow agencies to send job postings to multiple websites and add functionality to assist all agencies in leveraging technology to broaden their outreach efforts to diverse multiple sites.

As part of our ongoing Federal Employment Information Program operations, OPM actively reaches out to all communities to promote awareness and enthusiasm for "Working for America" through targeted advertising, job fair support, and direct outreach.

Finally, the dramatic increase in usage and awareness of USAJOBS under the Recruitment One-Stop initiative will allow us to reach more jobseekers from all segments of society.

Q. In January of this year, the General Accounting Office (GAO) reported that, if recent career SES appointment trends continue, by the year 2007 female representation will increase, but minority representation will increase only slightly. What might be done to improve minority recruitment in a way that preserves fundamental merit principles in hiring federal civil servants?

A. The first merit system principle states, in part, "Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society."

With this in mind, the Federal Government continues to advertise employment opportunities to a wider and more diverse audience by using a variety of recruitment strategies. We must focus on finding the right person for the right job by drawing our Federal workforce from the diverse population that represents America.

With that in mind, agencies should ensure that in addition to their normal recruiting practices, they also target recruitment efforts toward those populations that are underrepresented. In addition, agencies should increase their use of recruitment incentives, such as:

- recruitment and relocation bonuses;
- tuition assistance payments;
- telework/telecommuting;
- flexible work hours;
- transportation subsidies; and
- student loan repayment.

OPM is conducting recruitment fairs in a number of U.S. cities and major metropolitan areas, connecting participating Federal agencies with high-quality, diverse candidates in an effort to recruit America's best and brightest. OPM's Director, Kay Coles James, has stated, "It is no longer good enough to simply rest on our laurels and expect the best candidates to come to us for a job. We must go out and actively recruit a Federal workforce that is drawn from the richness, strength, and diversity of our society."

The recruitment fairs highlight the Federal Government's many career opportunities and the varied career fields available to applicants. They also showcase the U.S. Government as an employer of first choice and an equal opportunity employer.

Q. Do you think that OPM's new SES Candidate Development Program (CDP) will help achieve that goal?

A. While we cannot guarantee the diversity of Fed CDP candidates, we can increase outreach to inform potential candidates with executive talent about the program. Today's GS 14's and 15's, the likely pool for a Candidate Development Program, are only slightly more diverse than the SES itself. OPM's CDP will broaden the potential applicant pool by opening the program to those outside Government. We also plan a broad print, electronic and direct marketing program to ensure that qualified members of traditionally underrepresented communities know about the program and are encouraged to apply. We engaged several organizations that represent the interests of female and minority Federal employees in the design of our program, and they have committed to spread the word about this opportunity. We want the very best and most talented individuals to apply to Fed CDP and be confident in the merit systems protections under this racially neutral program.

Q. Please discuss the number of SES openings in your respective agencies for FY 2002 and FY 2003 and the demographics of the individuals appointed to those vacancies by fiscal year. Please provide the data in the format attached to this document. How do you intend to improve diversity in the SES within your respective agencies?

A. Please see attached table.

Director James just completed a major restructuring of OPM, aligning the agency's structure directly to our mission. In the process, she filled over 20 SES positions over a 12-month period, creating a leadership team that is talented and diverse. Under the new structure, 10 percent of OPM's SES cadre is African American, 10 percent is Hispanic, and 2 percent Asian/ Pacific Islander. Women constitute 37 percent of our executive corps.

SES HIRES BY TYPE OF HIRE, GENDER, AND RACE/NATIONAL ORIGIN
FISCAL YEAR 2002 - OFFICE OF PERSONNEL MANAGEMENT ONLY

	TOTAL ALL		WHITE		BLACK		HISPANIC		ASIAN		NAT. AMER.	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
TOTAL SES HIRES	5	4	5	3	0	0	0	1	0	0	0	0
SES CAREER HIRES	1	0	1	0	0	0	0	0	0	0	0	0
SES NONCAR HIRES	0	1	0	1	0	0	0	0	0	0	0	0
SES LIMITED HIRES	4	3	4	2	0	0	0	1	0	0	0	0

SES HIRES BY TYPE OF HIRE, GENDER, AND RACE/NATIONAL ORIGIN
FISCAL YEAR 2002 - TOTAL EXCLUDING FBI AND DEA

	TOTAL ALL		WHITE		BLACK		HISPANIC		ASIAN		NAT. AMER.	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
TOTAL SES HIRES	268	90	231	64	18	11	8	9	7	3	4	3
SES CAREER HIRES	80	32	70	21	5	6	1	3	3	1	1	1
SES NONCAR HIRES	149	44	128	33	10	3	5	4	4	2	2	2
SES LIMITED HIRES	39	14	33	10	3	2	2	2	0	0	1	0

SES HIRES BY TYPE OF HIRE, GENDER, AND RACE/NATIONAL ORIGIN
FISCAL YEAR 2003 - OFFICE OF PERSONNEL MANAGEMENT

	TOTAL ALL		WHITE		BLACK		HISPANIC		ASIAN		NAT. AMER.	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
TOTAL SES HIRES	12	2	10	1		1	1		1			
SES CAREER HIRES	8	1	7			1	1					
SES NONCAR HIRES												
SES LIMITED HIRES	4	1	3	1					1			

SES HIRES BY TYPE OF HIRE, GENDER, AND RACE/NATIONAL ORIGIN
FISCAL YEAR 2003 - TOTAL EXCLUDING FBI AND DEA

	TOTAL ALL		WHITE		BLACK		HISPANIC		ASIAN		NAT. AMER.	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
TOTAL SES HIRES	201	68	175	55	10	9	8	1	6	2	2	1
SES CAREER HIRES	83	28	73	19	4	8	3		2	1	1	
SES NONCAR HIRES	98	25	84	24	5		5	1	3		1	
SES LIMITED HIRES	20	15	18	12	1	1			1	1		1

Q. Please discuss current or planned OPM efforts specifically directed at ensuring diversity in the SES.

A. OPM cannot ensure diversity, but as mentioned earlier, one of the most effective ways to improve diversity in the SES is to improve diversity in the leadership development pipeline to the SES. On November 21, 2003 President Bush signed Executive Order 13318, modernizing the Presidential Management Intern (PMI) Program. The E.O. changed the name of the PMI Program to the Presidential Management Fellows (PMF) Program to better reflect its high standards, rigor, and prestige, and created a new Senior Presidential Management Fellows Program (GS 13-15). The PMF and Senior PMF programs are vehicles for attracting new talent to the Government's leadership pipeline. OPM is also designing an Executive Readiness Program and an additional training and development opportunity to prepare future leaders at the GS-13 through 15 levels. This program is in the early design stage, and is expected to include both classroom and developmental assignments. Since representation of women and minorities is greater at the GS-13 level than at higher levels, it could contribute to more diversity in the leadership pipeline. We are also ensuring that groups that may not traditionally have known about Federal opportunities are included in our recruitment and outreach efforts for these programs and seeing some success at attracting a broader mix of potential leaders.

Q. Will OPM gather data on the race, national origin, gender, and disability status of applicants to the SES CDP, those selected for the program, and those ultimately placed in a SES position.

A. We do not plan to gather such data on applicants. New or existing Federal employees, however, can voluntarily complete or update the forms that collect this data after they are selected for the program or after they are appointed to the SES.

Q. OPM has had in place for some time a program known as the Senior Opportunity and Resume System (SOARS). The purpose of the program is to encourage interagency mobility in the career SES. Has this program increased lateral mobility, and in doing so, what impact has it had on diversity in the SES?

A. In FY 2002 and 2003, agencies filled 21 SES vacancies through SOARS. There is no demographic data on participants.

Q. Please explain the *Luevano* Consent Decree and its relationship to the Outstanding Scholar Program. What is the demographic make up of applicants and graduates of the program?

A. The *Luevano* Consent Decree, approved in 1981 by the U.S. District Court for the District of Columbia, resolved a class-action suit that was filed in 1979 and was originally known as *Angel G. Luevano, et al., Plaintiffs, v. Alan Campbell, Director, Office of Personnel Management, et al.* (The *et al.* for the defendants included approximately 45 named departments and agencies as representatives of the defendant class, and all agencies that ever used, or planned to use the Professional and Administrative Career Exam (PACE).) The plaintiffs argued that PACE, which the Federal Government had been using as the assessment tool for about 120 professional and administrative occupations at the GS-5 and GS-7 levels, violated Title VII of the Civil Rights Act of 1964 by having adverse impact on African-Americans and Hispanics for reasons that were not job-related.

One provision of the Consent Decree is the Outstanding Scholar Program (OSP). Outstanding Scholar provides a non-competitive vehicle for candidates to be appointed into the competitive service. This appointing authority allows agencies to hire, without further assessment, college graduates who obtained a grade point average of 3.5 or higher on a 4.0 scale for all undergraduate courses completed toward a baccalaureate degree, or who stand in the upper 10 percent of a baccalaureate graduating class, or of a major university subdivision. Outstanding Scholar serves as a supplement to, but not a substitute for, competitive examining for certain administrative and management positions at the GS-5 and GS-7 levels. Outstanding Scholar should not be used unless an agency has an established pattern of competitive selection into the covered jobs or is currently making competitive selections into those jobs. There is neither a requirement nor an authority to use this program to hire only persons from the designated minority groups.

The following charts indicate the race and national origin hires of OSP eligibles from 1982 to 2002. Applicants who meet the requirements of the Program and the position are appointed at the GS-05 or GS-07 grade levels. Eligibles are appointed using the OSP hiring authority. Appointees do not "graduate" from this Program; it is a means for bringing them into Federal service.

Outstanding Scholar Appointments from 1982 through 2002

Year	1982 - 2002
Black	2,883
Hispanic	1,536
White (Non-Hispanic)	21,947
All Others	1,901
Totals	28,267

Outstanding Scholar Appointments by calendar year

Year	'82	'83	'84	'85	'86	'87	'88	'89
Black					27	97	81	72
Hispanic				1	12	33	35	31
White (Non-Hispanic)	4			5	196	734	860	666
All Others	0				8	52	45	127
Totals	4	0	0	6	243	916	1,021	896

Year	'90	'91	'92	'93	'94	'95	'96	'97
Black	117	336	156	126	179	210	181	176
Hispanic	34	160	89	72	124	138	103	130
White (Non-Hispanic)	1,139	3,172	1,794	1,256	1,222	1,382	1,337	1,422
All Others	110	186	77	71	129	138	119	116
Totals	1,400	3,854	2,116	1,525	1,654	1,868	1,740	1,844

Year	'98	'99	'00	'01	'02
Black	213	256	253	203	200
Hispanic	124	117	143	106	84
White (Non-Hispanic)	1,343	1,537	1,369	1,318	1,191
All Others	116	163	165	147	132
Totals	1,796	2,073	1,930	1,774	1,607

Q. Can you tell us which agencies, in your view, have done the best job of achieving diversity in the career SES? What have these agencies done to achieve the success they have had?

A. The Social Security Administration (SSA) has a long-standing tradition of developing leadership from within, resulting in a diverse SES corps that reflects its diverse workforce. For example, 94 percent of the most recently completed SES Candidate Development Program (CDP) class remaining with the agency has been selected for placement in SES positions at SSA.

Labor also has a diverse SES corps. Diversity has been an element of the Department's Annual Performance Plan in recent years. They have a strong leadership development program that recruits from outside Government and a formal mentoring program. These activities have contributed to a talented and diverse leadership succession planning pool.

The Department of Health and Human Service (HHS) has successfully recruited a diverse pool of health and scientific professionals. HHS has established an Emerging Leaders program as a primary tool for grooming future executives. The Environmental Protection Agency and the National Aeronautics and Space Administration have also made steady progress through Candidate Development Programs and other means.

The General Services Administration (GSA) has several initiatives to improve diversity. These include formalizing the recruitment plans for senior leadership positions; implementing an Advanced Leadership Development Program, which is designed to develop executive potential of GS-14 and GS-15 employees; and reaching out to a broad range of advocacy and professional groups; and expanding recruitment for SES positions to the non-Federal sector. Some of these initiatives are new, so their impact is unclear.

Within the Department of Commerce, the Patent and Trademark Office (PTO) successfully implemented an integrated program designed to provide a highly diverse and experienced pool of individuals to fill future SES vacancies. PTO carefully analyzed their current and projected SES needs based on mission requirements. The program was initially implemented in the early 90's and incorporated targeted recruitment and extensive training within designated specialty areas. PTO projected a multi-year development phase to prepare new hires to move through various levels of nonsupervisory and/or supervisory positions to establish a highly diverse pool of experienced professionals for current and future SES vacancies.

The Department of Justice (DOJ) is implementing a pilot program with the attorney workforce and a new SES CDP to help them continue recent progress made in achieving a more diverse leadership cadre. The Department of State has made similar progress through its Candidate Development Programs in recent years.

Q. Do you believe there is sufficient female and minority representation in the processes used to select for career SES positions – specifically in the Qualifications Review Boards used by OPM to certify SES candidates and in the agency Executive Resources Boards used to make a final selection?

A. OPM is mindful of the importance of including women and minorities among the people who serve on the panels that certify the leadership qualifications of potential executives. Our letter to agencies requesting SES members to serve on Qualifications Review Boards asks them to,"include minorities and women among your designees. By including historically under-represented groups in the decision making process, a multi-cultural bridge is built that reinforces the credibility of QRB actions and our commitment to diversifying the executive corps."

We do not know the demographic makeup of agencies' Executive Resources Boards.

Q. The Notification and Federal Employee Antidiscrimination and Retaliation (No Fear) Act went into effect this past October 1. In your view, how do you see the act affecting policies promoting an inclusive workforce?

A. The United States and its citizens are best served when the Federal workplace is free of discrimination and retaliation. In order to maintain a productive workplace that is fully engaged with the many important missions before the Government, it is essential that the rights of employees, former employees and applicants for Federal employment under discrimination, whistleblower, and retaliation laws be steadfastly protected and that agencies that violate these rights be held accountable. Efforts under the Act to meet these principles will create a workplace more conducive to an inclusive workforce. Knowing that their essential rights are protected should help individuals focus more easily on joining and being productive members of the workforce.

Q. It is my understanding that agencies do not keep track of the demographics of applicants for SES positions. Should agencies be required to collect such information and how might that better help us understand the hiring trends in the SES?

A. Under the Paperwork Reduction Act, the Office of Management and Budget (OMB) must determine that a collection form for applicant demographic data is a necessary and reasonable burden. OPM already uses form SF 181, which collects demographic information on those hired into SES positions.

Response to Chairwoman Jo Ann Davis Questions
By
African American Federal Executive Association

Question: What are your organizations doing to prepare minorities for the opportunities to serve in the Senior Executive Service?

Response: The African American Federal Executive Association was founded in February 2002. Our primary focus this year is on recruiting members. Next year we plan to conduct a training conference for federal employees in grades GS –13 and above. We have already developed the curriculum and are in the process of selecting a site and speakers/instructors.

Question: Do you believe there are deficiencies in the hiring and recruiting process that deny agencies a sufficient cross-section of qualified applicants?

Response: There are deficiencies in the hiring and recruiting process that if corrected would increase the cross-section of qualified applicants. 1). The hiring process is too long. Federal agencies are competing with private corporations for the best available talent. Private corporations hire on the spot. To be competitive federal agencies need to have on the spot hiring authority/practices. 2). Federal agencies need to hire ethnic recruiters who can relate culturally to a diverse pool of candidates. Many agencies send White recruiters to recruit African Americans, Hispanics, Asians, etc. The recruitment team needs to include minorities who have a common cultural base line and can relate to the concerns of the talent pool. As an example many African American have concerns about the availability of adequate housing, social outlets, safety, and other after work hour's activities that influence their decision on employment. The recruiters need to be able to address these concerns in addition to

the technical requirements of the particular position. 3). Agencies that offer the possibility of attending graduate school as an incentive to applicants need to include attendance at Historically Black Colleges and Universities (HBCUS). Most schools mentioned are predominately White Institutions. These should be offered as well as HBCUS. 4). Agencies need to increase their share of advertisement in ethnic publications. This will provide maximum exposure of federal opportunities to all segments of the US population.

Question: Do you believe that non-minorities are provided with projects and work assignments that allow them to prove their abilities and also develop the leadership skills necessary for senior leadership positions? Can you offer any special examples to support your point of view?

Response: Yes I believe that non-minorities are provided with projects and work assignments that allow them to prove their abilities and develop leadership skills necessary for senior leadership positions. Many people bond together because they attended the same university or live in the same neighborhood or have the same ethnic heritage. They spend time together professionally and socially bonding in a manner that encourages favoritism. Minorities are under represented in the federal workforce; go to different universities and many live in different communities. They therefore do not have the same opportunity to bond and influence assignments. To level the playing field agencies should be encouraged to advertise assignments and projects and assign them in a competitive manner.
Agencies should also be required to report to congress the universities that their senior people, grades GS-14 and above attended to prevent monopolies by certain institutions.
Information should be collected on both undergraduate and graduate degrees. Several agencies appear to be recruiting,

promoting and selecting non-minorities for senior leadership positions from the same university. This process is depriving these agencies of qualified minorities as well as non-minorities from institutions other then the favorite institution.

Response to Congressman Danny K. Davis Questions
By
African American Federal Executive Association

Question: You testified that your organization provided comments to OPM regarding the development of the CDP, but not all of them were incorporated. Which of your recommendations were rejected by OPM? Had they been accepted, how would the CDP program be better?

Response: OPM did not accept two of our recommendations that are closely related. **We recommended that the CDP application process permit candidates to apply directly to OPM to avoid being deterred by their agency**. Without this process the agencies will continue to claim that they cannot find qualified minority candidates even though many highly qualified candidates already exists in their agencies. We also believe that many agencies will recommend white females for the CDP vice African American candidates where the need for diversity is the greatest. OPM accepted this recommendation but they also elected to permit applicants to apply through their agency nomination process. **We also recommended that OPM make all selections for the CDP**. We are concerned that even when presented with qualified candidates the agencies will not select a minority. OPM has

elected to use a selection process that includes representatives from the affected agency. AAFEA accepts these decisions by OPM and will monitor the process to ensure African Americans are not excluded from the process.

Question: You recommended to this Subcommittee that agencies that have failed to achieve diversity in the SES ranks have their authority to fill such positions transferred to either OPM or a Congressionally appointed board until SES parity is achieved. Please explain how an appointed board could function in this situation?

Response: In this situation an appointed board could function as follows. This subcommittee would implement legislation requiring that when SES representation in an agency falls below SES parity, the agency would be required to submit to a congressionally appointed SES hiring panel all applicants for future SES vacancies. The panel would consists of five individuals, three permanent members appointed by the subcommittee and two members representing the below parity agency. The panel would review the agencies recruitment and if convinced that sufficient out reach had occurred, rank, interview applicants and make a selection. A majority of votes would be required to select an individual. If the agency would not accept the individual selected by the panel the agency would permanently lose the SES position and authorization. When the agency achieved SES parity normal hiring practices would resume. Any time an agency falls below parity the process outlined above would apply. Parity as a minimum would be equal to overall ethnic representation in society. The subcommittee would require the General Accounting Office to validate an agencies status prior to any SES recruitment action.

AAGEN's response to the Subcommittee's questions on "Achieving Diversity in the Senior Executive Service"

Questions from Chairwoman Davis:

Q. What are your organizations doing to prepare minorities for the opportunities to serve in the SES?

A. Ever since its inception ten years ago AAGEN has served as mentor, coach, and advisor to countless APA federal employees and employee organizations. AAGEN has conducted numerous career development workshops, and participated in national conferences such as FAPAC, ASPIRE, APANA, CAPAL. In addition to being visible role models for aspiring APAs, individual AAGEN members also provide one on one coaching, advising, and consulting to young and middle grade APAs throughout the government. AAGEN was directly responsible for mentoring the first APA SES in the Department of Agriculture when he was only a GS14, and has coached many others who subsequently were promoted to GS 14, 15 and SES.

Q. Do you believe there are deficiencies in the hiring and recruiting process that deny agencies a sufficient cross-section of qualified applicants?

A. Without a doubt, agencies have not fostered a sufficiently diverse pipeline to feed qualified minority applicants in public service. While some agencies (e.g., NASA) have extensive outreach and financial support programs for Historically Black Colleges and Universities (HBCU's) and Hispanic American Colleges and Universities (HACU's), few if any reach out to schools such as University of Hawaii, Guam, or even CSU-San Francisco. Of course elite institutions that have large APA enrollments (e.g., UC Berkeley, UCLA, MIT) are the targets of corporate recruiting, but are often neglected by many federal agencies because of the uncompetitive salaries for such highly marketable graduates. The problem can be especially acute at graduate schools where a growing proportion of students are non-citizens and therefore not immediately eligible for federal employment. Delays and problems in getting appropriate visas can be an impediment for employing some APAs.

Q. Do you believe that non-SES minorities are provided with projects and work assignments that allow them to prove their abilities and also develop the leadership skills necessary for senior leadership positions? Can you offer any special examples to support your point of view?

A. Without objective data we have only anecdotal examples of APAs for whom English may be a second or third language and are typically overlooked because of perceived "communication problems" or who are, because of cultural stereotyping, perceived to be insufficiently "American", i.e., forceful, outspoken, aggressive, and therefore lacking in "management potential". APA women can be especially disadvantaged because they need to overcome biases based upon both feminine and Asian stereotypes.

Questions from Ranking Member Davis:

Q. It is my understanding that agencies do not keep track of the demographics of applicants for SES positions. Should agencies be required to collect such information and might that help us understand the hiring trends in the SES?

A. Yes. Unless these statistics are collected and analyzed, it would be difficult if not impossible to determine exactly what the problem is, and where it is most egregious. As graphically illustrated by the recent California proposition in collecting racial data, as well as the problems of racial profiling by the East Coast traffic police, demographic ignorance will lead to both bad policies and laws and irresponsible law enforcement. We need to be able to differentiate those agencies that have robust diversity recruitment programs from those that do not. Demographic data on the applicant pool is essential for any meaningful analysis.

Q. In your statement you assert that OPM lacks credibility to provide leadership toward achieving diversity because it is among one of the worst performing agencies with respect to the inclusion of APAs at the executive level. Do you believe, as such, that the leadership role should be shifted to another agency, such as the EEOC?

A. Yes.

Achieving Diversity in the Senior Executive Service
Questions for the Record
Social Security Administration

1. Please break down statistically, using both actual numbers and percentages, the minority population in your agency.

The composition of the SSA workforce, including all permanent employees as of October 1, 2003, is shown below:

African-American	17,773	27.3%
American Indian	778	1.2%
Asian Pacific Islander	2,256	3.5%
Hispanic	7,710	11.9%
White	36,464	56.1%

2. Please explain the process that your agency has in place for selecting individuals to the SES.

After considering the strategic needs for use of SES allocations, the Commissioner authorizes staffing activities to proceed for an SES vacancy. As appropriate and under the aegis of the Executive Resources Board (ERB), an SES vacancy announcement is opened and posted to USAJobs (an Office of Personnel Management internet site), the Social Security Administration (SSA) intranet, and other sites and publications as appropriate.

Expert human resource staff members screen applications and release the applications for all qualified candidates to a diverse, 3-member SES-level panel. Panel members are selected on a case-by-case basis for each vacancy, and reflect a range of perspectives of executives throughout the agency who are familiar with the duties and qualifications of the position. The panel places each application in 1 of 3 categories using a set of valid, job-related rating criteria: Highly Qualified applicants as well as Well Qualified or Minimally Qualified applicants eligible for noncompetitive placement, are then referred to the head of the major agency component in which the vacancy exists. The ERB certifies that the recruitment and rating processes conform to regulatory and statutory requirements as well as agency policy directives.

The component head, such as a functional Deputy Commissioner who reports directly to the Commissioner, then fully considers the qualifications of the applicants referred. As appropriate this official also performs reference checks and conducts interviews before recommending a selectee to the Agency Head [Commissioner]. The Commissioner makes the final selection.

3. What steps are being taken to improve diversity in the SES?

SSA focuses on ensuring equal opportunity in the workforce, including at the SES level, so that we may fulfill our mission to serve all segments of the public. Our efforts and results have been praised by OPM and include tools and techniques cited by OPM as critical for success, e.g., proactive outreach to feeder groups of individuals with leadership potential. OPM also recognized us as one of the model agencies for Hispanic hiring in its June 2003 report to the President. We have made major strides in increasing our workforce's Asian American/Pacific Islander population. We lead the government in hiring individuals with targeted disabilities. As a model employer, we are benchmarked continually by not only other Federal agencies, but by private industry for virtually every aspect of our approach to assure equal opportunity to all. Our efforts encompass all levels of hiring, from front-line field office employees to the highest executives, and include:

- ***Proactive Succession Planning Initiatives.*** We pride ourselves on building and maintaining a pipeline of qualified individuals who are from and serve all segments of the public. This pipeline provides us pools of employees who are able to aspire to and assume the agency's leadership positions. Our proactive workforce planning initiatives result in ample opportunities for highly talented staff to develop into future leaders by performing challenging assignments and participating in rigorous leadership development programs.

- ***Cohesive Recruitment/Candidate Outreach Strategies.*** We have both national and regional recruitment coordinators. We rely on the extensive expertise of managerial staff skilled in outreach and hiring methods to attract the best applicants possible. We use flexibilities such as the Presidential Management Intern Program, Bilingual/Bicultural Program and the Outstanding Scholar Program. Members of headquarters and regional diversity advisory committees serve on or advise recruitment cadres across the country. We recruit at historically black colleges and universities, Hispanic-serving institutions, and have agreements with Native American tribal colleges and universities. We have forged partnerships with a variety of organizations that are aligned with diverse populations including the Hispanic Association of Colleges and Universities and the Association on Higher Education and Disability. The agency has been recognized for unstinting commitment to equal opportunity by such organizations as the League of United Latin American Citizens, National Image, the Office of Personnel Management, the National Associate of Hispanic Federal Executives, several Equal Opportunity publications, the City of Baltimore, the Ford Foundation, and the Kennedy School of Government at Harvard University.

- ***Commitment to Equal Opportunity from SSA's Highest Levels.*** We have a highly successful SES Candidate Development Program. Ninety-four percent of those in our most recently completed class were appointed to the SES. One third of the appointees were women and forty percent were minorities. The Commissioner leads by example in continually and personally analyzing composition of hiring across the agency, including at the SES level, to assure and emphasize fair and equal opportunity for all. She does this in Executive Staff Meetings and in other settings with her direct reports. For many years, we have had national and regional advisory councils for female and minority employee and mission-related issues as well as councils for employees with disabilities. These groups provide ongoing recommendations and assistance on recruitment and other business issues affecting SSA.

4. Please identify any problems that you have encountered in trying to achieve a diverse, but a highly capable SES?

The key to achieving a diverse organization begins with the Commissioner's deep commitment to attracting and retaining a well qualified, highly trained and motivated workforce at all levels, including the SES. With such leadership and dedication, barriers to achieving diversity are weakened and eliminated. There is one issue faced by SSA that can deter interest from some capable potential leaders, however. That is the fact that the preponderance of the agency's SES positions is not in Washington, D.C. The vast majority of SSA headquarters staff is situated in Woodlawn, Maryland, a suburb of Baltimore; the rest of the staff is located around the country in ten regions.

5. Please provide the Subcommittee with any recommendations that will assist the agency in selecting the best and brightest individuals to the SES.

SSA's recommendations for the SES recruitment process will equip agencies with the tools they need to recruit and retain the most highly qualified executives Government-wide:

- ***Eliminating Qualifications Review Board (QRB).*** While we recognize the interagency perspective that OPM-convened QRBs provide to the SES staffing process, we believe that empowering Agency Heads with the full authority to make final decisions on SES selections without these boards will reduce profoundly the timeframe and administrative burden associated with filling positions. Agency Executive Review Boards (ERBs) already certify the qualifications of each candidate within the SES staffing process, which includes certifying that the candidate possesses the required Executive Core Qualifications for which OPM's QRBs examine. In addition to alleviating the administrative burden for agencies and OPM, eliminating the requirement increases agencies' competitiveness as they may extend employment offers as quickly as (or quicker than) employers in the private sector. Lastly, this measure

would acknowledge the capability and mission imperatives of Agency Heads to fill leadership posts rapidly with high-caliber individuals possessing proven records germane to very specific public service needs. We are confident that this streamlined process would continue to protect the quality of leadership skill within the SES population, for which the QRB process currently exists.

- ***Alleviating Pay Compression.*** Recent approval of the National Defense Authorization Act of 2004 will raise the SES pay cap for agencies with certified performance appraisal systems. We believe that this step toward eliminating SES pay compression is a boost to attracting qualified individuals into Federal service. SSA supports such long-overdue pay cap relief.

- ***Expanding Annual Leave Benefits for New Executives.*** The ability of new entrants to the SES from outside the Federal government to earn 8 hours of annual leave immediately upon SES appointment would help attract new interest from qualified applicants.

6. GAO has testified of the importance of succession planning in achieving workforce diversity, especially at the senior executive level.

    - Please explain what your agency has done, or is doing, in succession planning for future executive vacancies.

SSA has practiced active succession planning for some time, including utilization of detailed, data-driven workforce analyses of the "retirement wave" and other agency-specific workforce phenomena. As part of SSA's proactive approach to curbing potentially mission-compromising workforce trends, we have launched multi-tiered national leadership development programs--the SES Candidate Development Program for upper-level staff (GS-15), the Advanced Leadership Program for mid-level staff (GS-13 and GS-14), and the Leadership Development Program for lower-level staff (GS-9 through GS-12). We have also used the Presidential Management Intern Program extensively. In addition, we have many other leadership development programs at regional and component levels. We support and encourage participation in the full array of leadership development opportunities. For example, SSA's Hispanic and Black Advisory Affairs Councils conduct workshops for *all employees* interested in applying for the agency's national Leadership Development Program.

All programs employ rigorous, competency-based selection processes, which are results-oriented to ensure the best candidates are selected for challenging developmental activities. Program participants gain opportunities for competency-enhancing job rotations, classroom and academic training, mentoring, self analysis, seminar and conference participation, study of leadership publications and other learning experiences. All programs are keyed to assuring achievement of Agency goals.

- How has top leadership in your agency demonstrated its active support for succession planning?

SSA's top leadership, including the Commissioner, the Executive Resources Board, and other direct reports to the Commissioner are all deeply committed to actively facilitating succession planning. This commitment is manifest in their:

  - personal involvement in articulating, setting and evaluating policies for all major succession planning activities
  - facilitating and conducting outreach to sources of qualified candidates
  - budgeting ample funding to support meaningful formal leadership development programs
  - fostering interest and participation in leadership development among individuals within their own organizations and those of their peers
  - mentoring formal developmental program participants and those not in programs but seeking informal guidance on career paths to leadership opportunities.

- Has your agency's succession planning been linked to its strategic planning?

Yes. The agency values and invests in its workforce at all levels. SSA's 2003-2008 Strategic Plan articulates agency goals centered on achieving critical service, stewardship, solvency and staff outcomes. Across the agency, all executives, managers and supervisors are united in and committed to supporting SSA's mission by managing and aligning staff strategically. To this end, the Strategic Plan requires that we:

  - align human capital policies to support the Agency's mission, goals and strategies
  - recruit, hire, develop and retain staff with mission-critical competencies
  - inspire and motivate others toward goals and high performance
  - model high standards
  - promote a knowledge-sharing culture, openness and continuous learning and improvement

From top leaders to lower-level managers, there is on-going analysis of retirement and other human capital-related data vis-à-vis anticipated and emerging workloads that impact strategic objectives.

- To what extent is diversity an element in such planning?

Strategic agency goals call for high standards of integrity, respect for individuals, and ensuring fairness in the workplace. Every agency manager is accountable for achieving these goals as part of his/her formal, written performance expectations. Thus emphasis on equal employment opportunity is integral to strategic succession planning in SSA and to the tactical performance objectives of individual managers and executives.

7. To what extent does the federal government's tendency to promote from within contribute to, or hinder, diversity in the SES?

Agencies should recruit from sources likely to produce a pool of well qualified individuals to perform their missions. This is true for recruiting at all levels, including the SES. If an agency invests in a diverse pipeline of highly competent, skilled, and motivated staff, top notch future leaders will be present. Creating this pipeline assures a range of high caliber staff from among whom selections may be made for both leadership development and leadership positions.

8. In order to groom young minorities for leadership, has the federal government had an adequate recruiting presence at historically black colleges, or other institutions with a high percentage of minorities?

Historically, SSA has maintained strong relationships with historically black colleges and universities and Hispanic-serving institutions, with which we have coordinated recruitment efforts. In addition, the agency has formed agreements with Native American tribal colleges and universities. These relationships and agreements are very beneficial to the agency's workforce planning and reinforce SSA's commitment to building a workforce reflecting our nation as a whole.

9. Please discuss the number of SES openings in your respective agencies for FY 2002 and FY 2003 and the demographics of the individuals appointed to those vacancies by fiscal year. Please provide the data in the format attached to this document. How do you intend to improve diversity in the SES within your respective agencies?

See the attached chart. Over fiscal years 2002-2003, SSA selected 15 females and 12 minorities for appointment to the Senior Executive Service (31% and 24% of our total SES recruitment for this period, respectively.) Of the SES members on board as of December 1, 2003, 41 (or 29%) are minorities and 50 (or 35%) are women. SSA's representation of women in our SES workforce is 10% higher than the representation of women in the SES across government (24% according to OPM). Additionally, our representation of minorities in SSA's SES corps is nearly double that of minority SES members across government (15% according to OPM).

The top leadership commitment and the many approaches previously discussed in SSA's responses to these questions will continue to be key factors in the agency's attracting and maintaining a workforce at all levels mirroring the public we serve.

10. Do your respective agencies have a candidate development program to prepare employees at the GS 14/15 level for the SES? If no, why not?

Since 1998, SSA has sponsored two SES Candidate Development Program (CDP) classes and has selected a total of 79 SES candidates. SSA's CDP is open to GS-15s Government-wide.

SSA has an established leadership development strategy in place that targets high potential GS-9 through GS-14 employees for development. In that strategy the Advanced Leadership Program (ALP) provides developmental opportunities for GS-13s and GS-14s. The ALP provides the GS-14 participants with a temporary promotion to the GS-15 level. Since 1998, there have been 109 selections for the ALP, with an additional 80 selections anticipated before the end of the year. Most of the selectees ultimately receive a permanent promotion to GS-15.

a. If yes, what are the components of the program?

SSA's SES CDP is designed to develop the executive skills of employees who have demonstrated potential for entry into the SES ranks. The program consists of individually planned developmental experiences and formal training to prepare candidates for SES certification within 12 to 18 months. Prior to requesting certification, SES candidates must complete a variety of challenging developmental activities. These include:

- Selection of an SES member to serve as their mentor;
- Development and implementation of an Individual Development Plan that is approved by the ERB;
- Completion of at least 2 developmental assignments: one 4-month assignment outside of their home organization and one 4-month assignment outside of SSA;
- Completion of an assignment in an operations workload component--for candidates with no previous operational "line-management" experience; or
- Completion of an assignment at SSA headquarters—for candidates with no previous headquarters staff experience;
- Completion of at least 80 hours of interagency training that addresses the five executive core qualifications;
- Attendance at the SES CDP Orientation and all Core training programs.

Completion of 1 full year in the program is required before a candidate may request SES certification.

b. How many individuals participate in the program yearly?

SSA's CDP is not announced on an annual basis. The frequency of class announcements and the number of individuals referred to the Commissioner for selection are recommended by the ERB. Since 1997, there have been two SES CDP announcements. A total of 36 candidates were selected for the first class in June 1998; the second class of 43 candidates was selected in August 2002 and that program is still active.

c. How many of those have been women and minorities?

The 1998 SES CDP had 36 candidates: 14 were women and 12 were minorities. For the current CDP there were 43 selections: 22 were women and 12 were minorities.

d. How many from the program were selected for the SES positions; and

- 1998 SES CDP: 30 of 36 candidates received SES placement (three of the 6 not receiving SES appointments have left the agency).

- 2002 SES CDP: 18 of 43 candidates have received SES appointments (this program is still active, with 25 continuing participants)

e. How many of those were women and minorities?

- 1998 SES CDP: 11 women and 17 were minorities
- 2002 SES CDP: 9 women and 4 are minorities

f. What mechanisms do you have in place to measure the program's success?

SSA has an established policy of evaluating all its development programs to ensure they are effective. We contracted with an outside organization to survey SES CDP participants, mentors and stakeholders on the program features including the selection process, assessment center, mentoring program, developmental assignments and training, and program features. Overall, the majority of the feedback received was positive. In terms of mission outcomes for the agency, contributions of CDP participants are among those of the very best of our leaders. CDP members include recipients of multiple SES bonuses and Presidential Rank Awards.

11. Do your agencies plan to participate in OPM's CDP program?

SSA has no plans at the present to participate in the first offering of OPM's program. Our strategies for mission driven leadership forecasting and development have proven successful. We continually examine and refresh these strategies and have the commitment of the Commissioner and all senior leaders across the agency to emphasize them as high priorities. Therefore, currently the best use of our limited resources is to continue our existing approaches.

12. How are selections made for career SESers in your respective agencies? To what extent are women and minorities participating in the selection process?

Please see the response to Question 2 in this paper that describes SSA's process for making SES selections.

Women and minorities evaluate applications as part of SES rating panels for our executive-level vacancies. In addition, women comprise half of SSA's Executive Resources Board, while minorities also comprise half of the Board.

13. Are executives at your agencies held accountable for diversity by having it as an element in their performance contracts?

Yes. Performance plans for each SESer call for leadership behaviors and results that demonstrate valuing and investing in employees and providing fair and equitable recognition and equal opportunity. Each SES plan also calls for personal leadership accomplishments in achieving initiatives in the President's Management Agenda (PMA) for strategic management of human capital, and achieving goals and objectives in the Agency's Strategic Plan (ASP) to strengthen staff. Objectives of both the PMA and ASP are rooted in principles of merit and equal opportunity.

FY 2002 Hires

GRADE	ALL	WHITE		BLACK		HISPANIC		ASIAN		INDIAN		
		FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	OTHER
Total SES Hires	23	3	13	1	5	1	0	0	0	0	0	0
SES Career	14	2	8	1	3	0	0	0	0	0	0	0
SES Noncareer	9	1	5	0	2	1	0	0	0	0	0	0
SES Ltd Term	0	0	0	0	0	0	0	0	0	0	0	0

FY 2003 Hires

GRADE	ALL	WHITE		BLACK		HISPANIC		ASIAN		INDIAN		
		FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	FEM	MALE	OTHER
Total SES Hires	26	7	14	2	1	0	1	0	0	1	0	0
SES Career	22	7	10	2	1	0	1	0	0	1	0	0
SES Noncareer	3	0	3	0	0	0	0	0	0	0	0	0
SES Ltd Term	1	0	1	0	0	0	0	0	0	0	0	0

Answers for the Record
Federally Employed Women
"Achieving Diversity in the Senior Executive Service"
October 15, 2003

1. What are your organizations doing to prepare minorities for the opportunities to serve in the Senior Executive Service?

Federally Employed Women (FEW) provides training to afford women and minorities the opportunity to increase their knowledge of the Federal system, rules and regulations under which they work, to acquire technical skills and knowledge of career development and planning techniques, and to enhance personal effectiveness and awareness of the broader issues that impact women.

To further increase the availability of training needed to qualify women and minorities for SES positions, FEW has formed a relationship agreement with the USDA Graduate School, the premier continuing education institution for government professionals. The Graduate School will provide training in four important topics at FEW's FY 2004 National Training Program (NTP), (1) Leadership Effectiveness Inventory: Assessing Your Leadership Skills; (2) Preparing for SES Positions; (3) Budget and Performance Integration; and (4) Basic Understanding of the Federal Budget Process.

FEW conducts a variety of training programs geared to the needs of the specific level of the organization -- national, regional, or local. The NTP is conducted annually during the month of July as FEW's premiere training event and offers a multitude of training topics ranging from skill building and career development to leadership training and supervisory and management techniques, from general personnel policies to specific procedures relating to sex discrimination and sexual harassment. This event also provides a unique networking opportunity for Federal employees across the country. Each of FEW's regions sponsors at least one Regional Training Program (RTP) each year. RTPs enlarge upon training conducted at the national level that is not generally available at the local level. Chapters are in a position to tailor their training more specifically to local members' needs.

Additionally, FEW has instituted a diversity program with the aim of developing strategies to identify and eliminate barriers within the federal government. FEW examines demographics of the workforce according to age, race, sex, ethnic background, religious affiliation, disability and sexual orientation. As a part of our diversity program, we offer diversity training annually at our national, regional and chapter training programs. This training includes active participation by attendees to increase their awareness of the value of diversity in every aspect of their lives and especially in the workplace. This diversity training serves to increase attendee's levels of awareness, and encourage the concept that diversity can be used as a tool for a more effective organization.

Finally, FEW affords women the opportunity to serve in leadership positions in a supportive environment and to show their leadership skills to management . For example, serving as chairperson of a training program or special event co-sponsored with the Federal agency.

2. Do you believe there are deficiencies in the hiring and recruiting process that deny agencies a sufficient cross-section of qualified applicants?

FEW believes that currently the SES does not represent the diversity of the federal workforce as a whole. This is due to many reasons, including the fact that there is not adequate representation in the grade level 14 jobs or "pool" from which agency heads can choose SES candidates. Obviously this cannot be changed overnight, but a concerted effort needs to be made to fill these slots over the next couple of years with a more diverse and representative groups of employees.

FEW therefore believes there is room for improvement in the hiring and recruiting process for to ensure a better cross-section of qualified applicants. There should be more cross-training of employees to ensure that all are given the experience needed to enter the SES.

3. Do you believe that non-SES minorities are provided with projects and with assignments that allow them to prove their abilities and also develop the leadership skills necessary for senior leadership positions? Can you offer any special examples to support your point of view?

FEW believes that SES minorities are not sufficiently assigned to projects and/or provided cross-training to develop the necessary leadership skills for senior positions. FEW strongly feels that training and developmental job opportunities are the key to the advancement of both women and minorities. As a result, insuring that women and minorities have these necessary job experiences should be the basis for any program that seeks to encourage minority advancement, particularly in SES ranks. It has been our experience that in work environments where these types of opportunities are provided to minorities and women, they advance in the organization with their similarly trained peers.

To insure that there is parity between job experiences given to men, women and minority employees we strongly recommend that the EEO Offices should be required to monitor employee training, job rotations, and development assignments.

In addition, we recommend that management be encouraged to provide these opportunities to minority candidates. In attempts to improve this deficiency, FEW has strengthened its core training at NTPs to address this issue.

4. The January 2003 GAO Report found that unless there is some intervention, white women will replace white men who retire from the SES over the next 7 years. In your opinion, why are there not similar increases for minority women?

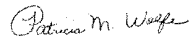
FEW remains concerned about the slower increases expected for minorities in the SES over the next 7 years. Because we have neither conducted research on this issue nor seen any studies, we can only guess at some of the reasons. First, as mentioned above, there is not enough cross-training conducted to adequately prepare minorities for the SES. Nor is there involvement of minorities at high-level meetings where personnel decisions are made. But the question remains, why are minorities left out?

Since we cannot cite one specific reason for this problem, we believe that instead our goal should be not to explain it, but to correct it. We need to start now to proactively attain higher levels of minority representation in the SES. This could begin with active recruiting programs for career ladder positions at historically black colleges, colleges with large populations of Hispanics and other minorities. This requires management training in the importance of diversity goals; better career ladder systems that enable minorities to reach the higher grade levels needed to enter the SES; training programs that prepare candidates for SES tests; and the inclusion of more minorities in high-level meetings and strategy sessions to obtain their input and suggestions.

One other point that we want to stress is that contractors, in many cases, are not as committed to diversity goals as the federal government. We ask Congress to ensure that contractors are held up to the same standards and oversight as the federal government to ensure that they also adhere to diversity goals and representation of all groups in their workforces.

Thank you again for this opportunity to follow up on your written questions, and to testify before your Subcommittee. We stand ready to work with you and the other members of the Subcommittee in moving the SES into a diversified group.

Sincerely,



Patricia M. Wolfe
President

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