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

HEARING

BEFORE THE

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

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

APRIL 29, 2010

Available via http://www.gpoaccess.gov/congress/index.html

Printed for the use of the Committee on Homeland Security and Governmental Affairs

U.S. GOVERNMENT PRINTING OFFICE

57–331 PDF WASHINGTON : 2010

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

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

THURSDAY, APRIL 29, 2010

U.S. SENATE,
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA,
OF THE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:35 p.m., in room SD–342, Dirksen Senate Office Building, Hon. Daniel K. Akaka, Chairman of the Subcommittee, presiding.

Present: Senators Akaka and Voinovich

OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. Really great to see all of you here today. This hearing will come to order. Good afternoon, and welcome to our distinguished panelists and our guests. I would like to thank you all for joining us here today for this hearing on employee and supervisor development in the Federal workforce.

Today the Federal Government confronts some of the most serious challenges in our Nation's history. Each day approximately two million civil servants sacrifice to protect our country from attack, serve our Nation's veterans, provide for the needy, and otherwise improve the lives of Americans. For too long, however, we have failed to provide Federal employees with the tools they need to be successful.

Agencies often cut employee training and development programs to stretch limited funding. Federal employees are left to execute their missions without the resources and support they need. As a former teacher, I understand that individuals need guidance and nurturing to excel. In order to provide efficient and effective government programs that taxpayers should expect, we must invest in Federal employee training and development programs.

By 2014, the Office of Personnel Management (OPM) estimates that nearly 500,000 Federal employees, including a large number of supervisors, will retire. The Department of Defense (DOD), our largest Federal agency, is projected to lose approximately 20 percent of its workforce to retirement by 2012.

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These impending retirements make training and developing Federal employees even more urgent. Federal agencies must take steps now to ensure that a new generation of employees is ready to lead when this retirement wave hits. My Federal Supervisor Training Act addresses this need.

Often new supervisors have no prior management experience and receive little training on how to be a good manager. My bill would require each Federal agency to provide mandatory training to new supervisors and retraining every 3 years. The bill would require training on topics including setting employee performance goals, mentoring and motivating employees, fostering a fair and respectful work environment, addressing poor performance, employee whistleblower, non-discrimination, and other rights and protections, and other important topics.

Supervisory training promotes better manager/employer/employee relationships, improves communication, reduces conflict and otherwise helps supervisors do their jobs better. And better supervisor performance leads to a more effective government. Good supervisors motivate and empower their employees, which improves agency productivity and saves taxpayers money.

Because of the many benefits of supervisor training, my bill is broadly supported by both labor and management groups. I was pleased that the National Defense Authorization Act (NDAA) for Fiscal Year 2010 contained nearly identical requirements for DOD employees. Additionally, OPM issued regulations last year to require more effective Federal supervisor training and I look forward to hearing from our witnesses on the progress being made in this area.

While these are positive developments, I believe legislation is needed to ensure that all supervisors receive the training and resources they need to perform well. Internship and apprenticeship programs can be a good avenue for focused training and development of new employees.

I am particularly proud of the Pearl Harbor Naval Ship Yard's apprentice program, which annually attracts about 5,000 applicants for 125 to 150 apprenticeships. Apprentices learn a trade and earn an associate's degree from the Honolulu Community College through this 4-year paid work study program.

While I am a long-time supporter of valid internship programs, I am concerned about the increased use of the Federal Career Internship Program (FCIP) as a hiring authority. More than half of the employees at grades 5, 7 and 9 of the General Schedule (GS), or more than 22,000 employees per year, are now hired through this program. Many of these employees receive little of the focused training and development that is required under the Executive Order establishing the program.

Labeling a hiring authority used for a wide range of positions as an internship program may weaken agencies' commitment to investing in real internships for focused employee development. Moreover, many have complained that agencies do not always honor veterans preference and other competitive service requirements when hiring through this program. As the chairman of the Veterans Affairs Committee and an ardent proponent of the merit system, the broad use of this program is very concerning to me.

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I look forward to hearing from our witnesses on these very important issues. With that, I would like to ask Senator Voinovich for any opening remarks he may have. Senator Voinovich.

OPENING STATEMENT OF SENATOR VOINOVICH

Senator VOINOVICH. Thank you, Mr. Chairman. As Senator Akaka knows, we have been long advocates of robust and focused training programs for supervisors and employees. This interest of mine stretches back more than three decades to my first months as mayor of the City of Cleveland.

At that time, the Cleveland Police Department employed a written exam to select officers for promotion to the supervisory ranks. However, the test measured a candidate's knowledge of departmental procedures while ignoring any assessment of skill sets important for successfully managing employees. My Administration worked to establish a more valid selection process tied to the desired outcome, namely, to identify and promote officers with strong interpersonal and leadership qualities.

Unfortunately, we see similar patterns in our Federal workforce. As agency missions become more complex, the ranks of the Federal workforce are increasingly filled by subject matter experts. Agencies often unnecessarily limit their focus when selecting future agency leaders.

I know it just drove the police department crazy, Senator Akaka, because I appointed a captain to be the new chief of police. They just could not believe that, but he was a really good manager. So I think so often we forget about how important these management skills are.

Federal employees often advance to the supervisory ranks because they are experts in cyber security or they are fluent in Arabic, not because they can effectively communicate performance goals to their employees or have outstanding mentoring skills. Preparing Federal agencies for future management challenges will require a shift in how agencies identify and train Federal managers and today we are going to hear from two important Federal agencies on efforts to do just that.

Today's discussion will include other important components in developing Federal workers, including student internship and mentoring programs. The Subcommittee is also fortunate to be joined by a representative from Procter & Gamble, a recognized leader in developing future private-sector managers.

But I would like to share some thoughts on a topic that I expect will draw much attention during the second panel, and that is the Federal Career Intern Program (FCIP). Today we will hear that the FCIP is either a well-designed legitimate hiring authority or a tool used by Federal agencies to frustrate the application of veterans' preference or discriminate against certain categories of applicants.

I would argue, however, that we in Congress cannot yet determine which characterization of the FCIP is proper. When it established the FCIP as a permanent hiring authority in September 2005, OPM granted agencies much flexibility in tailoring the selection, training, and conversion components of the program to their own specific needs.

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Moreover, reporting requirements for agency use of the FCIP are limited at best and few Congressional hearings have touched on this subject since the authority was put in place. Finally, the last comprehensive examination of FCIP was included in a report issued by the Merit Systems Protection Board (MSPB) in September 2005, the same month OPM's rule went into effect, and much activity has happened since that time.

In the absence of detailed information about how agencies employ the FCIP, we are left with anecdotal incidences of potential agency abuse of this tool. While such potential abuses are important, and if true need addressing, we cannot establish policy informed solely by such anecdotes. I would further argue that the increased use of FCIP does not necessarily mean this authority is being abused.

For example, when one looks at a large group of Federal employees assembled using the FCIP, we see some of the very outcomes that some people's claims are denied by its use. For example, the U.S. Customs and Border Protection (CBP) has used this tool to hire thousands of additional border patrol officers. Together, this collection of current and former career interns represents one of the most ethnically diverse components of the civilian Federal workforce and features one of the highest concentrations of veterans among civilian agencies.

Getting a firmer grip on the use of FCIP will require close examination by Members of Congress and I am glad today's hearing will provide one forum for such an examination. However, I must emphatically reject the premise that Congress must first resolve potential problems with the FCIP before working to provide Federal agencies with increased flexibilities and talent pipelines for filling the mission-critical positions of the future.

I am confident that the Members of this Subcommittee and its staff can examine both issues at once. And I worry each day that passes with Congress and the broader stakeholder community deadlock on this issue brings us one day closer to the largest demographic shift the Federal workforce has ever faced, and Senator Akaka has made that point—500,000 people by 2012.

We are losing valuable time in working to provide agencies with the human capital tools they need to get the job done. As I told OPM Director Berry recently, the recession presents a once-in-a-lifetime opportunity for the Federal Government to recruit and retain outstanding individuals. We are going to be able to even compete with Procter & Gamble for individuals who may not be able to find work in the private sector and whose talents will lead them back to higher paying jobs when the economy recovers.

So what I am concerned about is that we have this great opportunity to find some wonderful people and get them involved in the Federal Government. Once they come onboard, many of them, I think, are going to learn the wonderful opportunity they have to make a difference in the lives of the people who live in America and we will keep them onboard. But we cannot miss this golden opportunity that exists for us today.

Thank you, Mr. Chairman.

Chairman AKAKA. Thank you. Thank you very much for your statement, Senator Voinovich. On our first panel, it is my pleasure

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to welcome Nancy Kichak, the Associate Director for the Human Resources Policy Division at the Office of Personnel Management (OPM), and Marilee Fitzgerald, the Director of Workforce Issues and International Programs at the Department of Defense (DOD).

As you know, it is the custom of this Subcommittee to swear in the witnesses, so I ask you to stand and raise your right hands.

Do you solemnly swear that the information you are about to give this Subcommittee and your testimony is the truth, the whole truth, nothing but the truth, so help you, God?

Ms. KICHAK. I do.

Ms. FITZGERALD. I do.

Chairman AKAKA. Thank you. Let the record note that the witnesses answered in the affirmative.

I want you both to know that although your remarks are limited to 5 minutes, your full statements will be included in the record. Ms. Kichak, will you please proceed with your statement?

TESTIMONY OF NANCY H. KICHAK,[1] ASSOCIATE DIRECTOR AND CHIEF HUMAN CAPITAL OFFICER, U.S. OFFICE OF PERSONNEL MANAGEMENT

Ms. KICHAK. Chairman Akaka and Ranking Member Voinovich, thank you for inviting me to testify at this important hearing on mentoring and training for employees and supervisors in the Federal Government.

It is not possible to overstate how important our Director, John Berry, believes training is in our effort to nurture a high quality, high performing workforce. We strongly believe providing managers and supervisors with the training they need is critical to their success, and consequently, the success of the Federal workforce.

Mr. Chairman, we at OPM appreciate the efforts both you and Senator Voinovich have taken to move the government forward in its approach to supervisory training. Senator Voinovich led the effort to enact the Federal Workforce Flexibility Act of 2004, which requires agencies to establish a comprehensive management succession program that includes training to develop managers.

OPM published final regulations last year requiring supervisory training within 1 year of a new supervisor's appointment and retraining at least once every 3 years on options and strategies to mentor employees, improve employees' performance and productivity, conduct performance appraisals, and identify and assist employees in addressing unacceptable performance. OPM is currently developing guidance to assist agencies in implementing this final regulation. Our plan is to include this guidance in a newly revised training policy handbook that we hope to finish later this year.

Mr. Chairman, I know you have introduced the Federal Supervisory Training Act with the aim of enhancing Federal employee and manager performance and in turn agency performance. The bill includes requirements for new supervisors to receive interactive instructor-based training. In addition, agencies would be required to develop mentoring programs for new supervisors and evaluate the effectiveness of supervisory training programs.

[1] The prepared statement of Ms. Kichak appears in the Appendix on page 39.

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At the request of the Subcommittee staff, OPM recently conducted an informal inventory of agencies to determine what agencies are doing to meet the supervisory training requirements in our regulations and those that would be required under S. 674. Twenty-five agencies responded to the request. About half of the agencies we surveyed currently are meeting those requirements and a majority of the others are developing supervisory training programs to fully comply.

Most agencies go beyond the requirements in the Federal Workforce Flexibility Act and offer new supervisors training in additional key areas such as recruiting and hiring, labor and employee relations, team building, strategic planning, and conflict management. Five agencies, including the Department of Defense, meet all of the additional training requirements presented in S. 674, and six more agencies meet the requirements in the bill, except for the requirement to establish mentoring programs for new supervisors.

To assist agencies in the development of successful mentoring programs, OPM recently issued a publication on mentoring best practices and hosted a best practice and mentoring forum where five agencies discussed their mentoring programs with the Federal learning and development community. Mentoring is also an integral part of many developmental programs and plays a huge role in developing and retaining a diverse workforce.

You also asked me to address our role in overseeing the Federal Career Intern Program. The program was established by Executive Order in 2000 to help agencies recruit individuals for careers in analyzing and implementing public programs during a time when the threat of the retirement wave was imminent. Agencies are required to develop 2-year formal training and job assignment programs for each career intern. Upon successful completion, agencies have the option of bringing in these interns into the permanent workforce.

OPM oversees the program. Through our implementing regulations and other agency guidance, we directed agencies to develop merit-based procedures for recruiting and selecting interns in accordance with the government regulations governing employment in the accepted service. We will be reviewing the program and making recommendations for its future as part of the Administration's Federal hiring reform initiative.

Thank you for this opportunity to participate in the discussion and I will be happy to answer any questions.

Chairman AKAKA. Thank you very much, Ms. Kichak. And now we will hear from Marilee Fitzgerald. Please proceed with your statement.

TESTIMONY OF MARILEE FITZGERALD,[1] DIRECTOR, WORKFORCE ISSUES AND INTERNATIONAL PROGRAMS, U.S DEPARTMENT OF DEFENSE

Ms. FITZGERALD. Thank you. Good afternoon, Mr. Chairman and Ranking Member Voinovich. On behalf of the Secretary of Defense, Robert Gates, thank you for inviting us today to discuss with you

[1] The prepared statement of Ms. Fitzgerald appears in the Appendix on page 43.

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the Department's efforts to enhance supervisory excellence, a force readiness issue and a mission imperative.

The growth and development of the Department's workforce, including supervisors and managers, is of strategic importance to our ability to meet our 21st Century mission requirements, and we appreciate your long-standing support and advocacy of the Federal civilian workforce as we have moved in this direction.

The Department is facing mission requirements of increasing scope, variety, and complexity. To ensure the availability of needed talent to meet our future demands, we are conducting a deliberative assessment of our current and future workforce requirements. This effort will ensure that the Department has the right workforce mix, military, civilians, and contractors with the right competencies, including our supervisory competencies.

As part of these efforts, the Department is working to better employ talent of our civilian personnel to meet today's challenges. For example, the Secretary of Defense has created the Civilian Expeditionary Workforce, which will provide deployable civilian expertise to support efforts in Afghanistan, Iraq, and other contingencies. A parallel effort is underway to synchronize civilian and military leadership training with the goals of ensuring common professional training and education between our senior executives and flag officers, increasing joint capability for our senior executives.

The Department has achieved much progress and reorienting its civilian leadership capabilities. We have adopted a leadership framework and published policy that requires that leaders be developed in over 20 different competencies that are found critical for success in leadership positions. These include the development of interpersonal skills, supervising others, and providing meaningful performance feedback. Yet, we can always improve.

Supervisory proficiency is critical to individual organizational performance, as well as employee motivation, engagement, and retention. In February, the Secretary of Defense asked our Defense Business Board to investigate and recommend ways to improve the supervisory capabilities of the Department's career workforce. Their report is due out shortly.

The Department's inaugural leadership summit being held this week in Southbridge, Massachusetts will be the catalyst for designing a fresh look at how we improve the Department's effort to select, develop, and manage our DOD supervisors. The Department is taking a comprehensive view of enhancing supervisory excellence at all of its existing training programs.

To this end, we are adopting a four-prong approach. The first speaks to getting it right at the beginning, the selection of supervisors. The Department will implement better selection tools that are strong predictors of supervisory excellence.

The second speaks to tapping into potential, the development of supervisors. The Department is on a path to develop initial and periodic training every 3 years for all of its supervisors, including its executives. Training will include a combination of formal training on the job, learning and other development opportunities, job rotation, job shadowing, and mentoring assignments. It will enhance our current framework and specifically in the supervisory competency area.

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The next deals with organizing ourselves for success, and alignment of our supervisory resources. The Department intends to examine the employee-to-supervisor ratios and other pertinent factors to determine whether supervisors have the time to devote to the job of supervising with distinction. It is clear that first-line supervisors have the most important impact on employee engagement and productivity.

And finally, the next step will ensure that something with such strategic significance is not left to chance, accountability for supervisory excellence. The Department will ensure all of its performance appraisal systems make it clear that supervisors will be evaluated both on work outcomes and how well they manage their staff. This is certainly true of our executive performance appraisal system today, but as we transition out of our National Security Personnel System (NSPS) performance management system, we want to make sure that all of our appraisal systems have this requirement.

The Department is committed to ensuring that we have the caliber of supervisory workforce necessary to carry out our mission. Supervising people is a privilege and a responsibility to preserve and enhance human capabilities under a supervisor's care. The Department needs capable leaders who can build strong teams in support of our war fighters.

The Department has had a long and proud tradition of training and developing our force. This investment has enabled our country to maintain its preeminent war fighting capabilities. You can count on the Department to continue its focus, investment, and commitment to the development of our civilian workforce.

Thank you again for your interest in our civilian leadership and for the opportunity to speak with you today. I would be pleased to answer any of your questions.

Chairman AKAKA. Thank you very much, Ms. Fitzgerald. Ms. Kichak, my Federal Supervisor Training Act would require more effective Federal supervisor training government-wide. I was pleased that OPM issued a regulation requiring better supervisor training last year and that many agencies, including DOD, already provide much of the training required in my bill.

While this is encouraging, of course more needs to be done. As we make progress with government-wide supervisor training, what will OPM do to make sure agencies consistently provide high quality training to all new supervisors?

Ms. KICHAK. First of all, we are preparing requests for reporting back on the delivery of training to supervisors, so we will not be doing the kind of informal survey that we did for the Subcomittee this year, but will be requesting more regular reporting.

We are also continuing to hold best practices forums. We will be holding a series of these forums and will include the best practices on a wiki, so that those will be available in the future for people to go back and look at. We are going to engage with the agencies on doing that so we can take advantage of the ones that do things the best.

So we are going to provide continuous learning to the managers of the agencies, including the small agencies, and show them what works and what does not work, and then monitor some of the pro-

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visions of their training, at least how many people receive it and if they are complying with the regulations.

Chairman AKAKA. Ms. Fitzgerald, DOD employees add to the rich cultural diversity in my home state of Hawaii. Your testimony states that diversity in your civilian workforce is a force readiness issue. Can you talk more about what DOD is doing to ensure that a diverse group of DOD civilians is ready to take on leadership roles?

Ms. FITZGERALD. I will, thank you. The Department has put its efforts really in three directions. And first of all, I want to state that the diversity of the workforce is important to our mission. It is not just a compliance issue. It is the perspectives that are brought to bear to serve—just to support and serve our many mission requirements. It is that kind of perspective that is what is going to help the Department move forward and so forth. Therefore, the diversity of our force is extremely important to us.

We went at it three ways, not to say that there is not other areas to do this. But our efforts looked at one, placing more emphasis at the leadership level. It is a leadership responsibility to engage this. This is a readiness issue. So in the Department, we created a Defense Executive Advisory Board that reports directly to the Deputy Secretary of Defense and advises him on executive matters, including the diversity of the force, not only our senior executives, but the pipeline that supports that.

That board looks at every year what our selection patterns are. It looks at the diversity of our selections. It looks at the diversity of our placements, to ensure that this stays visible with the Secretary. A set of metrics are also in place that help us measure our progress in this regard.

The second pillar is more training and development. We are very fortunate to show some great progress in this area. Our pipeline is growing more diverse and our GS–13, GS–14 and GS–15 ranks, our diversity is improving.

We set out with the proposition that folks, if they understood the great challenges and rewards that are in leadership, and particularly as they move higher and the ability for them to make an impact on our mission and to seriously influence its challenges, if they knew more about it, perhaps they would choose it. So we are spending a great deal more time developing the understanding of DOD, what it means to be a supervisor and a leader and how one can exert its influence. Approximately, not quite a third, a little short of a third of our pipeline talent is quite diverse.

The third area is exposure, understanding what it means to be a supervisor. So we have two great DOD enterprise-wide leadership development programs that try and help our employees understand what it means to work and serve as a leader in the Department of Defense.

We take them on emergent experiences. They visit our combatant commands. Most recently, in fact, next week a group of these emerging leaders will be traveling to Kuwait and they will spend about 10 days there practicing leadership and understanding the mission with our central command representatives and leaders.

So leadership, training, and exposure is our way of attempting to try and build a much more diverse pipeline. With a diverse pipe-

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line, the opportunities to select a more diverse workforce in our senior executive positions is greater and so that is how we have been trying to approach it.

Chairman AKAKA. Thank you very much. Ms. Kichak, your testimony also addresses the importance of mentoring, developing, and retaining a diverse workforce. What do you believe supervisors can do to increase their multi-cultural understanding in order to provide more effective mentoring?

Ms. KICHAK. I think that there should be training in dealing with diverse populations and building a workforce that is inclusive and welcomes diversity. It should be a major part of management training because there are different cultures and there are different responses to different cultures and managers need to be aware of that.

We are also working right now at OPM on building a strategic plan for improving diversity in the Federal workforce. A large part of that strategic plan will be enhancing training. We are developing that strategic plan with an interagency task force, and we expect that to be out soon. Then we will start implementing some of those provisions, again with a major training emphasis.

Chairman AKAKA. Thank you. Ms. Fitzgerald, one of the lessons we learned from the implementation of the National Security Personnel System at DOD is that communication between supervisors and employees is essential to the success of any new personnel policy. As DOD develops a new performance management system, what is DOD doing to ensure that supervisors have the skills necessary to effectively seek input and communicate changes to employees?

Ms. FITZGERALD. Thank you. The building of capacity of our supervisors to provide meaningful feedback, engage their employees and the right kinds of conversations that build and grow and develop their skills is a fundamental area of our performance management programs, development programs and helping our employees understand how to improve their performance management. It exists today for the senior executives and the lessons that we learned for NSPS will certainly be cascaded to any performance management system that we develop.

As you may know, the Department is on track to try and develop a replacement system, one that takes advantage of all the positive lessons that we learned from NSPS and overcomes some of the shortcomings of that performance management system that we had in place. Communication will certainly feature as it did prominently then.

We can assure you that it will be cascaded into our new performance systems and as a matter of fact, as we transition out of NSPS we require that all of our performance management systems that are existing today, those legacy performance management systems to which we are returning our employees, pick up on these lessons that we have learned, including the training and development of better communication, providing our employees assistance in writing their performance objectives, helping them ensure that there is a line of sight between the work that they do and the organizational missions.

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And these things that were critical and viewed as important pillars of success in the NSPS performance management system will be overlaid onto these existing legacy systems. The Secretary put out a message to ensure that happens today.

Chairman AKAKA. Thank you very much. We will have a second round. Senator Voinovich, your questions.

Senator VOINOVICH. I worked my head off to get NSPS established and worked with Gordon England. And you are here today telling me that you are going to capture all of those good things that were in the program when Department of Defense employees are transition back to the General Schedule.

Why in the devil do you think we wanted to go to the system for in the first place? And nobody says anything about our good work and I am really unhappy about it. We spent years bringing that system in. We even slowed it down. We had a hearing out in Hawaii to make sure that the Department was not rushing into it. We slowed them down.

So with all of this good stuff that exists in the National Security Personnel System, you want to make sure that you preserve it when employees go back to the General Schedule. What do you do about the people that are in the highest pay category who go back into the General Schedule and their salaries are going to be frozen for 2 or 3 years? Do you think you are going to be able to retain those people?

Ms. FITZGERALD. The Department's investment in the National Security Personnel System, while I think it was perhaps disappointing that we are not in the NSPS today, the lessons that we have learned and the opportunities that we had to experiment with some flexibilities will, I believe, carry through in the efforts that Director Berry is doing Federal wide.

Those lessons that we learned in NSPS, I do not believe, and the good things that came out of that will not be lost as we transition with a Federal reform effort. The director of the Office of Personnel Management has ensured that the lessons that we have learned are very much a part of the conversation that he is having with his staff on reform, and so I am looking forward to seeing the good things continue and even be improved upon, because we certainly had lessons that we would have liked to have seen improved upon if we had continued in NSPS.

I am confident that is going to happen. We have been a part of those design teams and I think Director Berry's direction is in the right place.

You raised some important issues about the transition, moving back out of the General Schedule—moving it back out of the NSPS to the General Schedule does pose an issue, certainly for those who are now going to come back into the GS and be at the top of their pay band, back at the top of their General Schedule step.

There are a couple things about that. One, as they return to a grade, the opportunity to leave that—what we call saved pay area—can occur as they move up throughout the General Schedule. So if they are capped at a GS–12, Step 15, the opportunity to move out of that pay cap area would be if they advance to GS–13, GS–14 and so on. So over time that may be mitigated by their own advancement through the General Schedule.

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Certainly those who are at the top of the GS–15, Step 10, for example, will have some issues. We are hoping that as we design our new—with Director Berry, we have already raised this as an issue—that perhaps should be addressed as one of the reform efforts. We have brought that to his attention and so we will continue to work them. But today they would—as you say, Senator, they are going to go back and they would be capped at the top step of the General Schedule for a period of time until they are either——

Senator VOINOVICH. I would like to have a written document from you and from John Berry about how you are going to handle this situation.

Ms. FITZGERALD. Sure.

Senator VOINOVICH. Some of the complaints that we had is it takes a lot of time to do performance evaluation. We should be doing performance evaluation period, whether it is pay-for-performance or not. We added pay-for-performance, as you know, in the Defense Department. We have it in the Transportation Security Administration (TSA). All these folks that do the TSA screening work at the airports, they are under pay-for-performance.

After they have gotten through the initial implementation phase of pay-for-performance, they seem to be pretty happy with the system. You said that it is a leadership obligation, too, in terms of diversity. When you do performance evaluation, is diversity part of the performance evaluation? Either one of you can answer it.

Ms. KICHAK. When we look at managerial capability, it is a requirement that managers be able to manage well in a diverse workforce. So from that perspective, yes, building a diverse workforce is part of the review.

Senator VOINOVICH. What I am saying is that you have managers who have responsibility for people and directly or indirectly have responsibility for bringing people onboard. In their evaluation, do you look at whether or not they are paying attention to the issue of diversity in terms of their hiring practices?

Ms. KICHAK. Yes, we do. It is part of managerial competency that we look for in a performance appraisal.

Senator VOINOVICH. Is there any recruiting going on that you know of where diversity is the target? I have had people say to me, sorry, governor or mayor, we cannot find diverse people. Do you have programs where you really are reaching out and looking around the country to make sure that there is recruiting that is going on for all parts of society, making sure people are aware of the wonderful opportunities they have to come to work in the Federal Government?

Ms. KICHAK. First of all, as part of our diversity initiative, we are building those relationships so we know how and where to reach out. The second major thing that OPM has recently done is notify agencies that we are now accepting of collecting data on applicants as far as their race and national origin—what their diversity characteristics are. And this will enable us to answer the question.

Often times people say, I did not hire somebody with a diverse background because I am not getting applicants that are diverse. And we have not known whether that is true or not, but now we are taking steps to start to track the composition of the applicant

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pool. That is not the only thing we are doing. We are also coming up with strategies for increasing the diversity of the pool as part of our——

Senator VOINOVICH. Doesn't designating an internship program as a diversity tool provide a vehicle for some of that to take place so you are able to go out and meet with people and talk to them about Federal service?

Ms. KICHAK. Certainly our intern programs provide people of diverse backgrounds who are considering Federal employment. However, we do not make selections based on the race and national origin characteristics.

So an internship can provide an opportunity to reach out to folks. We still need to get them interested and be successful in getting them to apply for the Federal jobs.

Senator VOINOVICH. Switching subjects, how does OPM and DOD ensure that the programs that you are talking about in terms of training receive adequate funding? And if I were to look at the budgets of the respective agencies, where would I find the money for the training?

Ms. KICHAK. We are at the present time not able to have a control on agencies' budgets, in a way that guarantees allocation of a certain level of resources to training.

Senator VOINOVICH. Well, isn't that something that Jeffrey Zients and John Berry could get together and try to identify training spending.

Ms. KICHAK. John Berry is very interested and that is part of the discussions that he is having now as he talks about civil service reform. He would really like to see a set-aside for training. It is one of his passions. But he is not the man who controls the budget or the man who controls Congress. So he is having those discussions. He is a great advocate of that and so those discussions are ongoing.

Senator VOINOVICH. That is really interesting. You do not have the flexibility because the way the pay scales work in the Federal Government, but when I was governor, we were able to work with the unions. When it came time for pay increases—and I think Colleen Kelley is here, and she has heard this before—what we did is we made a deal with the unions that if you gave up a nickel in pay, we put in a dime for training, and we really developed a very robust training program for our people.

It was one way that we could guarantee that the money was really going for training. And I think that if you do not guarantee that, it will not happen, because every time you have a budget problem, the first thing that goes out the window is training funding. I am going to be interested in hearing from Dr. Mattimore in terms of how much money Procter & Gamble sets aside for training and how important it is to the future of their company.

Because there are some really good role models out there and I think if you are serious about this, you ought to look at how do they go about doing these things. That is why successful organizations put a whole lot of money into training.

I am out of my time, Mr. Chairman.

Ms. FITZGERALD. Senator, in the Department of Defense, to help perhaps address that, I mean, you are absolutely right. You cannot say that a trained and ready workforce is a mission imperative and

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then use a discretionary form of part of your budget. That does not seem to make sense. It is a incongruent statement.

Certainly we have known that on the military side. We invest in our training. We do that deliberately and set aside funds to do that. On the civilian side, we are less structured to do that, but that said, the Secretary has made training and development a priority of our civilian workforce and while I am not prepared today to talk about exactly how each of our components are setting aside money to do training and development, I can talk about a couple of specific things that he has done.

For our senior executives, of which we have about 1,200 currently in the Department of Defense, he has set aside $5 million per year beginning in Fiscal Year 2010 through the budget to try and improve development and training of our senior executive members. This includes improving their interpersonal skills, ability to supervise folks, developing their capability for supervisory excellence, performance management and in fact requires it, improving their ability to manage a diverse workforce, whether that be of a certain racial and ethnic persuasion, or whether it is building a culture or having a workforce that is teleworking, where it is very different than these new 21st Century environments, are very different kinds of environments that we have.

So that is where that money will be dedicated, providing mentorships, 360s and so on. That effort is being cascaded down to our components, and again, we can take that for the record and tell you how they have organized themselves to serve the training requirement.[1]

We have also invested in our two major DOD-wide Enterprise Leader Development Programs, which are essentially funded by the Department. So we probably do not do enough of it, but we are certainly trying to organize ourselves better to serve the training requirement, again, because we see it as a mission imperative.

On your other point of how the Department does do it, the Department takes diversity into consideration through its performance management system. For all those who supervise we require that they demonstrate how they are building a diverse workforce as part of their performance elements. It is certainly required for our senior executives and it is required for all of our supervisors who have that responsibility for building a workforce. And so it is measured through the performance appraisal process.

Senator VOINOVICH. It is one of the elements that you——

Ms. FITZGERALD. Yes, it is.

Chairman AKAKA. Thank you. We will have a second round of questions. Ms. Kichak, OPM has regulatory oversight authority over the Federal Career Intern Program. In a 2005 report, the MSPB recommended that OPM more fully exercise its oversight role.

What specific steps has OPM taken to ensure that agencies are complying with the merit systems principles and veterans preference laws when hiring under the career intern program?

Ms. KICHAK. As part of our January reorganization, we have elevated our merit system oversight division to the associate director

[1] The information referenced appears in the Appendix on page 132.

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level at OPM. We are giving that more prominence and more resources so that the division can increase its oversight of the programs we regulate, which includes not just the Federal Career Intern Program, but other merit system hiring.

We are also looking at the rate of use of veterans' preference in the Federal Career Intern Program, which is at 15 percent, which is not the same level that veterans' preference is used in other merit staffing, but is still significant. Fifteen percent of the Federal Career interns are veterans.

So we continue to issue guidance and tell agencies the policies that are in place, that veterans preference does apply in the Federal Career Intern Program, and we continue in our audit function.

Chairman AKAKA. The MSPB also found that although the Executive Order creating the FCIP requires career interns to participate in formal training programs, many agencies provided limited or no training at all to career interns.

Do you believe that agencies are complying with the requirement to provide formal training to career interns?

Ms. KICHAK. I believe like all of the programs that we are part of, there is uneven application of the requirements. I know that many agencies are providing training. Senator Voinovich mentioned the Customs and Border Protection folks, who have a very stringent training requirement. The program has been used at the Internal Revenue Service (IRS), again, another agency that does stringent training.

We have had limited use of the Career Intern Program at OPM for some of our professional folks, such as actuaries and statisticians. The actuaries have a very stringent training program.

So certainly many agencies are complying with the regulations. I am sure there are exceptions to that.

Chairman AKAKA. Ms. Kichak, traditionally public notice is the means by which Federal agencies ensure fair, open, and transparent competition for jobs. The Federal Career Intern Program does not require public notice of job openings, which can make it hard for potential applicants to find information about opportunities.

Use of the USAJOBS website is a convenient and low-cost way to let a wide applicant pool know about opportunities. Does OPM encourage agencies to post career internship openings on USAJOBS and what else is OPM doing to improve availability of information about the program?

Ms. KICHAK. Well, certainly we encourage the posting of all job announcements on USAJOBS. We have our initiative that I know that you are well aware of, to make those job announcements understandable and to get them down to a length that applicants will really read.

We do not require, as you said, the announcements for the Federal Career Intern Program to be on USAJOBS, but we strongly encourage that there is open competition and that the jobs are announced.

We are looking at the issue of whether there are cases where limited announcements make sense. As you know, for some jobs, we get thousands of applications and it makes it very hard to process those, but we want a diverse group of candidates. We are look-

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ing at things like announcing within a region not just to one person, but making it available maybe within a range of States, a group of universities, or among the professional organizations if you are looking for something like engineers.

Those are all things that are under study as part of the Administration's initiative to improve the hiring and hiring reform. And as those things move forward, we will be in discussions with you about some of the ideas we have where we can foster competition, because we really do believe in competition for Federal jobs and yet make sure that those announcements get to places where we can get the most diverse and qualified candidates.

Chairman AKAKA. Ms. Fitzgerald, the National Defense Authorization Act for Fiscal Year 2010 established the Defense Civilian Leadership Program in DOD to recruit and develop a more effective acquisition workforce. The law allows DOD to recruit current employees as well as individuals outside of government.

What are DOD's plans for recruiting current college seniors or recent college graduates for this program?

Ms. FITZGERALD. Thank you. This is a very exciting provision of the NDAA and we are just now beginning to develop the framework for this program. This program will be decidedly different from those that we have developed before, because this program seeks to bring in individuals and hire them based upon not only their technical competencies and perhaps some other foundational competencies, but it will seek to identify their ability to be leaders and to develop them as leaders from day one, much like we do in the military.

So we develop them to be an acquisition specialist, a contract specialist, a financial manager, budget analyst, personnelist, and at the same time, with the same deliberateness, we are developing their leadership capability. This program, that is, in the NDAA, offers us that opportunity to do that.

It will be a competitive program, so we will reach broadly across our Nation to ensure that our college students and our graduates, both undergraduate and graduate, have the opportunity to apply. The foundational model that we are using currently, again, it is under development, is our Presidential Management Fellows Program, where there is rigorous assessment coming in, where we do a variety of assessments, including a portfolio assessment, opportunities for them to showcase their talents in many different ways so that we avoid the temptation to place so much emphasis on the technical ability, how good of a budget analyst are they, or how well they did in college in math and science, and allow us the opportunity to look at some other capabilities.

So we are not ready to tell you about the program in all of its details yet, but we do have a framework. We have briefed both the House Armed Services Committee and the Senate Armed Services Committee on it. They seem to think we are headed in the right direction. We look forward to the opportunity to roll that out. Thank you.

Chairman AKAKA. Thank you very much. Senator Voinovich, your questions.

Senator VOINOVICH. One of the things that you need is a set of tools to attract people to come to the Federal Government, and one

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of the things that we did several years ago was to increase the amount of money in terms of paying off student loans for individuals, which is a big deal today, because more and more of our students are just hammered with the high costs of higher education.

We went from a cap of $40,000 to $60,000 and from $6,000 a year to $10,000 a year. Are either one of you familiar with whether or not anybody is using that tool in order to attract people into the Federal Government, or are the budgets so limited that they never find money to do that?

Ms. FITZGERALD. Actually, sir, in the Department, we are increasing our use of the student loan payment program. I do not have the statistics with me today, but I will be happy to take that for the record and get you the data on that.[1] But we see that as one of the important incentives in the Department to attracting and retaining our workforce.

Ms. KICHAK. We do a government-wide report on the use of student loan repayments annually and it is on the OPM website. And every year since the legislation was enacted, there has been a substantial increase in the amount of student loans repaid and the number of people who are getting those repaid. Nonetheless, it remains a small part of total budgets.

Senator VOINOVICH. Do you have any information on just overall what funding you have dedicated to that program?

Ms. FITZGERALD. Sure.

Senator VOINOVICH. And I am interested in your saying that you are using this tool. And additional money has helped?

Ms. FITZGERALD. Yes.

Senator VOINOVICH. Good. Ms. Kichak, as Mr. Palguta discusses in his written testimony, Federal agencies, as we can testify to, largely neglect internship programs as sources of talent when selecting permanent employees. How can OPM work to encourage Federal agencies to make greater use of internship programs as recruitment tools?

Mr. Palguta represents the Partnership for Public Service (PPS), I believe, and they do a lot of surveys on Fedeeral workforce issues. I was interested that PPS is concerned that intern programs are not being used enough in terms of selecting permanent employees.

Ms. KICHAK. I think you could say we disagree with the Partnership for Public Service. We have about 40,000 student temporary employees working for the Federal Government in a year. Those are students who get a very valuable experience in working for the Federal Government, but we do not call them interns because we also have the Student Career Experience Program (SCEP) where we select students and work with their universities to match students' academic studies with their work.

The folks in that program get the opportunity, if they have proven to be successful as a SCEP, to convert without competition into Federal service. We believe that those programs are both serving their needs and that taking 40,000 student temporary employees and calling them career interns and then saying they could compete, could become permanent Federal employees, would prevent

[1] The information referenced appears in the Appendix on page 134.

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those folks who have not been able to get that experience to compete for the same jobs.

So we do have intern programs. We have the Presidential Management Fellows Program, a very small, leadership program. We would like to see some growth in that. We would like agencies to use the SCEP program widely because it is a great opportunity to match student skills with jobs.

But we would like to see students continue to have the experiences that they get with these summer employments, except we would like to be able to see many more people have those experiences. So if it is 40,000 one year, maybe there should be another 40,000 the next year. Rather than turning these into long-term projects, make it clear that, instead of having 40,000 people for 2 years, you would have had 40,000 people each year, 80,000 people in a 2-year period. We have a mix of programs and we think that mix of programs works for us.

Now, having said that, I want to assure you that we are continually looking at all of our hiring authorities. We have a "cool-team" at OPM, that has been looking at what students like today, and looking at how to improve these programs. We want to keep a variety of options open so that we can provide opportunities for as many people as possible.

Senator VOINOVICH. Well, I can tell you that it is amazing. I think all of us Senators have internship programs and you start asking people that have been in the Federal service for awhile, why are you in the Federal service? Oh, they say, I did an internship and I really liked it and I thought it was neat and I thought, this is what I want to do.

So it is a great way, I think, to at least bring people in, let them see what is going on and they get fired up, go back to school and then when it comes time for them to enter the workforce they have had a little experience and that opens the door in terms of their being willing and able coming to work for the Federal Government.

Ms. KICHAK. Which is exactly why we want to give as many people those opportunities as possible.

Senator VOINOVICH. Ms. Kichak, in her written testimony, Ms. Fitzgerald discusses the Department of Defense's use of 360-degree review processes where a supervisor is evaluated by his or her supervisor, peers and subordinates.

It sounds to me like a pretty good system. Do you know if that is in existence any place else besides the Department of Defense?

Ms. KICHAK. Yes, it is. I was just speaking to another major agency yesterday that is implementing it. Other agencies do it, not every year, but it is at the prerogative of the agency on how they evaluate their senior executives. A 360-degree review process is a very popular method for that segment of the population.

Ms. FITZGERALD. We intend as well to take the 360-degree review process. In the Department, we have taken our senior executives and identified them into three tiers. Tier 1 is for the entry kind of position into the Senior Executive Service (SES); Tier 3 being the positions that have the most influence in the Department.

We are going to repeat the 360-degree review process each time you enter a new tier position, so it is not a one-time assessment and we use it for development purposes, not for performance man-

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agement, but for development—at least the employee—the executive has an opportunity to self-reflect, consider a wide range of input in that development process and the organization also has a chance to co-partner in the development of the capabilities.

Senator VOINOVICH. One of the things that I have observed is that as I have come to know a lot of the people in the military, and of what fantastic management and supervisory experience they have.

Ms. FITZGERALD. Yes.

Senator VOINOVICH. It is amazing to me. Have you ever looked at how they go about developing their leaders, or is it because they are in the Army or the Navy or the Marine Corp, there is a different environment and not analgous to civilian agencies?

Ms. FITZGERALD. No, there is much to be learned from that. In fact, this leadership program that is in the NDAA 2010 is going to be built just like our military model is built, hiring folks in, believing they can be leaders, deliberately developing them as leaders. And the training and development that we have underway in the Department, both for this program and for our senior executives, are ones in which we are comingling with our military partners.

Going to military education courses, our CAPSTONE, the professional military training academies, both officer and noncommissioned officer academies—all of these opportunities are being leveraged in the Department. In fact, that is a very important goal for Secretary Gates, to ensure that there is more connection between our military and civilian training.

And I mentioned in my testimony that we are working on this parallel effort to develop that. So no, we are with you, Senator. We think that is an important model, long overdue, that we have not leveraged the experiences of our military. But we intend to do so, and are doing so actually.

Senator VOINOVICH. Thank you.

Ms. FITZGERALD. You are welcome.

Chairman AKAKA. Thank you very much, Senator Voinovich. I would like to thank our first panel of witnesses for your testimony and your responses. It will certainly help us as we continue to deal with employee and supervisor development in our Federal workforce. So thank you. Thank you very much.

Ms. FITZGERALD. Thank you.

Chairman AKAKA. I would now like to call up the second panel of witnesses. On our second panel this afternoon, we welcome Colleen Kelley, President of the National Treasury Employees Union; also J. David Cox, National Secretary-Treasurer of the American Federation of Government Employees; John Palguta, Vice President for Policy at the Partnership for Public Service; and Laura Mattimore, the Director of Leadership Development at Procter & Gamble.

It is the custom, as you know, of this Subcommittee to swear in the witnesses. Will you please stand and raise your right hand? Do you solemnly swear that the testimony you are about to give this Subcommittee is the truth, the whole truth and nothing but the truth, so help you, God?

Ms. KELLEY. I do.

Mr. COX. I do.

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Mr. PALGUTA. I do.

Ms. MATTIMORE. I do.

Chairman AKAKA. Thank you. Let the record note that the witnesses answered in the affirmative. I want to let you know, our witnesses, that your full statements will be included in the record.

Ms. Kelley, will you please begin with your statement?

TESTIMONY OF COLLEEN M. KELLEY,[1] NATIONAL PRESIDENT, NATIONAL TREASURY EMPLOYEES UNION

Ms. KELLEY. Thank you very much, Chairman Akaka, and Ranking Member Voinovich. I appreciate the opportunity to appear before you today on these important issues of training, mentoring, and interning in the Federal Government.

The National Treasury Employees Union (NTEU) is very pleased to support S. 674, the Federal Supervisor Training Act. We believe that supervisor training, accountability and development are pressing concerns for workforce management in the Federal sector. We also believe the lack of proper training among managers and supervisors is responsible for some of the current problems facing the Federal workforce today.

For example, in the area of hiring, a 2008 MSPB report found little understanding of the various hiring authorities and the different requirements that are tied to them. The report stated that the authority that was used to hire an individual often appeared to be a product of convenience or coincidence rather than the result of a thoughtful and deliberative choice to effectively use the most appropriate hiring authority. The report also noted that 43 percent of supervisors involved in hiring said that no one discussed training or assessment responsibilities required by different hiring authorities with them.

Another area that needs additional managerial training is the implementation of the GS pay system. Despite comments to the contrary, non-performers can be denied pay increases or terminated, and outstanding performers can be given many rewards under the GS system. But supervisors need more training on the many flexibilities that are currently available under that system.

NTEU is pleased to see that S. 674 calls for agencies under the direction of OPM to develop competencies supervisors are expected to meet in managing employees. This will help to ensure the effectiveness of the supervisor training programs. NTEU would also support adding provisions to provide additional training and mentoring to current frontline employees so that they could advance in their careers also.

While sound managerial training is critical, career advancement of frontline employees can also greatly enhance the effectiveness of Federal agencies. With respect to internships, let me begin with the Federal Career Intern Program (FCIP). That was proposed and implemented on an interim basis in 2000 and when it became permanent in 2005, it became so under final OPM regs. It was originally billed as a limited use special hiring authority designed to provide formally structured 2-year training and development internships.

[1] The prepared statement of Ms. Kelley appears in the Appendix on page 55.

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Instead, the FCIP has become the hiring method of choice for too many agencies because it does not require adherence to competitive recruitment and selection procedures. In its first year, about 400 employees were hired under FCIP. That grew to over 7,000 in 2004 and the numbers have increased every year. The most recent data we have shows that over 26,000 new hires entered the government through FCIP and that number has clearly continued to grow.

Despite its widespread use, the MSPB has identified serious problems with this so-called intern program in the 2005 report that have already been mentioned. That report includes citing weaknesses in pre-hire assessment tools and also in not providing training and development activities to career interns as required. The report also noted that there is no requirement under FCIP for vacancies to be publicly announced, preventing veterans preference-eligible candidates from even learning about and applying for the positions.

Mr. Chairman, the FCIP is not an intern program and it should be terminated. There are several proposals pending in Congress to create new internship programs in government, most allowing conversions to Federal service outside of the normal competitive process. NTEU supports limited initiatives, including targeted internships and scholarships to recruit employees who have special fields of expertise that are in demand in the government.

It is NTEU's position that the current Federal Intern Programs should be the building blocks for attracting talent to the government. The Student Career Experience Program, for example, allows the appointment of students to positions that are related to their academic field of study.

We have talked about the Presidential Management Fellows Program that allows agencies to recruit outstanding graduate, law and doctoral level students who serve for 2 years and can become valued members of an agency's workforce. We have no problem making exceptions to the normal hiring process to draw these talented individuals to public service under these limited programs.

But in general, we support competitive hiring and public service for all. With respect to those who argue that hiring is too cumbersome under current competitive hiring rules, NTEU does support reforming that process, but we remain firmly in support of fair competition, equal treatment, veterans preference, and adherence to merit principles.

In summary, I would just reiterate NTEU's support for the Supervisor Training Act, our opposition to the Federal Career Intern Program, and urge its termination. We support a return to competitive hiring in the Federal Government, and support greater utilization of our government's existing intern programs to recruit talented students and recent graduates.

I would be glad to answer any questions you have. Thank you.

Chairman AKAKA. Thank you very much, Ms. Kelley. Now, Mr. Cox, will you please proceed with your statement?

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TESTIMONY OF J. DAVID COX, SR.,[1] NATIONAL SECRETARY-TREASURER, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

Mr. COX. Chairman Akaka and Ranking Member Voinovich, thank you very much for the opportunity to testify today. I would like to focus my statement today on the abuse of the Federal Career Intern Program (FCIP). The FCIP is the government's most widely used and problematic special hiring authority. It is essentially a direct hiring program that bypasses open competition, veterans preferences, and circumvents career ladder promotion opportunities for the incumbent workforce.

The FCIP gives agencies enormous discretionary authority to hire employees without using the competitive hiring process. The American Federation of Government Employees (AFGE) strongly objects to the Federal Government's continued use of the FCIP because it has nearly superseded the competitive service and because it has become a preferred vehicle for favoritism.

The original purpose of the FCIP was supposedly to attract exceptional men and women to the Federal workforce who have diverse professional experiences, academic training and competencies. Based on reports from our members, however, agencies have strayed from this purpose by using the FCIP as a closed hiring system that does not reach many qualified members of the American public or current Federal employees.

AFGE does not believe that the Federal Government can succeed if its primary hiring process evades the open competition requirements set forth in merit system principles or simple standards of fairness and hiring. AFGE warned that the FCIP would obliterate the rule of competitive hiring when it was first proposed. At that time, OPM responded it was only part of a series of improvements that OPM intended to make to the Federal hiring process.

Ten years later, much damage already has been done. We continue to receive the same message from OPM. In the meantime, Federal agencies, such as the Border Patrol, Department of Homeland Security (DHS) and Social Security, have used the FCIP as the almost exclusive hiring authority for thousands of newly hired employees. A 2007 Government Accountability Office (GAO) report showed that DHS used the FCIP more than any other recruitment tool for permanent hires.

Agencies looking for an easy way out of responsibility to honor veterans preference and open competition have changed the purpose of the FCIP. It now represents the unrestricted use of a hiring authority and is extremely subjective and grants managers a degree of discretion that should not exist in the Federal Government.

Further, managers have total control over newly hired employees because of the absence of procedural due process protections such as adverse action appeal rights and a probationary period that is double the length of new hired employees under competitive processes. Combined with the FCIP's lack of transparency, the above problems have turned the FCIP into a step backwards from the basic civil service protections.

[1] The prepared statement of Mr. Cox appears in the Appendix on page 62.

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AFGE has urged the Obama Administration to eliminate the FCIP, limit it to a small number of positions, or revise the program significantly in order to strike a more appropriate balance between the need for hiring flexibility and the imperative to uphold the principles of transparency and fairness in Federal hiring.

AFGE is extremely sensitive to agencies' pleas with regard to expedited hiring, especially in the context of insourcing jobs that were inappropriately outsourced in the last decade, with the recognition that each full-time equivalent position insource saves the Federal Government approximately $40,000 a year. It has become routine for agencies to complain that the competitive hiring process is somber and sometimes consuming and to use this as an excuse either to resist or delay insourcing or to revert to non-competitive hiring processes, such as the FCIP.

AFGE does support the Administration's effort to modernize and expedite the competitive hiring process and we are hopeful with the proper training and resources managers at agencies throughout the Federal Government will make use of the more user-friendly procedures to uphold the merit system and veterans preference.

AFGE urges the Subcomittee to enact legislation that would restrict the use and abuse of direct hiring authorities in general and the Federal Career Intern Program in particular. The FCIP makes a mockery of the merit system and its promise of open competition for Federal jobs as well as veterans preference.

Numerical limits and other restrictions on the FCIP should be accompanied by hiring reforms and increase resources available to agency human resource offices to expedite both insourcing and the hiring of the next generation of Federal employees. Once hired, these new Federal employees should be given every opportunity to succeed, including access to well-managed mentoring programs. Mandated training for managers and supervisors, along with restrictions on non-competitive direct hiring, will also help ensure that the Federal Government workforce continues to be a source of pride for all Americans. Thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Mr. Cox. Mr. Palguta, please proceed with your statement.

TESTIMONY OF JOHN PALGUTA,[1] VICE PRESIDENT FOR POLICY, PARTNERSHIP FOR PUBLIC SERVICE

Mr. PALGUTA. Chairman Akaka and Ranking Member Voinovich, thank you very much for the opportunity to appear today. As you know, I am Vice President for Policy at the Partnership for Public Service.

Prior to joining the Partnership, however, I did spend over 30 years as a career employee of the Federal Government as a human resource professional and I had the privilege to serve as a career member of the Senior Executive Service as Director of the Office of Policy and Evaluation at the Merit Systems Protection Board.

The topic of today's hearing is of vital importance to effective and efficient operation of our government and one in which the Partnership has a strong and ongoing interest. The willingness and capability of the Federal Government to invest in the growth and de-

[1] The prepared statement of Mr. Palguta appears in the Appendix on page 71.

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velopment of its most valuable asset, Federal employees and supervisors, is not a sexy topic, but it is one that is very important and richly deserves the attention that it has received from this Subcommittee. Your work on this issue is both needed and timely, and we thank you for the tremendous work of the Subcommittee.

In my opening remarks, I would like to touch very quickly on four issues that are expanded upon in my written testimony. First, I think it has been well established already in this conversation that we do have cause for concern about the ability of our managers and supervisors to carry out their responsibilities. I would simply add a couple of quick examples.

We at the Partnership have—since 2003, developed a Best Places to Work in the Federal Government ranking based on employee survey data gathered by the Office of Personnel Management. The rankings are based on employee satisfaction and we have done analyses to find out what drives that satisfaction, and what we have consistently found is that the largest variable that predicts satisfaction is employee views of their supervisor.

As the views decline, so does job satisfaction. And this is not about happy employees. It is about engaged, committed employees getting the work of the organization done. This is about effective government. In our 2008 report, Elevating Our Federal Workforce, over half of the chief human capital officers we interviewed throughout government thought that their managers possessed the managerial competencies they needed to only a moderate or limited extent, and of course, over the next 5 years, a third to half of supervisors will leave, both an issue, but also an opportunity.

We do have some solutions at hand. This is the second point. OPM's recent regulations for Federal supervisory training are a good step. We also strongly support S. 674, the Federal Supervisor Training Act, which will put some of those requirements into law and increase accountability for results by requiring periodic reports to and oversight by OPM. Senator Akaka, thank you for introducing this bill.

Third point, the Federal Career Intern Program, it was put into place, as already noted, in 2003 for two purposes. One, make sure that we are recruiting and selecting exceptional employees for careers in public service, and two, to provide those employees participation in a formal program of training and job assignments.

It really, in my view, is not an intern program, as most people currently think. It was a hiring authority put into place and with a specific outcome to be desired, and as already noted, it has become quite popular. In 2009, there were over 26,000 hires under the Federal Career Intern Program out of 142,000 hires overall.

I think the popularity in part is because from an agency perspective—and my lenses on this world are through an human resources (HR) perspective and a manager's perspective—I think it is popular because it works for the agencies. I would be quick to note, however, that it was very clear in the Executive Order that veterans preference applies, as do the merit principles, and if we have agencies that are not adhering to the merit principles in application, then we do have a problem that should be dealt with as a violation of principles. But that was not a problem of the Career Intern Program.

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The fourth point is that we should not forget about the untapped potential of student internships. Senator Voinovich is right, we have mentioned at the Partnership that even among the Student Career Experience Program that Ms. Kichak mentioned, which has a conversion to permanent employment option, even if you look at just those individuals who have served under the SCEP appointment authority, only 25 percent of them are converted and the private sector equivalent would be 50 percent.

So in conclusion, steps can and must be taken to ensure that the Federal Government is investing in the training and development of its workforce. S. 674, the Federal Supervisor Training Act, is one of those important steps. And I would also want to mention, of course, very quickly Senator Voinovich and Senator Akaka, your bill on the hiring process, I think is also a very important component to this and I commend you there.

I thank you for this opportunity and I am happy to answer any questions. Thank you.

Chairman AKAKA. Thank you very much, Mr. Palguta. Will you please proceed with your statement, Dr. Mattimore?

1TESTIMONY OF LAURA K. MATTIMORE, PH.D.,[1] DIRECTOR OF LEADERSHIP DEVELOPMENT, PROCTER & GAMBLE

Ms. MATTIMORE. Chairman Akaka and Ranking Member Voinovich, thank you for inviting me to testify this afternoon. I am the Director of Leadership Development at Procter & Gamble (P&G), where I manage the processes and systems that we use to develop leaders at all levels in the company.

As you may know, P&G is the largest consumer products company in the world, with 127,000 employees working in 80 countries on brands like Pampers, Tide, Bounty, Pantene, Duracell, Olay, just to name a few. Training and developing leaders is a particularly important, strategic imperative for P&G.

I want to highlight a couple of key concepts that are critical to our approach to leadership development. The first is our company's purpose. Our stated company purpose is to touch and improve consumers' lives now and for generations to come, and it is the foundation of our leadership development. We attract and retain people who want meaning in their professional lives and we feel like they find a connection to our company purpose.

Second is build from within. We are one of the last large companies that truly is a build-from-within culture, so our senior leadership is almost entirely made up of people who spent their whole careers at P&G. That happens not just at the executive levels, but at all levels. In fact, less than 5 percent of our employees are hired with outside experience. Our success depends entirely on the strength of our talent pipeline.

Our leadership development starts with recruiting, so we seek to hire the best university graduates and bring them in at entry level. Last year alone, we had over 200,000 applicants in the United States for positions and we hired less than 1 percent of those, so we are very selective at the outset.

[1] The prepared statement of Ms. Mattimore appears in the Appendix on page 79.

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Once onboard, we invest significantly in training, training of technical, functional and leadership skills throughout our employees' careers. For those at the associate director and above, we offer programs specifically on management and leadership, where they receive direct instruction and training from our most senior executive and from external contacts and thought leaders.

Something that is very unique about P&G in this area is the engagement of our senior leaders as trainers. Our chief executive officer (CEO), our board members, our other senior executives spend a significant amount of time training. In fact, their offices are adjacent to our corporate training center so they can readily come back and forth and teach and participate in learning events.

They also recruit actively on college campuses and serve as mentors for our young managers. Over time, we have created a learning culture where our leaders teach, mentor, and coach other leaders at all levels of the company. We not only plan assignments, but we also plan careers over time so that our employees have the opportunities to develop breadth and depth of experience.

One of the tools that we use for this is our Work and Development Plan. These plans are jointly developed by every P&G employee and his or her manager and reviewed quarterly. In these plans, employees prioritize their work for the coming year, they set goals, they identify their career plans and their responsibilities, and they identify how they are going to leverage their strengths and develop their opportunities in specific areas.

In terms of executive developments overseen by our chairman and CEO, Bob McDonald, Mr. McDonald meets regularly with the board of directors to review our leadership needs and do multigenerational succession planning for key management positions. He also holds regular planning sessions with members of our senior team to do further executive staffing, review individual performance, plan next assignments and identify those mid-level career employees who are on path for general manager roles in the company.

In terms of performance, every employee at P&G, from the most junior recruits to our CEO, is evaluated for performance and results and those evaluations feed into their compensation and eligibility for promotion. For all employees, performance is measured against the key work priorities that are called out in the work and development plans.

Employees are held accountable for two principle areas, building the business and building the organization. For those with profit and loss responsibility, a performance score card is also completed which assesses the leader's business and organizational performance. We use objective data on six to 100 key business metrics and an additional 11 organizational metrics to measure their performance.

In terms of evaluating our talent and leadership development programs, there are eight key talent metrics which are detailed in the written statement, but a number of these we look at and track rigorously, including bench strength, flow through, our pipeline, interchange, continuity, something we call constellation and sequencing of our business teams, and then certainly diversity.

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P&G's rigorous leadership development program yields three significant outcomes that we are looking to achieve. First, all of our strategic jobs at P&G are filled by our top talent and the bench is deep to fill those positions in the future. Second, we have a globally diverse organization and leadership team that reflects our consumers.

Third, our leadership development efforts produce multi-disciplinary leaders with the capabilities needed to succeed today and in the future.

In conclusion, the future of Procter & Gamble depends on our investment in leadership development today. We take pride in the processes and policies we have developed that allow us to recruit, train, and develop talent at all levels of our company.

Thank you again for inviting me to testify this afternoon and I look forward to answering any questions.

Chairman AKAKA. Thank you very much, Dr. Mattimore. I have a question for both Colleen Kelley and David Cox. As I noted in my opening statement, a wide range of both labor and management groups, including both of your unions, support my Federal Supervisor Training Act. As representatives of organized labor, why do you feel that increased training of supervisors in the Federal Government is important and how do you believe it will benefit your members? Ms. Kelley.

Ms. KELLEY. Well, I think it is pretty well documented that the closest working relationship is between frontline managers and their frontline employees and vice versa. Very often, as someone else mentioned, it might have been you, Senator Voinovich, who said that very often those who are promoted into management positions are promoted because they are really good at the technical job that they do, and that there is therefore, an assumption that they have all the other skills that they need to appropriately manage and to lead.

And I think most of them have the ability to learn those skills, but those skills do not come naturally for everyone, and especially so just because you are really good at your technical job. So I think because frontline employees look at their frontline manager for not only support and guidance in achieving the mission of the agency, but also in what they should look at as value for their agency, as well as opportunities to advance their own career. That frontline manager is the person that they are looking to. So for them to be seen as someone who can lead as well as manage and can help them do the technical parts of their job, I just think that is critical, and it is going to help them also someday, if for example, maybe they would like to be a supervisor, knowing that they would get the training and support they need.

There are many frontline employees who I think would be really good managers, but they recognize they do not have those skills and they do not see a program in place in their agency to help them acquire them.

Chairman AKAKA. Thank you. Mr. Cox.

Mr. COX. Mr. Chairman, I frequently have said that a bad supervisor was our best membership recruitment tool, but I have also said that a bad supervisor creates more problems than it is worth for labor and for management. Training of supervisors is impera-

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tive, and not just the technical skills. The supervisor should be able to mentor employees, to maybe one day be another manager of some type, but to develop that employee to be the best that they can be where they may move in either way, vertically or horizontally as an employee and in the process of that organization.

In developing and training supervisors, again we all get jobs for various reasons, but we do not always come with the skills necessary to do the job appropriately. And so I think constant training, teaching people how to mentor other people, how to get employees to do the right thing and to train employees in a proper manner, those are good supervisors and those are labor's best friends, those that manage properly.

Chairman AKAKA. Ms. Kelley and Mr. Cox, I have been particularly concerned with the use of the Federal Career Intern Program to hire frontline workers who receive very little focused training. I understand that CBP and the Federal Protective Service (FPS) hire most entry-level employees through that program. For these types of law enforcement positions, the military training that veterans have would put them in a strong position in the competitive hiring process.

Could you address the effect the use of FCIP has on veterans' ability to compete for these positions?

Ms. KELLEY. I think it plays itself out in a number of ways. First of all, when CBP talks about the training that they do as part of FCIP, the training that they provide to these officers is at the Federal Law Enforcement Academy and it is training that has always been provided for their jobs.

There is nothing specific or special about it because it is under the FCIP. There is not a 2-year training program or anything that special that is required under the legislation. And when it comes to the veterans preference issue, while they probably are reporting inaccurately that there is a good percentage of hires that come from the military, there is no way to know how many are being passed over. Because if they were using the competitive process that requires veterans preference, it not only provides for points to be added to their score for consideration, but if the agency wants to pass over them to select another applicant, they have to report that to OPM and get approval to pass over that veteran.

That is not true under the FCIP. So there is no data that shows how many veterans are not being given consideration as they would be if they were using a competitive process. So the good news is there is whatever percentage of veterans in CBP, but I think the bad news for the agency, as well as for the fairness of the process, is that there are many that are being overlooked and not being given a fair competitive opportunity to be hired into those positions as the law intended.

Chairman AKAKA. Thank you, Ms. Kelley. Mr. Cox.

Mr. COX. While Ms. Kelley knows much about the Customs and Border Patrol folks, I know more about Border Patrol folks, just the Border Patrol.

Ms. KELLEY. It is all CBP.

Mr. COX. All the entities that we represent. And in the Border Patrol high numbers of them are from the military. They are veterans. But I would echo again what Ms. Kelley has said. Without

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reporting to OPM, I do not think that there is any viable data to know whether veterans are being passed over.

Again, while there is a large pool of those employees that are veterans, again, the data is still not showing that veterans preference is being followed, especially the various point systems.

Ms. KELLEY. Mr. Chairman, if I could add, it is very clear to me that agencies do use the FCIP to get around veterans preference. There was a recent example just this week, a report issued by the Inspector General (IG) of the Environmental Protection Agency (EPA), where they filled four positions using the FCIP and there is an email reported on in this report where the manager reports—and this is a quote—the email says that they use the FCIP because they did not want to "risk losing the candidates we want to hire who may get blocked by veterans via USAJOBS."

And that is why they used FCIP and that is documented in their own email. So they use it. They use this FCIP to get around and to avoid veterans preference. So I would like to submit this IG report for the record with your permission.

Chairman AKAKA. Thank you very much. It will be included in the record.[1]

Well, let me then look to a second round and Senator Voinovich, will you please proceed with your questions.

Senator VOINOVICH. Ms. Kelley, like you, I was concerned to learn that the Customs and Border Protection uses the Federal Career Intern Program to hire all entry-level Border Patrol agents and Customs and Border Protection officers. So I asked my staff to dig deeper into CBP's use of the authority and we have a chart.[2]

I am going to get up and go over it, but it details the evaluation process used by CBP when using FCIP. And preliminary to going over this chart, one of the things that we fail to do as legislators is to give consideration to the management and employment challenges that we will have when we create new agencies. And one of the questions I would like to know is what agencies are really using this authority, like CBP is using FCIP for just about all entry-level law enforcement personnel?

The issue then becomes why are they doing it? I know several years ago when we passed Part D of Medicare, I think the Center for Medicare and Medicaid Services (CMS) hired about 500 people; I am not sure. We gave them some authority because they had to hire actuaries and support staff. I think they went to OPM and got direct hire authority to go out around to the universities and so forth, to hire quickly.

So I am interested in that, but let me just go over this. Public notice of Border Protection Officers (BPOs) vacancies by USAJOBS, then they have an assessment of an applicants' job-related competencies using a logical reasoning test developed by CBP psychologists in accordance with Federal testing policies, an examination of candidate experience record. Applicants also receive an artificial language or Spanish language test.

Next applicants receive structured scenario-based oral interviews before three BPOs who have been trained to interview according to

[1] The EPA report submitted by Ms. Kelley appears in the Appendix on page 93.
[2] The chart referenced by Senator Voinovich appears in the Appendix on page 135.

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standardized procedures for interviewing and rating candidates, then applicants are scored on test results and veterans preferences and are certified and selected in accordance with OPM's delegated examining operations handbook.

Then you have BPO interns undergo training, including 55-day basic training, 40-day Spanish language training, 36-week post academy training, and 12-week national field training. And then they have the interns undergo panel reviews at the 12- and 20-month mark, and are only recommended for conversion if the panels determine their performance is satisfactory.

In Fiscal Year 2009, 64 percent of the BPO interns received conversion. Now, I do not have the demographic data on the ones that got through the system and I am going to be investigating what the diversity is and what the veterans composition is and so forth. But I think that you and Mr. Cox, particularly Mr. Cox, you just hammer this and maybe you are right. But it seems to me that it is our obligation to really get into this issue and start looking at who is using it and how they are using it and if the reason is that we have asked them to hire a bunch of people and the current system does not allow them to get the job done and they are turning to this authority, then we ought to take that into consideration.

Now, Mr. Palguta, you have been watching this. Tell me, what are your observations?

Mr. PALGUTA. Several, Senator. First, let me just comment on this process. This is an assessment process that really is a role model just from a viewpoint of assessment. If most agencies were this rigorous about making sure that the people they are considering are well matched to the job, we would be in a much better place than we are.

So as an assessment process, this is a very good one, I believe. As I said, the Executive Order that President Clinton signed setting up the FCIP was explicit, veterans preference applies. In the case of CBP here, they applied the preference in accord with the delegated examining handbook from OPM, which means 30 percent disabled vets get first consideration. Other preference eligibles get priority consideration before non-veterans with a comparable rating.

I know that CBP also does recruit from veteran discharge centers because the experience of veterans is something valuable to them. Overall, Department of Homeland Security, 25 percent of their workforce are veterans. So I do not think they are anti-veteran in any way and to me this is a good illustration of the application of merit system principles. Merit system principles which apply to the Federal Career Intern Program basically say you go about matching the best applicants to the job, taking into account veterans preference and diversity.

I think in this case I do not see the problem here. Colleen did mention the EPA example. I read the Inspector General's report and what they found was not that the FCIP was violated, but that these four—well, these managers, in the case of four applicants, committed a prohibitive personnel practice. That sort of commission of a prohibitive personnel practice can occur in a career merit promotion program action or any other hiring action and I think that has to be corrected.

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But there is nothing in the Executive Order or the way the Federal Career Intern Program is supposed to operate that is inconsistent with veterans preference or the merit principles. As I said, I think for a lot of the agencies, it simply works for them and the biggest users traditionally have been Defense, Veterans Administration, Homeland Security. Each of those agencies are well represented in terms of veterans and I think they try hard to get the best people into the job.

Ms. KELLEY. Senator Voinovich, if I could just add to other agencies. CBP is a big user of the FCIP, but the IRS hires almost all of their revenue agents today using the FCIP. The Federal Deposit Insurance Corporation (FDIC) is now hiring positions called financial institution specialists and they are only using FCIP.

And again, what FCIP does not require is a posting, so that everyone knows that the positions are available, including veterans, and it does not require that the points are added for veterans preference.

Senator VOINOVICH. Where do they get their names?

Ms. KELLEY. They can post at one university or in one State or in one city for one day. There is no requirement, as there is under a competitive process, for an open posting for a certain number of days so that the population at large has access to those, or that veterans or whomever it is that is looking for it.

In the EPA case, they posted the positions for 2 days. Now, as Mr. Palguta said, the violation was not about finding anything wrong with the FCIP, and that was not my point in entering it into evidence. But I want you to read the whole report because what the report says is that the agency acknowledged they used FCIP so that they did not risk losing candidates who may get blocked by veterans via USAJOBS.

Well, that is pretty clear that they were trying to avoid veterans preference. I mean, you cannot get much clearer than that, and that is a quote in the report from the IG. And that is the issue, is the misuse of them.

Senator VOINOVICH. Yes, but what they are doing is they are violating the order that created the FCIP in the first place. It seems to me that the problem basically is in terms of oversight as to whether or not they are following the rules that have been laid out for them and not using it, as you mention, to try to get around something that they find to be inconvenient.

Ms. KELLEY. Well, that is part of the problem, but I think the bigger part of the problem is why have a process in place that does not—that is not set up as a competitive merit-based process that honors veterans preference as intended, including having to be able to respond to why you pass over a veteran. I mean, why even have a system like that in place?

Senator VOINOVICH. It would seem to me that probably for the benefit of this Subcomittee, that you get the people in that are really using this authority to find out why they are using this system rather than the regular hiring process, and is it because of what you are saying; they are trying to avoid something, or do they find that the system that we now have in place, particularly where they need to hire a bunch of people, is not working.

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That is basically it, are they using this because the current system does not allow them to get the job done?

Ms. KELLEY. Well, I would say two things to that. In another MSPB report says that the reason the agencies claim they use it is because it is faster, because they do not have to do all the things in a competitive process, and so the process is faster. But they also say that it is not because they get the best people on that list to be able to select from.

And I understand your example, Senator Voinovich, about if an agency all of a sudden has to hire to get up and running or something. That is not the case in Customs and Border Protection. They hire these officers every month of every year on a regular basis. Were there some spurts where they had to do some bigger hiring than others? Yes, but it is an occupation that is the major occupation in the agency, and the IRS revenue agents are hired every year, every pay period in the IRS. So it is not like a surprise that all of a sudden they need to hire revenue agents.

Senator VOINOVICH. It seems to me that what you want to do is to get the people that run the IRS and others to come in and talk about it. What is the reason for it? I can tell you one thing, that the pressure to hire these border protection staff, it is a lot of pressure. I mean, right now we are involved in an enormous brouhaha about the border down in Arizona and I read Senator Kyl and Senator McCain's recommendation and they want all these people hired that fast.

It is just the fact that we do not give enough consideration to some of these implementation issues. So you may be completely right in your testimony, but it seems that before we just say this is bad, we ought to go in and find out where the abuse is taking place and can these problems be corrected? And the most important thing is why are they using this system rather than the normal process and what is wrong with the system that we have?

I mean, Senator Akaka and I are trying to improve USAJOBS, which it is just archaic. I have people around here who say that they apply for positions through USAJOBS and agencies do not acknowledge they received the application. They do not know whether they are on or they are off the list of candidates. I will bet you I know a dozen people who said to me that they wanted to work for the Federal Government but never heard under the USAJOBS whether they were even being considered. They found another job. They took the job and then afterwards found out that they could have got the job with the Federal Government.

So there is something wrong with this. Then I also hear complaints from people who say forget USAJOBS. Unless you know somebody in the agency that is in the inside, you are not going to get the job. And then I also have heard where some of the agencies will post the job announcement on USAJOBS over a holiday period for a short time period so that there are not very many applicants and they end up getting the people that they want.

So I think this is something that is maybe worthy of looking at the big picture and seeing where we are right now on what we are talking about today.

Ms. KELLEY. I would agree that USAJOBS needs to be made friendlier to applicants; that is for sure. But the fact that agencies

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use FCIP as their primary method of hiring is a serious problem and the FCIP is not an intern program. It is a misnomer and the agencies hide behind that to use it——

Senator VOINOVICH. Well, I think that we ought to call it for what it is and maybe it is a better system than the one we got by using USAJOBS. All I know is I think we ought to really look at this and just see how it all plays out.

I have taken more than my time.

Chairman AKAKA. Thank you very much, Senator Voinovich. Let me continue with questions to Dr. Mattimore. I was impressed to learn of the Work and Development Plans (W&DP) that Procter & Gamble employees and managers establish annually. Can you explain the process involved in developing these plans and the benefits they provide to employees and managers?

Ms. MATTIMORE. Sure. First of all, I will say that the Work and Development Plan process is one that we use consistently around the world and at all levels. So whether you are an administrator or whether you are a vice president, we use the same process. And the process requires the employee to layout what the work priorities will be for the coming year. They work that with their manager to be clear on what those priorities are. They have clear deliverables and measures associated with those priorities.

That is the work plan part of the plan itself. And then there is a career and development portion of the W&DP as well, so the career portion, as the individual indicates, what are their career aspirations and what kind of training does the individual believe that they need in order to prepare them for that career?

And then the strengths and opportunities, the individual works with their manager to document what are the strengths that the individual can further leverage as they think about their work plan for the coming year, and then what are the development opportunities that they want to work on? What is the individual going to do to work on those and what is the manager going to do to support their ongoing development?

So that plan on an annual basis is put together and then it is reviewed quarterly over the years. So it becomes kind of a living contract between the employee and the manager and it is something that we use consistently. And we have found in our research that the document helps employees to have clear line of sight between what it is that they do and their daily work, how that relates then to the company's strategies and objectives in the company's greater purpose.

And so it has been an instrumental tool for us in terms of driving employees to have that connection with the greater company.

Senator AKAKA. Thank you. Mr. Palguta, each year the Partnership for Public Service publishes the Best Places to Work in the Federal Government rankings. Your statement notes that the No. 1 predictor of employee satisfaction is attitudes toward the agency supervisors.

I would like to hear more about this finding, including your views on the connection between morale and supervisor training.

Mr. PALGUTA. Thank you very much. I would love to talk about that. Just very quickly, the Best Places rankings are based—first of all, on the positive answers to the question of how satisfied are

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you with your job, how satisfied are you with your organization, and would you recommend your organization as a place to work?

We have other questions in the OPM survey, including 13 questions that explore different perceptions about supervisors and leaders and there is a clear link between when employees have positive attitudes about the job that their supervisor does, the type of communication they receive, and the feedback they get about their performance, then their job satisfaction, and their willingness to recommend the organization to others as a place to work go up together.

And what we have found is that the importance of that is not that we want employees to be happy. We do. But the importance is that job satisfaction, engagement, and commitment is also related to organizational effectiveness so that the more engaged employees are—and it stands to reason, if you are unhappy with your supervisor, you are miserable coming to the job every day, you are probably not giving it your best effort and conversely, when you have faith in your supervisor, when there is good communication, when your own training and development as an employee is supported by your supervisor, your commitment goes up, your engagement in the work of the organization goes up.

So as I say, it really is about effective operations of government and when we talk to agencies, and we do on many occasions now as agencies try to figure out how they can improve their ranking in the Best Places, one of the things we consistently tell them is that you need to focus on your supervisors and your managers and your leadership. If you can improve through training, through development, through selection of people into the supervisory ranks, if you can improve the quality of your supervisors, you are going to improve your score on the Best Places, but more than that, you are going to improve the ability of the agency to get its mission accomplished for the American people.

Chairman AKAKA. Thank you. Thank you very much. Mr. Cox, as you know, DOD is implementing a new supervisor training program created by the National Defense Authorization Act. AFGE represents a large number of employees at the Department of Defense. What features would you like to see in the program?

Mr. COX. I would certainly want to see features in the program that deal on good labor relations, that supervisors understand collective bargaining agreements and abide by the agreements whether they like them or not. Also that they abide by the law.

The Federal Government spends a great deal of money at times in Equal Employment Opportunity (EEO) complaints, as well as in grievances and those type things. So I believe supervisors being properly trained how to interact with employees and to deal with them and their union representatives will be very important.

And I would again go back to a supervisor should constantly be mentoring an employee to be the absolute best that they can be. You may be a housekeeping aide in the Veterans Affairs (VA) or you may be a scientist at EPA, but there should be someone that is constantly giving you the feedback—the good and the bad—about how to improve yourself to be the best that you can be in your job every day so that when you complete that job, you feel really great

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about what you perform for the American public at the end of the day.

And I think that is what many people are looking for in job satisfaction and that they look for in supervisor/employee relations.

Chairman AKAKA. Thank you very much. Senator Voinovich, do you have further questions?

Senator VOINOVICH. Yes, I do. Do you know what percentage of the budget goes for training?

Ms. MATTIMORE. I do not have any specifics on numbers, but I can give you a couple of thoughts relative to the discussion. There is a couple of things that we do in order to protect training resources: We centralized the budgets that go towards general skills and what I would call career phase training.

So when people join the company, when they take on responsibility for managing other people and they are first leading an organization, that money is protected; it is not competing with other initiatives or budgets. So that money is centralized.

And then the functions in the business units, set-aside money for training, and they are able to make choices about what they do. But a couple of additional things we do, one is we have a community of trainers that comes together several times a year to talk about what their training needs are, and that group pools resources. So across the different divisions of our company, a lot of times the needs are very much the same and so we pool resources and design training one time and use it across the critical mass of the company.

Senator VOINOVICH. Would it be 1 percent or 2 percent or 3 percent; do you have any idea?

Ms. MATTIMORE. I would have to come back to you with a number.

Senator VOINOVICH. I would like to know just what it is.

Ms. MATTIMORE. OK.

Senator VOINOVICH. Because I know that many of the top companies, they do spend a great deal of money on training because I think——

Ms. MATTIMORE. We spend a great deal and I would have to give you the specifics, like straight numbers.

Senator VOINOVICH. Is it something that P&G does not want anybody to know about from a competition standpoint?

Ms. MATTIMORE. In fact, during these most recent difficult financial times, we have not cut back on training at all. We have been more efficient about how we use our training dollars, so we have cut back on travel for training. But we are still continuing to do live distance training using virtual media, so we have not at all cut back on our training efforts.

Senator VOINOVICH. The other thing that I am fascinated about, and I do not have the answer and maybe if Ms. Kichak were here she could answer it, but I just wonder what percentage of the training that is being done is being done by Federal employees. Because one of the things that I did when I was governor is we instituted Total Quality Management (TQM). We call it Quality Service through Partnership.

But the fact of the matter is, when I left the governor's office, we had about 3,500 continuous improvement teams and we had

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1,200 trainers. They were all people who worked in the State government. Everybody said well, you could not do that. It interferes with our jobs. But it works.

Ms. MATTIMORE. Yes.

Senator VOINOVICH. And they are out there constantly and so you get this kind of new attitude in the whole workforce because people are doing it themselves.

Ms. MATTIMORE. Yes, we have across the company a couple thousand trainers who do that on a part-time basis in addition to their day job and we have no dedicated training staff. We do not outsource training. It is an expectation that our leaders will teach other leaders.

Senator VOINOVICH. The company that helped us with this was Xerox.

Ms. MATTIMORE. OK.

Senator VOINOVICH. In fact, they donated the whole thing. It was unbelievable. I created an Operations Improvement Task Force and they came to me and said they wanted to help. I will never forget. I said, well, I got everybody involved already, but what do you do? They said, well, we are really into Total Quality Management.

And so we looked into it and found it was a great thing, because I went through training with my union managers. They all knew about the program. We got started wrong because union representatives were not included initially, but it was probably the best thing, actually, it was the best thing I did when I was governor. It was involving people in the training process themselves rather than bringing in a bunch of folks to do the training and then the trainers go out the door and you do not have that residue that is there with your people.

Mr. Palguta, you talked about three agencies. I always feel good about this because Senator Akaka and I were able to get GAO flexibilities. We were able to get NASA flexibilities and the Nuclear Regulatory Commission.

Mr. PALGUTA. Yes.

Senator VOINOVICH. Because I am getting toward the end of this job that I have, I want to find out whether or not any of those flexibilities that we got them improved employee satisfaction. I would be really interested if you might look at that. In terms of those agencies, we got them some specific flexibilities that they did not previously have in order to move forward.

Mr. PALGUTA. And indeed those three agencies are among the top 10 in our large agency Best Places to Work rankings. We even gave them little plaques to commemorate that. I cannot speak for them obviously, but I believe if you talk to Cynthia Heckmann, Toni Dawsey, or Jim McDermott, the chief human capital officers for each agency, they will tell you that part of their ability to be a best place to work is the fact that they have some flexibilities in terms of management of the workforce that they use wisely, again, in accord with merit principles and in accord with good HR management policies and practices, and it makes a difference in the work environment.

They start with bringing in really good people. I know at Nuclear Regulatory Commission they already invest heavily in training and development.

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Senator VOINOVICH. They brought in over 1,000 people there.

Mr. PALGUTA. Yes, they have. We are seeing a resurgence in nuclear energy, and Senator Akaka, they would have no problem meeting the requirements of your bill because I think they already spent a lot of time on developing the workforce, encouraging communication.

So I think there is a cause and effect relationship. Organizations that focus on workforce improvements, and they use the tools at their disposal the proper way—you can use tools wrongly, but if you use the tools as intended for the desired end results of a highly qualified motivated workforce, with diversity and veterans being given preferential consideration under the law, you can end up with a well performing organization, and that is really the bottom line of what it is all about.

It is government working and we believe at the Partnership you do not have effective government without the people part being right.

Senator VOINOVICH. The last question I have, because I am running out of my time, is you have Mr. Berry as a partner. I think he is really a terrific guy. I mean, I am really pleased with his dedication. I just wonder if you could sit down with him and kind of capture what ingredients there are in top agencies as demonstrated by this report.

And you have mentioned some of these ingredients in your testimony, but it would be interesting to see if there was some kind of metrics they could develop to determine what do you need to have in place in order to get this high performing, satisfied work force? Because let's just take Department of Homeland Security. They are way down on job satisfaction index. What is it that you could do to help them bring up the attitude of the people that work there? What are the things that are missing?

I know part of the problem is—I think people in the labor unions know this—that we took 22 agencies with different cultures—think about doing this with Procter & Gamble—22 agencies, over 200,000 people and put them into a new agency when all the various agencies had different kinds of customs and missions.

I suspect also that in terms of if you did a job classification analysis, you had some people that were working in one agency and getting X number of dollars and another employee that is working in another agency that was getting a lower sum and the word starts getting out. I mean, it is an enormous management challenge.

But do you think that there was a possibility that you could sit down with Mr. Berry and talk about some of these lessons learned so that he could use those ideas to look at other agencies that are in trouble and say, if you did the following things, I think you could improve your employee satisfaction and make your agency a better place to work?

Mr. PALGUTA. We have talked with Mr. Berry on numerous occasions. We are big fans. He is very accessible. I know he has spent much time with our union friends as well. And the answer is yes, there are things we think can be done.

And I will say, Homeland Security, even though they still have many challenges, they had a 30 percent increase in their Best

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Places index score in the last go-around. We have not seen the 2010 numbers yet, but we asked, how did that happen? Was it an accident? And Homeland Security said, well, here are the things that we did in response.

We did this Idea Factory starting at Transportation Security Agency and now we are expanding it as a way to get employees actively involved in sharing ideas and taking it seriously and try to make a difference. The point is, in answer to your question, Senator, I think there are proactive steps that can be taken to improve the work environment.

I think you have to do it in collaboration with all of the stakeholders and I think you have to want to get better. I have been around a long time, but I am feeling somewhat optimistic that we may have an environment right now that is conducive to trying to do some of the right things so that we have a better work environment, we have more satisfied employees, and we have effective organizations. But it is not an accident. There are things that can be done and that is a good thing.

Senator VOINOVICH. Great. Thank you.

Chairman AKAKA. Thank you very much, Senator Voinovich. I want to thank our witnesses for attending this hearing and providing thoughtful testimony and answers to our questions.

A large number of employees will retire in the next 5 years and I believe that preparing the next generation of Federal employees to lead must be an urgent priority. Clearly the Federal Government must invest more in developing its employees.

I am pleased with the progress we are making in that effort, but much remains to be done. I look forward to continuing to work with our witnesses and I hope to move forward with my Supervisor Training bill in the near future and to continue to work with my great partner, Senator Voinovich in this.

And again, thank you for being here. The hearing record will be open for 2 weeks for additional statements or questions other Members may have pertaining to the hearing.

This hearing is adjourned.

[Whereupon, at 4:46 p.m., the Subcommittee was adjourned.]

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APPENDIX

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

STATEMENT OF
ASSOCIATE DIRECTOR AND CHIEF HUMAN CAPITAL OFFICER
NANCY H. KICHAK

before the

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

on

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

April 29, 2010

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

Thank you for inviting the U.S. Office of Personnel Management (OPM) to testify at this important hearing on mentoring and training for employees and supervisors in the Federal Government. I was very glad to learn that you were holding this hearing and to be reminded that we share a keen interest in this topic.

At OPM, we continue to seek ways to strengthen supervisory training in Federal agencies and encourage the creation of new mentoring opportunities for employees and prospective employees. These are essential elements of the effort to nurture a high-quality, high-performing, workforce that engages the talents and skills of Americans from all walks of life.

Supervisory Training

It is hard to see how there can be any disagreement about the importance of providing managers and supervisors with the training they need to succeed. Numerous studies link the performance of supervisors and managers to workforce retention and organizational performance. Requiring agencies to provide such training sends a strong message that well-trained managers are critical to the success of an organization and that supervisors and managers are accountable for their performance. Emphasizing the importance of supervisory training also makes it clear that supervisory skills are valued in their own right and that the opportunity to become a supervisor or manager is not merely a reward for achievements unrelated to one's potential as a supervisor.

Mr. Chairman, we at OPM appreciate the efforts of both you and Senator Voinovich over the years to move the Government forward in its approach to supervisory training. Senator

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Washington, DC 20415

Voinovich led the effort to enact the Federal Workforce Flexibility Act of 2004, which requires agencies to establish a comprehensive management succession program that includes training to develop managers. OPM published final regulations last year incorporating the requirements in that Act. Specifically, these regulations require supervisory training within one year of a new supervisor's appointment and retraining at least once every three years on options and strategies to:

- Mentor employees
- Improve employees' performance and productivity
- Conduct performance appraisals, and
- Identify and assist employees in addressing unacceptable performance

Additionally, agencies must also provide training to employees when they make significant transitions. This could include, for example, movement from a non-supervisory position to a management position, or from a management job to an executive post. OPM is currently developing guidance to assist agencies in implementing the final regulations. Our plan is to include this guidance in a newly revised training policy handbook that we hope to finish later this year.

Federal Supervisory Training Act (S. 674)

Mr. Chairman, I know you also have introduced the Federal Supervisory Training Act (S. 674), with the aim of enhancing Federal employee and manager performance, and in turn, agency performance. The bill includes requirements for new supervisors to receive training within the first 12 months of appointment and retraining every three years, which would have to include:

- Mentoring and motivating employees
- Improving employees' performance and productivity
- Fostering a work environment of fairness, respect and equal opportunity
- Addressing reports of hostile work environment, reprisal or harassment
- Prohibited personnel practices
- Collective bargaining and union participation rights, and
- Other topics necessary for carrying out the duties or responsibilities of a supervisor

The delivery of the training would have to be interactive and instructor-based, rather than merely administered online. In addition, agencies would be required to 1) develop mentoring programs for new supervisors, and 2) evaluate the effectiveness of the supervisory training programs.

At the request of the Subcommittee staff, OPM recently conducted an informal inventory of all of the President's Management Council agencies to determine what agencies are doing to meet the supervisory training requirements in our regulations and those that would be required under S. 674. Twenty-five agencies responded to the request. About half of the agencies we surveyed

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currently are meeting those requirements, and a majority of the others are developing supervisory training programs to fully comply with the requirements.

Most agencies go beyond the requirements in the Federal Workforce Flexibility Act and OPM regulations and offer new supervisors training in additional key areas such as recruiting and hiring, labor and employee relations, team building, strategic planning, conflict management, financial management, and providing career guidance to employees. Of the 25 agencies that responded, five agencies, including the Department of Defense, meet all of the additional training requirements prescribed in S. 674. Six more agencies meet the requirements in the bill, except for the requirement to establish mentoring programs for new supervisors.

Mentoring programs

Some larger agencies have established supervisory mentoring programs as part of their succession planning efforts. New supervisors can benefit from having mentors themselves, as well as from learning how to be mentors for their employees. Though we are seeing more of both kinds of mentoring, there is always more we can do to facilitate it.

Mentoring is critical and can happen in many ways - through formal programs and through day-to-day interaction with one's supervisors and fellow employees. The Federal Workforce Flexibility Act requires agencies to provide training to managers and supervisors on mentoring their employees. Within the Federal Government, mentoring is often a component in developmental programs like the Senior Executive Service Candidate Development Program (SESCDP), the Presidential Management Fellow Program (PMF), or the USDA Graduate School Executive Leadership Program (ELP).

Many agencies run formal stand-alone mentoring programs to enhance personal and career development. Formal mentoring programs have structure, oversight, and clear and specific organizational goals. To assist agencies in the development of successful mentoring programs, OPM recently issued a publication on mentoring best practices and hosted a "Best Practices in Mentoring" forum where five agencies discussed their mentoring programs with the Federal learning and development community. Agencies need to ensure that employees who are interested in mentoring are provided that opportunity, to stimulate individual growth, provide career enhancement, and thereby strengthen the agencies' capacity to retain valued employees.

In addition, last year OPM provided train-the-trainer sessions for agency human resources practitioners on developing a strategic "on-boarding" program to maximize employee productivity, engagement, and retention. On-boarding is not limited to orientation or mentoring; it is an ongoing process that includes welcoming, training, and acculturating a new hire. Many agencies reported providing formal and informal mentoring programs for their employees and interns. These mentoring programs provide supervisors and seasoned employees with an opportunity to share their knowledge, expertise, and experience with other employees interested in developing their skills and enhancing their careers.

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Washington, DC 20415

Mentoring is also an integral part of developing and retaining a diverse workforce. Federal agencies need managers and supervisors with the skills to manage and mentor diverse populations. Managing diversity within the workplace means creating an environment where everyone is empowered to contribute to the work of the unit; it requires sensitivity to and awareness of the interactions among staff and between staff and leadership, and knowing how to articulate clear expectations. Effective mentoring in a multicultural setting involves understanding diverse learning styles and approaches to problem-solving, as well as other cultural differences, and appreciating how to use those differences to serve the organization's mission. Mentoring to diverse populations is crucial to meeting and exceeding organizational goals.

Federal Career Intern Program

You also asked me to address OPM's role in overseeing the Federal Career Intern Program (FCIP).

FCIP was established by Executive order in 2000 to help agencies recruit exceptional individuals and to train and develop them for careers in analyzing and implementing public programs during a time when the threat of a retirement wave was imminent. Agencies are required to develop two-year formal training and job assignment programs for each career intern. Upon successful completion of the two-year internship, agencies have the option of bringing the interns into their permanent workforce.

The Executive order that created the FCIP charged OPM with overseeing FCIP and developing appropriate merit-based procedures for the program. Through our implementing regulations and other agency guidance, we pressed upon agencies the need to develop merit-based procedures for recruiting and selecting interns in accordance with the Governmentwide regulations governing employment in the excepted service. These regulations provide specific instructions for agencies to develop and implement programs, including:

- developing procedures for accepting applications, and evaluating and selecting candidates according to the regulations on employment in the excepted service (which include the requirement to use valid assessments, and to apply veterans' preference),
- designing, implementing, and documenting their formal programs for training and development, and
- planning, coordinating , and monitoring their programs.

We will be reviewing the FCIP and making recommendations for its future as part of the Administration's Federal hiring reform initiative.

Thank you again, Mr. Chairman, for the opportunity to participate in this discussion. I would be happy to respond to whatever questions you may have.

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WRITTEN STATEMENT OF MS. MARILEE FITZGERALD

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

before the

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

on

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

April 29, 2010

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

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

INTRODUCTION

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

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

DOD CURRENT SUPERVISORY LANDSCAPE

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

THE DELIBERATE FOCUS

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

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

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

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

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

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

ENHANCING SUPERVISORY EXCELLENCE

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

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

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

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

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

1. Selection of Supervisors: Our current selection processes may not adequately and consistently identify supervisory excellence – the underlying abilities, interests or values required for supervisory jobs. In some cases, we may be over-emphasizing technical expertise at the expense of leadership abilities, which are often more difficult to measure. The Department will implement better selection tools that are strong predictors of supervisory success.

2. Development of Supervisors: Our supervisors do not consistently receive adequate training and development. Training is often not refreshed to keep pace with the emerging workforce realities. For example, the 21st century workplace has a growing number of teleworkers, who require a new and potentially different supervisory approach. The Department is developing initial and periodic (every three years) supervisory training for all supervisors, including executives. Training will include a combination of formal training, on-the-job learning and other development opportunities such as job rotations, job shadowing, and mentoring.

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3. Alignment of Supervisory Resources: Our supervisors may not be allowing time to adequately perform the full range of supervisory responsibilities well. This may be for many reasons from inadequate resourcing to operational tempo requirements. The Department will examine employee to supervisor ratios and other factors that impact adequate time for supervisory duties.

4. Accountability for Supervisory Excellence: Although supervisory effectiveness is part of the executive performance appraisal system, such an expectation may not be well-articulated in the performance appraisals of those below the executive level. The Department is developing a new, enterprise-wide performance management system for non-executives. The Department will ensure that this new performance appraisal system and its current SES performance appraisal system make it clear that supervisors will be evaluated on both work outcomes and how well they manage their staff.

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

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

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

Each of these provisions is addressed below.

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

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

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- Leading by example

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

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

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

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

CONCLUSION

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

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

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Testimony of

Colleen M. Kelley
National President

National Treasury Employees Union

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

Senate Committee on Homeland Security and Governmental Affairs

Developing Federal Employees and Supervisors: Mentoring, Internships and Training in the Federal Government

April 29, 2010

1750 H Street, N.W. • Washington, D.C. 20006 • (202) 572-5500

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Chairman Akaka, ranking member Voinovich, and members of the subcommittee, I appreciate the opportunity to appear before this distinguished subcommittee on the important issues of training, mentoring and interning in the federal government. As president of the National Treasury Employees Union (NTEU), representing more than 150,000 federal employees in over 31 different agencies and departments throughout the government, I am pleased to add NTEU's perspective to this important subject.

Mr. Chairman, NTEU is pleased to support S. 674, the Federal Training Supervisor Act. As you know, we were early supporters of a similar measure when it was introduced in the 109th Congress. NTEU testified in support of the supervisor training proposal back in 2006, and we continue to believe that supervisor training, accountability and development are pressing concerns for human capital management in the federal sector.

We believe the *lack* of proper training among managers and supervisors is reflected in some of the current problems facing the workforce today. For example, there is a great buzz among policy and personnel experts about the gridlock in hiring. To its credit, OPM is addressing this. Yet many agencies' hiring officials do not even know about the importance of competitive hiring – which I will talk about later in my testimony – and the merit system principles which led to the creation of the country's professional and nonpartisan work force. Nor do they understand the various hiring authorities and are often unaware of the requirements tied to different authorities. In its 2008 report, discussing the decline of competitive hiring, the Merit Systems Protection Board (MSBP) said, "our survey results also indicate that many supervisors may not be aware of the implications of their use of these alternative hiring authorities and the specific training and assessment responsibilities that accompany their use." *(McPhie letter, June 2008)*

The report went on to state: "The authority that was used to hire an individual appeared to often be a product of convenience or coincidence rather than the result of a thoughtful and deliberate choice to effectively use the most appropriate hiring authority." (MSPB p. ii) The report discusses that 43% of supervisors involved in hiring said no one discussed training or assessment responsibilities required by different hiring authorities.

Another area that cries out for training is the proper implementation of the General Schedule system. As I testified during the subcommittee's hearing on pay-for-performance proposals, the GS system is a structured system. It has rules, standards and evaluations which must be written. It has both merit and market components—with grade and career ladder promotions subject to merit standards. There is limited ability for favoritism, discrimination or other non-merit determinations to come into play. Non-performers can be denied merit pay increases and outstanding performers can be given many rewards, including quality step increases, annual leave, retention (and recruitment) bonuses that are available. Yet there is a great misunderstanding about how to properly implement the GS system.

And that is directly related to a lack of training on how it works. NTEU would support additional training to ensure the proper implementation of the GS system.

A perfect example of an agency in need of properly trained managers is the Transportation Security Administration (TSA), where our Transportation Security Officers (TSOs) have little or no consistent direction. This is the agency that has the lowest morale, yet among the highest attrition and accident rates. Frontline employees, who are responsible for important homeland security screening,

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often are left in the dark about expectations and directives. Managers need to understand that employee performance goes hand in hand with – as your bill describes – "fostering a work environment characterized by fairness, respect, equal opportunity, and attention paid to the merit of the work of employees…" Training is direly needed at TSA.

As we understand it, S. 674 requires new supervisors in the federal government to receive training in the initial 12 months on the job with mandatory training every three years afterwards. Current managers will have three years to obtain the initial training.

The original bill specifically required that training be interactive and instructor based for new supervisors. NTEU supports this. For supervisor training to be meaningful, it must be more than simply the review of written material. Training delivered by training professionals in a situation – either face-to-face or internet based – which allows dialogue, questioning and interaction between student and teacher is an indispensable feature of an effective program. I understand some of the interactive provisions have been eliminated from the current bill and NTEU was disappointed in this. In today's world, interactivity is a valid teaching tool, and has become common practice in universities and educational institutions. If investing in interactive tools early on produces better management, it will be well worth it. I would ask you therefore, Mr. Chairman, to consider including the original interactive provisions.

Overall though, the Akaka bill has great value as it requires more than simply training in the supervision of employees but in working with employees, communicating with them, and discussing their progress. A good manager needs to do more than correctly evaluate an employee. A good manager needs to know how to develop an ability to help his or her subordinates become top performers and be able to communicate with and hear from employees. A well trained manager knows how to motivate employees, build teamwork, and be flexible rather than rigid in workplace situations.

Thankfully, S. 674 includes significant provisions on supervisor training on prohibited personnel practices. NTEU testified in support of this four years ago, and we are pleased to see these provisions. They include violations of statutorily prohibited discriminatory actions and whistleblower activities as well as employee collective bargaining and union participation rights, and the procedures to enforce employee rights. A key way to lessen discrimination in the federal workplace and ensure workplace fairness is for proper supervisor training so that these personnel fully understand the duties and obligations they have.

NTEU is also pleased to see that the Akaka bill calls for agencies, under the direction of OPM, to develop competencies supervisors are expected to meet in managing employees. This will amount to standards that can be measured to ensure the effectiveness of the supervisor training programs. NTEU has always supported meaningful standards for supervisor training.

Frontline Employees' Training

Mr. Chairman, an agency is only as good as the quality of its employees. And bad or little training for managers and supervisors is a recipe for disaster with employees. While this legislation has important provisions intended to improve training for supervisors and managers, NTEU would support adding additional provisions to train current employees to be able to advance in their careers. While sound managerial training is critical, career advancement of frontline employees up the ladder, so to speak, can enhance the effectiveness of a federal agency. These are the employees who see the daily

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challenges and accomplishments of the agency's responsibilities, and they often have invaluable insights on what works, and what doesn't work.

It is unfortunate that the federal government was reduced by about 400,000 workers in the 1990s, and as a result we have a shortage of middle level employees who can take over. If the expected retirement tsunami really occurs, we must start now to provide current frontline employees the training necessary to advance in their careers. In addition to training, S. 674 has important mentoring provisions for other managers and supervisors. We would suggest including mentoring provisions that can be applicable to current frontline employees as well so they can grow professionally and enter the management world if they choose. NTEU supports mentoring and believes this would greatly enhance the bill.

The Federal Employed Women (FEW) also stressed the importance of mentoring employees in a statement it released just this month. According to FEW, women represent 44% of the federal workforce. Yet slightly more than 29% are in the SES. In speaking of the importance of mentoring, FEW says, "Women need to have leaders to whom they can ask questions, obtain advice about their careers, receive suggestions on career moves, training needs, and special project assignments, and obtain general information about the process of moving up the career ladder. *(April, 2010 Statement on Diversity in Federal Government)* I would argue, Mr. Chairman this is what all federal frontline employee need and want—the ability to move up in their careers. Mentoring in this arena would be invaluable.

Finally, NTEU would urge, as we have in the past, that a funding source be found for this legislation. As you know, Mr. Chairman, training programs are all too frequently the first to be cut when budgets are tight. And since the bill does not provide an authorization for these new training programs, I am concerned the agencies could simply not implement them, or use them as an excuse to cut other needed workforce initiatives. NTEU would support efforts to fund the training programs as well as mentoring programs.

Federal Career Intern Program (FCIP)

With respect to internships, NTEU believes the conversation about establishing more internships, possibly with excepted service hiring cannot start until a very major issue is addressed, the abuse of the Federal Career Intern Program (FCIP). I was disappointed to see FCIP listed on the newly designed OPM website for students because it I believe it was mischaracterized as an actual student intern program. It is not an intern program, and NTEU supports the repeal of FCIP for the following reasons.

FCIP was proposed and implemented on an interim basis in 2000, and became a permanent hiring authority under final OPM regulations in 2005. It was originally billed as a limited-use special hiring authority designed to provide formally-structured two-year training and development "internships." Instead, the FCIP has become the hiring method of choice for many agencies because agencies can use it for almost any entry-level position, with no limit on the number of "interns" they may hire, and no requirement that competitive recruitment and selection procedures be followed.

Since 2003, U.S. Customs and Border Protection has used FCIP as its exclusive method for hiring all incoming Customs and Border Protection Officers (CBPOs). It has since expanded its use of the FCIP to hire all incoming Border Patrol Officers and Agriculture Specialists. On January 22, 2009,

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CBP announced plans to hire 11,000 new employees last year, mostly under FCIP. The Federal Deposit Insurance Corporation began using FCIP in 2005 to hire Financial Institution Specialists. In 2006, the Internal Revenue Service began using FCIP to hire key enforcement employees, including Revenue Officers, in its Large and Medium-Sized Business and Small Business/Self-Employed Divisions.

According to the Merit Systems Protection Board (MSPB), *(June 2008 report)* FCIP has become the third most commonly used hiring authority in the government. In its first year, about 400 employees were hired under FCIP. That grew to over 7,000 in 2004. In FY 2005, nearly 10,000 new hires entered the Government through FCIP and more than half of new hires in professional and administrative jobs who entered at the GS-05 and GS-07 level were FCIP candidates.

Yet, despite its widespread use, the MSBP has identified problems with this so-called "intern" program including misuse of the program's flexibilities by federal agencies. According to MSPB, *(September 2005 report)* " ...our study found that agencies relied on limited tools to recruit applicants to the program, used weak pre-hire assessment tools and failed to use the internship as a trial period to correct weak assessment tools. Others did not provide training and development activities to career interns as required."

MSPB cited several specific areas concerning how the FCIP is detrimental to both employees and the general public. For example, it highlighted that there is no requirement that vacancies be publicly announced, resulting in recruitment so narrowly targeted—often limited to college campuses—that information about FCIP vacancies is hard to find. IRS, for example, targets its FCIP recruitment mainly to college campuses. Agencies can exploit this loophole to prevent veterans' preference-eligible candidates from learning about and applying for positions;

In addition, there are poor evaluation methods for selecting FCIP applicants and generally no specialized training and development are provided during the internship period. The agencies often also fail to use the internship period as a real trial period, to balance the weak selection assessment criteria, according to MSPB. MSPB also criticized OPM for not exercising any real oversight over the program.

NTEU Actions on FCIP

Because of the rampant abuse that NTEU saw with respect to this so-called internship program, in January, 2007, NTEU filed a federal court suit against OPM challenging the legality of the FCIP regulations. Our case is based on the regulations' design and the implementations by the agencies. In July of last year, we won an important ruling that will allow our direct challenge on FCIP to go forward and we are awaiting a decision on the final outcome.

In addition, we participated in two other cases. One was brought by a disabled veteran who alleges that the Social Security Administration's use of the FCIP obstructed his opportunity (as well as that of other veterans) to compete for jobs, in violation of veterans' preference rights. In this case, the agency advertised FCIP positions only by a posting on the state university's career services web site, which was accessible only to students and alumni. This posting made it impossible for the disabled veteran to learn of, or apply for, these vacancies. In the second case, NTEU participated in a friend-of-the-court brief and oral argument on behalf of a disabled veteran who was improperly denied his veteran's preference rights when DoD filled two auditor jobs with FCIP applicants, passing over the plaintiff.

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Mr. Chairman, the FCIP turns the whole concept of an "internship" program on its head, particularly by agencies like CBP and FDIC, which use FCIP authority to hire nearly all incoming entry-level employees as "interns." This is not a program like the current Student Career Experience Program, which I will discuss later, that serves as a learning experience for students in college or graduate school. Rather, the FCIP is a hiring authority that allows agencies to hire without posting internally – thus depriving qualified internal candidates from advancing – and giving employees a two, and sometimes three year, probationary period. It also wreaks havoc on the competitive examination process, which has been a pillar of fairness in the federal workforce, by allowing non-competitive conversions to permanent jobs.

Because it is easy to see how FCIP is *not* an internship program, NTEU believes that it is crucial that FCIP be recognized for what it is, and be terminated without delay. Only then should the conversation about expanding legitimate student internships or designing new ones for hard-to-fill positions with a demonstrated need, begin.

Competitive Hiring and Internship Expansions

Mr. Chairman, because of the abuse of FCIP, you can see why NTEU is sensitive to further "intern" expansions. Yet we realize there are thousands of talented students currently in college who will seek jobs in public service. There are several proposals pending in congress to create additional internships in government, as well as scholarship proposals to pay up to $60,000 a year to students in order to attract them to government. Most of the proposals allow conversions to federal service outside of the normal competitive channels. NTEU supports limited initiatives, including targeted internships and scholarships to recruit employees who have special fields of expertise that are in demand in the government. For example, students or recent graduates may be fluent in critical languages, or they may have expertise in sciences or other fields for which there is a shortage of qualified candidates for government positions. We have no problem making exceptions to the normal hiring process to draw these talented individuals to public service where there is a demonstrated need. But we do have problems – and do not support-- enacting additional broad intern programs or scholarship initiatives that circumvent the civil service's long-held competitive hiring requirements that are based on the merit system principles if there is no demonstrated need. That would be a regressive and unwise step backward.

It is the competitive service, after all, based on the merit system principles that exemplifies the high standards we want in a public sector workforce. For example, Principle 2 states: "All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliations, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights." Principle 3 calls for equal pay for work of equal value; Principle 4 states employees should maintain high standards of integrity and conduct; Principle 7 says, "Employees should be provided with effective education and training…"

Mr. Chairmen, do we really want to expand hiring programs that circumvent these very important principles? NTEU is committed to continuing to build a talented and vibrant civil service workforce that responds the federal government's 21st century needs. But we are opposed to programs that encourage circumventing these principles except in narrow cases. Rather, we support a return to competitive hiring in public service for all, including the thousands of talented, bright and promising students who aspire to public service as their career. And we are confident they can compete.

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With respect to those who argue that hiring is too cumbersome under normal competitive hiring channels, NTEU does support reforming that process. We believe there are areas in which hiring can be streamlined. It is possible lengthy KSAs are no longer needed in the initial application process, and legitimate testing that does not discriminate may be an assessment option. NTEU has given input to OPM on hiring reform and we stand ready to work to make the system run more smoothly. That said, NTEU remains firmly in support of fair competition, equal treatment, veterans' preference, and adherence to the merit principles.

Existing Federal Intern Programs

Finally, it is NTEU's position that the current federal intern programs should be the building blocks for attracting talent to the government. Rather than create a patchwork of additional intern programs scattered throughout government, NTEU would urge the subcommittee to use the existing frameworks should any additional internships be necessary. The Student Career Experience Program (SCEP) allows the appointment of students to positions that are related to their academic field of study. The program gives managers and supervisors an opportunity to see the student's potential and evaluate his or her performance in a real work arena. And the program does allow interns to convert if they prove themselves. This could be the basis for targeted hard- to- fill jobs.

The Presidential Management Fellows (PMF) program is another intern program that allows agencies to obtain outstanding graduate, law and doctoral-level students who serve for two years and can become valued members of an agency's workforce. This prestigious program can help our federal agencies continue to attract high quality, talented employees while utilizing OPM's resources in handling the recruitment and assessment process. But, numbers are important, and if the program grows, it should still have a reasonable cap on numbers of fellows.

In addition to these two programs, OPM's website lists an array of apprenticeships, cooperatives, fellowships, grants, and internships that students and prospective employees can seek out. NTEU would recommend better information- sharing on these programs, and better utilization of them by agencies seeking additional talent in the 21st century. We do not need to reinvent the wheel on internships, but rather utilize those that exist, and if necessary, improve them.

Conclusion

Mr. Chairman, in summary, I would like to: 1) Reiterate NTEU's support for the Supervisor Training Act that we believe has potential for improving our public sector workforce by training supervisors, managers, and potentially frontline employees; 2) Oppose the Federal Career Intern Program and urge its termination; 3) Support a return to competitive hiring in the federal government; and, 4) Support the utilization of our government's existing intern programs to obtain the talents of students and college graduates in an effort to enhance our workforce in the 21st century.

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STATEMENT BY

J. DAVID COX, SR.

NATIONAL SECRETARY-TREASURER
AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

BEFORE THE

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

SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

ON

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

APRIL 29, 2010

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Mr. Chairman and Members of the Committee: My name is J. David Cox and I am the National Secretary-Treasurer of the American Federation of Government Employees, AFL-CIO (AFGE). On behalf of the more than 600,000 federal and DC government employees represented by AFGE, I thank you for the opportunity to testify today. I have been asked to address federal internship programs generally and more specifically the Federal Career Intern Program (FCIP), the importance of training and mentoring for supervisors, and our union's views on S.674, The Federal Supervisor Training Act. These are all important issues for current and prospective federal employees because how they are addressed will have an enormous impact on both the career development opportunities of our members, and the integrity of the Merit System.

The Federal Career Intern Program (FCIP)

The Federal Career Intern Program (FCIP) is the federal government's most ubiquitous and problematic special hiring authority. The FCIP is essentially a direct hiring program that bypasses open competition and veterans' preferences, and circumvents career ladder promotions opportunities for the incumbent workforce. The program was established by Executive Order 13162 on July 6, 2000 as an excepted service hiring authority under the oversight of the Office of Personnel Management (OPM). As an excepted service hiring authority, the FCIP gives agencies enormous discretionary authority to hire employees without using the competitive hiring process or the public notice processes ordinarily required by Chapter 33 of Title V of the United States Code. AFGE strongly objects to the federal government's continued use of the FCIP because agencies have embraced it to such a degree that it has nearly

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superseded the competitive service, and because it has become a preferred vehicle for favoritism.

The ostensible purpose of the FCIP was, originally, "to attract exceptional men and women to the Federal workforce who have diverse professional experiences, academic training, and competencies, and to prepare them for careers in analyzing and implementing public programs." Based on reports from our members, however, agencies have strayed from this purpose by using the FCIP as a closed hiring system that does not reach many qualified members of the American public or current federal employees. AFGE does not believe that the federal government can succeed if its primary hiring process evades the open competition requirements set forth in the Merit Systems Principles or that operates outside the bounds of simple fairness in hiring.

It was for this reason that when the FCIP was initially established, our union immediately expressed the concern that the FCIP would obliterate the rule of competitive hiring. At that time, OPM responded to this concern by asserting that the FCIP was only part of a series of improvements that OPM intended to make to the Federal hiring process. Ten years later, with much damage already done, we continue to receive the same message from OPM.

In the meantime, federal agencies such as the United States Border Patrol, the Department of Homeland Security's Citizenship and Immigration Services and the Social Security Administration have used the FCIP as the almost exclusive hiring authority for thousands of newly hired employees. Indeed, according to a 2007 report prepared by the Government Accountability Office (GAO), in both 2005 and 2006 the Department of Homeland Security used the FCIP more than any other recruitment tool

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when compared to the number of new permanent hires. Based on these numbers, it seems clear that FCIP hiring has extended well beyond the limited number of professional, scientific and administrative positions that it was initially intended to cover.

Moreover, the ever-increasing rise in FCIP hires flies in the face of advice issued by the Merit System Protection Board (MSPB) that cautioned federal agencies, "against practices – such as using the FCIP as the sole or primary means of filling a particular type of job, combined with heavy reliance on recruiting methods that restrict the pool of applicants – that have the cumulative effect of limiting citizens' access to job opportunities." The MSPB succinctly summarized up by advising that, "[e]xceptions to fair and open competition that are legitimate and reasonable on a selective basis are problematic if they become standard practice."

AFGE believes that federal agencies looking for an easy way out of the responsibility to honor veterans' preference and open competition have subverted the purpose of the FCIP. The FCIP now represents the unrestricted use of a hiring authority that extremely subjective, and grants managers a degree of discretion that should not exist in the federal government. Further, managers have total control over newly hired employees whose tenure is characterized by the absence of procedural due process protections, such as adverse action appeal rights, and a probationary period that is double the length of new employees hired under competitive processes. The United States Court of Appeals for the Federal Circuit lent persuasive support to this criticism just last year when it invalidated OPM's regulation governing the pass-over of veterans' preference eligible individuals for positions in the excepted service. *Gingery v. Department of Defense*, 550 F.3d 1347, 1353-54 (Fed. Cir. 2008). The *Gingery* Court

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found that the Defense Contract Audit Agency's use of OPM's regulation to pass over Mr. Gingery for positions in the FCIP violated his statutory veterans' preference rights.

Combined with the FCIP's lack of transparency, the above problems have turned the FCIP into a step backward from the basic civil service protections first introduced by the Pendleton Act in 1883. AFGE has urged the Obama Administration to take immediate action either to eliminate the FCIP, limit it to a small number of positions, or revise the program significantly in order to strike a more appropriate balance between the need for hiring flexibility and the imperative to uphold the principles of transparency and fairness in federal hiring. At an absolute minimum, AFGE has urged a strict limit on the number of appointments available in any given fiscal year, and we ask this committee to enact such a limit. A limit on the number of available FCIP appointments would preserve merit-based hiring by ensuring that Federal agencies and departments would not succumb to the temptation to evade their responsibilities under the Merit System and the law relating to veterans' preference.

AFGE is extremely sensitive to agencies' pleas with regard to expedited hiring, especially in the context of insourcing jobs that were inappropriately outsourced in the last decade. With the recognition that each Full Time Equivalent position (FTE) insourced saves the federal government approximately $40,000 per year, according to Department of Defense estimates, the financial motivation to insource is substantial. It has become routine for agencies to complain that the competitive hiring process is cumbersome and time-consuming, and use this as an excuse either to resist or delay insourcing, or to revert to non-competitive hiring processes such as the FCIP. AFGE does support the Administration's efforts to modernize and expedite the competitive

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hiring process, and we are hopeful that with the proper training and resources, managers at agencies throughout the federal government will make use of the more user-friendly procedures to uphold the merit system and veterans' preference and hire competitively.

Mentoring for All Federal Employees

There is a large body of academic research that supports the proposition that a formal mentoring program can be valuable and cost-effective training for any organization of business. The importance of classroom education and "learning through experience" cannot be questioned, but the payoff from a personal "coaching" or "mentoring" relationship to productivity, morale, career advancement success, willingness to take on new assignments and expand the boundaries of one's area of responsibility are all potential benefits that are attributable to mentoring. In addition, an effective mentoring experience can in some circumstances eliminate the need for costly training seminars and travel, and provide instruction and information tailored specifically to the agency's needs. But mentoring that produces these types of positive and cost-saving results does not happen automatically. It requires genuine support from managers and supervisors, who must in turn know how to establish and facilitate mentoring relationships that serve both mentor and protege, and that further the mission of the agency.

It is also important to recognize the difference between formal and informal mentoring. While in some cases informal mentoring that arises spontaneously between a mentor and a protégé can be extremely valuable, we do not believe that federal managers should rely exclusively on informal mentoring. One problem with merely

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encouraging and being supportive of informal mentoring relationships after they arise is that they have historically, in effect if not in intention, been discriminatory against women and minorities. Formal mentoring programs not only avoid this discriminatory impact, but they also have the important virtue of imposing boundaries and restrictions that protect the interests of both mentor and protégé. Management involvement in mentoring is also necessary to help prevent toxic relationships that may effectively sabotage the careers of any of the participants. Mentor and protégé relationships are susceptible to all of the same conflicts as other interpersonal relationships, and it is crucial that bad chemistry or misunderstanding not stand in the way of a less experienced worker obtaining the benefits of mentoring, and a well-managed mentoring program can help address these and other problems which may arise.

Finally, it is crucial that mentoring programs, once established, be open to all employees who are interested in participating, not just a lucky few selected unilaterally by management. Since the potential benefits of mentoring are so substantial, excluding a federal employee who wants to benefit from the wisdom and knowledge of a more experienced employee can do substantial material harm to that employee's career development prospects. A formal mentoring program must not be allowed to reproduce the "good ol' boy" discriminatory patterns of informal mentoring, and should be open to all.

The Federal Supervisor Training Act

The timing for the introduction of S.674 could not be more opportune, as the next few years will see a substantial turnover in the federal government as the baby boom retires and the next generation is hired to take their place. In addition, thousands of

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jobs that have been inappropriately contracted out because they are inherently governmental, or closely related to inherently governmental work, will be insourced. It is hoped that government work that is being poorly performed by contractors will also be insourced during this period. This large influx of new federal employees will be successful if those who are appointed to manage and supervise them are well-trained and knowledgeable about the unique aspects of the federal workplace, and this bill would go a long way toward ensuring competent federal management for the future.

The establishment of a high quality mentoring program, discussed above, is just one example of a management task that requires the kind of training set forth in S.674. If a mentoring program is to be effective in such areas as succession planning, diversity initiatives, retention, or agency "on-boarding," the manager in charge had better have the skills described in the legislation such as "communication, critical thinking, responsibility, flexibility, motivating employees, teamwork, leadership, and professional development."

Another provision of S.674 that AFGE strongly supports is the mandate "to provide training to supervisors on the prohibited personnel practices" such as discrimination, retaliation against a whistleblower, the practice of favoritism, or politicization of the workplace or personnel actions. In addition, the bill requires training for supervisors on "employee collective bargaining and union participation rights, and the procedures and processes used to enforce employee rights." The eight years of the Bush administration brought home the importance of never taking these rights for granted, even though they are provided in law. Managers and supervisors trained to understand their responsibilities under the law with respect to employee rights,

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collective bargaining, and prohibited personnel practices will be less likely to succumb to the kind of pressure exerted during the past administration to violate those rights in pursuit of political ends.

Conclusion

AFGE urges the Committee to enact legislation that would restrict the use and abuse of direct hiring authorities in general, and the Federal Career Intern Program in particular. The FCIP makes a mockery of the Merit System and its promise of open competition for federal jobs, as well as veterans' preference. Numerical limits and other restrictions on FCIP should be accompanied by hiring reforms and increased resources available to agency human resource offices to expedite both insourcing, and the hiring of the next generation of federal employees. Once hired, these new federal employees should be given every opportunity to succeed, including access to well-managed mentoring programs. Mandated training for managers and supervisors, along with restrictions on non-competitive direct hiring will also help ensure that the federal government workforce continues to be a source of pride for all Americans.

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Written Testimony of John Palguta
Vice President for Policy
Partnership for Public Service

Prepared for

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

Hearing Entitled,
"Developing Federal Employees and Supervisors: Mentoring, Internships, and Training in the Federal Government"

April 29, 2010

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Chairman Akaka, Senator Voinovich, Members of the Subcommittee, thank you very much for the opportunity to appear before you today. I am John Palguta, Vice President for Policy, of the Partnership for Public Service, a nonpartisan, nonprofit organization dedicated to revitalizing the federal civil service and transforming the way government works. Prior to joining the Partnership over 8 years ago, I spent more than 30 years as a career federal employee. Most of my time in the federal government was spent in a supervisory and management capacity and I had the privilege to serve as a career member of the Senior Executive Service as the Director of Policy and Evaluation for the U.S. Merit System Protection Board.

The Partnership has two principal areas of focus. First, we work to inspire new talent to join federal service. Second, we work with government leaders to help transform government so that the best and brightest will enter, stay and succeed in meeting the challenges of our nation. This hearing today focuses on a topic of vital importance to the effective and efficient operation of our government and one in which the Partnership has a strong and ongoing interest – the willingness and capability of the federal government to invest in the growth and development of its most valuable asset, federal employees and supervisors. Unfortunately, too often this issue is either ignored or relegated to the "nice to have" category and afforded a low priority within the executive branch – a case of benign neglect stemming from a lack of both understanding and clear accountability.

Chairman Akaka and Senator Voinovich, I sincerely commend you and this Subcommittee for your many years of devotion to the task of addressing a number of federal workforce issues that have been too easily forgotten or overlooked in favor of more transient but higher profile issues du jour. The subject of this hearing may not be front page news, but the growth and development of federal employees and supervisors is clearly of long range strategic importance to the ability of government to accomplish its many missions on behalf of the American public.

In my testimony today, I will focus on four major issues.

1. **A Cause for Concern.** Why there is a pressing need for increased training and employee development activities in the federal government.

2. **Solutions at Hand.** The potential for interventions such as S. 674 – the *Federal Supervisor Training Act* – to make a difference.

3. **Getting It Right at the Outset.** The reasons for the increasing popularity of the Federal Career Intern Program, which was established with a dual focus on recruitment and development of exceptional talent, and issues the Subcommittee may wish to consider in your oversight of this hiring authority.

4. **The Untapped Potential of Student Internships.** The tremendous but often overlooked value of temporary student internships as part of the long range talent

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pool for government and as an opportunity to begin early development of that talent.

A Cause for Concern

Since shortly after the launch of the Partnership for Public Service in the fall of 2001, it became clear that the effective and efficient operation of the federal government requires not only a well-qualified and motivated federal workforce, but also a workforce led by well-trained and capable managers and supervisors. Unfortunately, there is overwhelming evidence that far too often the government falls significantly short of the latter goal.

One of the first major initiatives of the Partnership was the creation, in collaboration with American University, of the *Best Places to Work in the Federal Government* ranking of federal agencies (www.bestplacestowork.org). This ranking uses the results of an annual government-wide Federal Human Capital Survey, recently renamed the Federal Employee Viewpoint Survey, conducted by the U.S. Office of Personnel Management to rank agencies based on employee satisfaction with their job and their work environment and the degree to which they would recommend their organization to others as a good place to work. The purpose of the *Best Places* initiative is to build interest in the government as a potential employer and also to provide an incentive to and a roadmap for government leaders seeking to improve employee engagement. Not surprisingly, employee engagement is directly related to organizational productivity and outcomes. As one goes up so does the other.[1]

Our first rankings were issued in 2003 and updated periodically since then. In the Partnership's analysis of the results, we use other questions from the OPM survey to identify patterns associated with high or low levels of employee satisfaction and commitment. Consistently, the number one predictor of changes in employee satisfaction has been changes in employee attitudes towards their supervisors and higher level managers. As employee views of their supervisors decline so does employee satisfaction. This being the case, the results of the 2008 government-wide employee survey are troubling. For example, while 66 percent of federal employee report that their supervisor is doing a "good" or a "very good" job, this is significantly below the 74 percent of private sector employees who report similar attitudes toward their supervisors. Further, among federal employees, 21 percent report their supervisors do only a "fair" job and 13 percent believe their supervisors do a "poor" or a "very poor" job. Additionally, only about two out of every three employees (64.5 percent) believe their supervisors support employee development.

Warnings of a need to improve the training and development of federal supervisors have been sounded over a number of years but, until recently, there was little action taken in response. For example, a January 2001 report by the Office of Personnel Management titled *Supervisors in the Federal Government: A Wake-up Call* concluded that "most agencies still do not identify employees with supervisory potential and develop them for

[1] See, for example, "The Power of Federal Employee Engagement," U.S. Merit Systems Protection Board, November 2008.

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future leadership positions." That same report noted that supervisors themselves "believe that leadership development is given a low priority" and that "they need more and better development in people skills, such as communicating, coaching, dealing with poor performers, and resolving conflicts." More recently, an October 2009 report by the U.S. Merit Systems Protection Board (MSPB) titled, *As Supervisors Retire: An Opportunity to Reshape Organizations*, notes that "the nature of supervision is changing, largely because today's supervisors are faced with many challenges that affect the work they and their staffs do and how they do it." MSPB also notes that as an impending wave of Baby Boomers in the federal government begins to retire with a disproportionate impact on supervisory and managerial ranks, "maintaining organizational efficiency and effectiveness in the face of these changes will be a growing concern for agencies as both administrative burdens and supervisory losses mount."

The good news, however, is that the coming turnover of experienced supervisors and managers also provides an opportunity to remake and improve the future cadre of government leaders. This will only happen, however, if we respond constructively to the mounting evidence of shortcomings and the lessons learned from past mistakes, which include a failure to systematically invest in and build a new generation of highly capable supervisors and managers.

Solutions at Hand

While there are clearly problems with the training and development for supervisors, managers, and executives, there are also signs of progress. For example, OPM issued final regulations on December 10, 2009 which made significant enhancements in this area. Those regulations finally implement provisions of the *Federal Workforce Flexibility Act of 2004*, and include a requirement for the training of new supervisors within one year of appointment, and retraining every three years. That training must specifically include strategies for mentoring employees, improving performance management and productivity, and conducting employee performance appraisals.

Of course, a requirement in regulation for the systematic training and development of supervisors, managers, and executives is one thing; effective implementation of that requirement is something else. For the latter to occur, there must be resources, commitment, and accountability. In that context, the Partnership firmly supports Senate bill S. 674, the *Federal Supervisor Training Act* introduced by Chairman Akaka, which would provide legislative backing for the establishment and authorization of funding for training programs specifically tailored to the competencies supervisors need to effectively manage and be accountable for the performance of employees. The bill also directs the Office of Personnel Management to gather data, evaluate progress based on a set of identified metrics, and report on the effectiveness of agency responses to these requirements. The Partnership believes that S. 674 would be a very positive step toward providing funding and accountability for improved managerial and supervisory development.

The Partnership is also pleased to be part of the Coalition for Effective Change, an

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organization of professional and managerial organizations established in 1995 and committed to sharing information and taking action on issues that further the goal of an effective and efficient federal government. In the interest of full disclosure, I should also note that I volunteer as the Vice Chair of the Coalition. Recently, the Coalition issued a letter of support for S. 674. Along with 26 other member organizations, the Partnership is listed on that letter which urges passage of this important legislation. As noted in the letter, "Under current law, agencies must establish training programs for federal managers and supervisors, but when agency budgets are strained, training is viewed as a secondary expense and funding is often cut. Additionally, agencies are not held accountable for ensuring this training takes place. As employees are frequently promoted to supervisory roles based on technical skills, it is essential agencies invest in developing their managerial competencies to build effective leadership." We believe the *Federal Supervisor Training Act* will help in this regard.

Getting It Right at the Outset

Of course, training and development for federal employees should not wait until they become supervisors. The need for and the value of investing in relevant training and development starts early, i.e. when an employee first walks in the door of their federal workplace. This was clearly recognized in the establishment by Executive Order of a hiring authority that has continued to grow in popularity with federal agencies but which is also currently subject to some controversy and a law suit. That authority is the Federal Career Intern Program (FCIP).

The FCIP was established by Executive Order 13162 in July 2000. Although it incorporated the term "intern" in its title, the FCIP is not an intern program in the way many people think of internships. For example, the FCIP is not a hiring mechanism for filling temporary jobs with students who will be returning to school at the end of their internships. Rather, the clearly stated purpose of the FCIP is to "provide for the recruitment and selection of exceptional employees for careers in the public sector." Federal agencies may and typically do hire these "career interns" directly into entry level positions in mission critical occupations for the hiring department or agency with the expectation that they will become part of the permanent workforce.

The hiring authority for the FCIP is via Schedule B of the excepted service as outlined in the Code of Federal Regulations for title 5 U.S.C. An appointment under the FCIP is for two years and, at the discretion of the employing agency, competitive civil service status may be granted to a career intern who satisfactorily serves for two years and meets all other requirements prescribed by OPM. Another significant feature of the FCIP is a requirement that an individual hired under the FCIP "shall participate in a formal program of training and job assignments to develop competencies that the OPM identifies as core to the Program, and the employing agency identifies as appropriate to the agency's mission and needs."

There are three other aspects of the FCIP that are important to note. First, the Executive Order and OPM make it clear that veterans preference and equal employment opportunity

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considerations apply. Second, the merit system principles apply in that selections must still be made based on the relative qualifications of the applicants and selection may not be based on non-meritorious factors. Finally, there is no public notice requirement for career intern appointments, which means that a federal agency may target their recruitment by limiting the areas from which they will solicit applications. For example, an agency may elect to target selected colleges and universities as their recruitment source if they determine that there is a sufficient supply of well-qualified and diverse candidates available at those locations. This is not dissimilar to the long-established and well-accepted practice under agency competitive merit-promotion programs wherein an agency may limit consideration to current government employees only (a widely used limitation on the area of consideration). Federal agencies may further limit consideration to only employees of a particular agency or to only government employees in a certain geographic area (typically the local commuting area).

So what has been the result in terms of the use of the FCIP by federal agencies? Starting with a modest 411 hires in the first year the authority was available (FY 2001), the number of appointments each year has been greater than the year before. In FY 2009, for example, there were 26,709 hires made under the FCIP. And since the general view among agencies using the FCIP is that it is a hiring authority intended to help them select "exceptional employees" for career positions, the vast majority of hires are converted to competitive civil service after their two-year FCIP appointment expires.

Are federal agencies complying with the requirement under the FCIP that they provide "a formal program of training and job assignments to develop identified competencies? I am not aware of any authoritative data which has been gathered relevant to this last question. Based on what we know about agency investments in training and development overall, however, I would hazard a guess that some agencies do a very good job of providing the required training, others meet the minimum requirement of a formal training program, and at least a few agencies are likely not meeting the intent of this provision of Executive Order 13162. However, without better reporting requirements and more complete data, we cannot know the true state of the training and development opportunities provided to FCIP hires during the first two years.

Why has the use of the FCIP hiring authority continue to grow? I believe the growth is related to a very simple reason overall – it's works well as a hiring authority for those agencies that use it. I think two features of the FCIP are particularly attractive to agencies in this regard. The first is the ability to make better use of scarce recruitment and assessment resources by doing targeted recruitment in lieu of a general public notice. Secondly, the two year period of the excepted appointment provides, in essence, a two-year probationary period during which an agency is able to confirm that the individual hired is or is not a good match for the job and worthy (or not) of conversion to a competitive civil service appointment. If the agency determines that continued employment of an individual is not in the best interest of the public served by the federal government, the FCIP appointment simply expires. There is no right to continued employment.

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There is a possibility the Executive Order may ultimately be rescinded or the FCIP hiring authority otherwise withdrawn. If that should be that case, Congress and/or the Administration may wish to consider establishing an alternative hiring authority that preserves those aspects of the FCIP that have been most productive in meeting the intent of the Executive Order. That intent was to provide a vehicle that enhances the ability of government to attract and hire highly qualified individuals well matched to the requirements of the job and to provide for their training and development over a two-year period to ensure the presence of a highly capable and motivated workforce going forward.

Should there be a replacement for the FCIP, it should avoid use of the word "intern" to avoid confusion. Beyond that admittedly cosmetic change, however, any replacement should also allow an agency to define the area of competition but require the area to be large enough to ensure that it yields a reasonable number of highly qualified candidates from among which the selecting official may choose. In addition, any replacement for the FCIP should also provide for a two year trial period that would serve, in essence, as the last stage of the assessment process. Continuation in federal employment at the end of the two year period should require an affirmative declaration by the employing agency that the employee meets established standards of conduct and performance. Absent such an affirmative declaration, the employee's appointment would expire. Finally, veterans preference and the merit system principles should still apply in the hiring process.

We would also like to note that the complex federal hiring process contributes to agencies' desire to use a less complicated hiring authority like FCIP. S. 736, the *Federal Hiring Process Improvement Act* introduced by Senator Voinovich and Chairman Akaka, will do much to simplify federal hiring and we strongly urge its swift passage by the full Senate.

The Untapped Potential of Student Internships

Finally, a discussion on developing federal employees would not be complete without a reference to one of the earliest stages of building a talent pipeline – one that holds tremendous promise but which, for the most part, is woefully underutilized in the federal government. I am referring to student internships, particularly those such as the Student Career Experience Program (SCEP), which come with an option for the non-competitive conversion to permanent employment for students who have demonstrated their potential to be successful employees and who meet certain conditions.

In an effort to build pipelines of talent into the federal government, agencies must do a better job of utilizing its student interns. In a recent Partnership report *Leaving Talent on the Table*, we found that federal agencies lag behind their private sector counterparts in converting interns into full time hires. In 2007 federal agencies employed 59,510 interns through two of its largest paid internship programs, yet only 3,939 – 6.6 percent – of those student interns were hired into permanent jobs. Even among the students in 2007 who were employed under the SCEP program and who could have been easily converted to permanent employment, just a little more than 1 out of 4 (26.7 percent) were actually

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converted. In comparison, private sector employers in 2007 converted 50.5 percent of their interns to full-time, permanent positions according to a survey by the National Association of Colleges and Employers.

Part of the value of student internships as another source of talent for permanent positions is based on the fact that one of the best assessment tools for determining a potential employee's fit for the position is the ability to observe the candidate's actual work and work habits on the job. That is precisely what a student internship provides to a potential employer. And since highly qualified and motivated interns will frequently have multiple options for employment upon graduation, an internship also allows the intern's place of employment to "woo" the intern. Of course, both of these advantages only work if the federal government and federal hiring officials view student internships as a valuable part of the talent pipeline and act accordingly. In short, the federal government can and must do a better job using student employment programs as a means of finding and assessing potential new hires. In order to do this, agencies need to understand where their interns come from, how they are utilized, and the quality of their internship experience. Agencies must also do a better job of advertising their internships so highly qualified students know how to find them.

Representative Connolly's *Federal Internship Improvement Act* (H.R. 3264) gets at the heart of this matter. The legislation requires agencies to collect data and provide an annual report to OPM and ultimately Congress on a number of important items, including how agencies recruit interns, the type of work in which interns are engaged, and the quality of the internship experience as identified through exit interviews. Agencies are required to designate an internship coordinator and publicly post available internship positions with a clear point of contact to help attract the best candidates. The legislation also requires OPM to create a central database with the names of individuals who are completing their internships and are seeking federal employment. The central database will enable agencies to gain access to a talented pool of potential candidates.

We commend Rep. Connolly for introducing this legislation and although the Partnership has provided some recommendations for strengthening the bill, we are convinced that the intent of the bill is sound. We suggest the Senate consider introduction of a similar bill and the Partnership would be pleased to provide some additional information in this regard.

Conclusion

As I've noted in this testimony and as the Partnership has found in its research and analysis, there are steps that can and must be taken to ensure that the federal government is investing in the training and development of its workforce. S. 674, the *Federal Supervisor Training Act*, is one of the steps that can be taken and we thank the Subcommittee for its leadership. What is at stake is nothing less than the ability of the federal government to protect and serve the American public.

Thank you and I would be pleased to answer any questions.

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Testimony of Dr. Laura Mattimore
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Cincinnati, Ohio

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

Hearing on
"Developing Federal Employees and Supervisors: Mentoring, Internships, and Training in the Federal Government."

Thursday, April 29, 2010

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Introduction

Chairman Akaka, Ranking Member Voinovich, members of the Subcommittee, thank you for inviting me to testify this afternoon on the topic of leadership development and training in the federal government.

My name is Laura Mattimore. I am the Director of Leadership Development at the Procter & Gamble Company, where I am responsible for the processes and systems we use to develop leaders at all levels—from the highest level executives to new recruits. The P&G community includes approximately 127,000 employees working in 80 countries worldwide. Four billion times a day, our trusted brands—including Pampers, Tide, Bounty, Pantene, Duracell, Olay, Gillette and Braun, to name a few—touch the lives of consumers in virtually every country of the world.

Our position as the leading consumer goods company in the world is attributable to one factor above all others—the quality of our people. Our former president and chairman Richard Deupree captured our philosophy on personnel with this statement made in 1947:

> *"If you leave us our money, our buildings and our brands, but take away our people, the Company will fail. But if you take away our money, our buildings and our brands, but leave us our people, we can rebuild the whole thing in a decade."*

We realized early on that our employees are our strongest competitive advantage, and every day we work to increase and develop that advantage. To tap the full potential of our employees, we developed a rigorous and disciplined approach to leadership development in every business, in every region, and at every level of the company. Bob McDonald, P&G Chairman & CEO, whose commitment to leadership development inspires our leadership programs today, explained why leadership is a strategic priority:

> *"At P&G, our Purpose is to touch and improve consumers' lives, now and for generations to come. Our growth strategy is inspired by our Purpose: To touch and improve more consumers' lives, in more parts of the world, more completely. We cannot execute our growth strategy effectively, nor can we fulfill our Purpose fully if we fail to develop Leaders at all levels in the Company. Touching and improving lives starts with our own people. We have no hope of touching and improving consumers' lives if we don't touch and improve employees' lives. One leads to the other. This is just a simple reality, and it is a primary responsibility of leadership.*
>
> *The most important way we improve the lives of employees is to invest in their growth and success. We hold ourselves accountable at P&G not only for attracting top talent but also for providing the experiences, coaching, training and relationships that ensure people grow to their full potential as leaders. This pays enormous dividends because when people develop the skills to lead, and are then inspired by our Purpose to do great things, P&G is able to be a force for good in the world. It's a powerful, virtuous cycle. It's why we're proud of our Company and why so many of us invest our entire careers at P&G."*

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The P&G leadership team in place today is an ideal example of how P&G develops leaders. The current team is the most experienced and diverse leadership team in company history. The majority of P&G executives have experience leading businesses in both developed and developing countries. They know how to compete in markets where P&G brands are established leaders and where P&G is a new player. They have the experience and skills to lead P&G in today's fast-changing global economy. These women and men have been preparing for the responsibilities they have today since they joined P&G two or even three decades ago. They were often identified as top development candidates early in their careers. They were given a diverse mix of assignments to broaden their experience. They received coaching from senior managers and proprietary training at each critical step of their career. Their contributions and capabilities were reviewed with P&G's Board of Directors. When it was time for them to move into the company's most senior management positions, they were ready. This is how P&G develops each new generation of leaders. We hire the best and build from within through systemic development and planned experiences.

P&G Leaders – Built from Within

P&G people are the company's most important asset and source of competitive advantage. Our success depends entirely on the strength of our talent pipeline, which we build from within and manage with a disciplined process led by the CEO and the senior leadership team. This is an essential element of how P&G is designed to lead.

While we rely heavily on our Leaders to recruit, teach and coach, we also work with several select outside consultants and partners to ensure that we are well connected externally and continue to bring in new, leading-edge thinking into the Company. P&G has also grown through several acquisitions over the past decade, which again allows us to bring in new talent, best practices and external perspectives.

P&G's firm commitment to develop talent and fill leadership positions internally makes us one of the few remaining companies in our peer group to maintain a true "build from within" approach. This afternoon, I would like to highlight the major aspects of our approach to leadership development, the metrics we use to measure success, and the outcomes of our efforts.

Our Purpose is the Foundation

Our Purpose, Values and Principles are the foundation on which we develop leaders at P&G. Our shared Purpose – improving the lives of the world's consumers – in addition to our values – trust, integrity, ownership, leadership, passion for winning – unifies us as we collaborate as a team internally and compete to win externally. Our Purpose is a key enabler of our recruiting efforts, as it helps us to attract top talented people who want meaning in their lives and find a strong sense of connection to our company Purpose. Our Purpose and Values shape how we build leaders at P&G in terms of the capabilities we look to develop and the experiences we provide to grow our next generations of

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leaders. A significant amount of time is invested in training our leaders as stewards of our Purpose, Values, and Principles on business ethics and compliance.

We Seek to Hire the Best

Our first priority is to bring the brightest and most qualified people into the company. We seek to hire the best students from universities and bring them into the company at entry level. Hiring our employees early in their careers allows us to develop their talent and give them experiences that will broaden their leadership capacity for more senior positions. Our recruiting process is designed with that in mind.

Our culture and performance make P&G an employer of choice in those communities in which we operate. During our last fiscal year, we received approximately 200,000 applications in the U.S. (management and non-management positions) and 600,000 total applications for open positions around the world. We hired less than one percent of those applicants. To screen such a large number of applicants, we follow a robust, proven selection process that results in offers being extended to the highest quality applicants. Our recruiting process is a combination of computer-administered assessments and face-to-face interviews that are designed to measure intelligence, assess character and leadership, and predict success at P&G.

These measurements—which we refer to as "Success Drivers"—allow us to answer critical questions about applicants related to their potential to lead, innovate, act decisively, build relationships, embrace change, operate with discipline, and grow capability, among other attributes. We developed these Success Drivers with input from more than 2,000 employees, consumers, external partners, institutional investors and alumni. Each of the 4-5 steps in the recruiting process eliminates a significant portion of the applicant pool. When we are confident we have identified the most qualified candidate for an opening, an offer is extended, and the overwhelming majority of those offers are accepted. We work hard to encourage a diverse mix of applicants, and as a result we have consistently hired a racially and gender diverse mix of high potential individuals.

Hiring the most talented employees we can find is an essential part of our vision for the future of the company, but it is just the beginning of our leadership development efforts.

We Invest in Training

Once on board, P&G invests significant resources in training our employees, and this continues throughout their career with the company. A unique aspect of training at P&G is the engagement of our senior leadership as trainers. Our CEO and board members devote significant time to training, especially in the programs targeted to senior leadership development. Our goal is to foster a learning culture where leaders teach leaders at all levels of the company. P&G's training programs are customized to the experience level and specific assignments of our employees so they can continue to build capacity as they gain experience and assume new roles.

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Every layer of management (middle management, senior leaders, and executives) is responsible for training, coaching, and mentoring the employees in their business units and functions. Leaders at all levels are held accountable for building the business and building the organization.

In addition to on-the-job experience, we provide a wealth of technical, functional and leadership skills training. P&G currently operates nearly 300 corporate and functional training programs, and aggressive adaptation of technology allows leaders to develop skills remotely and outside of the formal classroom setting. Some programs are offered at career milestones, such as when an employee first takes on responsibility for managing others or leading an organization. Other programs take managers out of the classroom and into retail stores or even into consumers' homes. This process not only helps P&G people develop business skills but also deepens their commitment to touching and improving consumers' lives—which is P&G's enduring purpose.

Once employees have gained more experience, advanced training is offered through our functional capability programs. These programs are tailored for the employee's specific field— research and development, marketing, external relations, finance and accounting, human resources to name a few—and give the employee opportunities to develop skills necessary to excel in their current roles and in other potential roles within their function.

Manager capability programs are offered for those who manage other employees. Courses offered at this level emphasize the skills necessary to successfully manage, motivate, inspire, and grow the capabilities of direct reports. Programs are customized for new managers and emerging leaders, as well as for unique regional and cultural needs.

For those at the associate director level and above, we offer programs focused specifically on leadership development. These include our Executive Leadership Program, General Manager College, and Leadership Forum. Participants in these programs receive direct instruction and training from our most senior executives, supplemented by select external thought-leaders and experts. Through these programs, participants are able to develop leadership and management skills that will allow them to further succeed in executive positions within the company.

We also use technology to enable knowledge transfer and real-time learning. One example of this is our online portal that we use as a "hub" of P&G's Purpose and strategy. It helps employees establish a clear line of sight between what they do every day and the higher order Purpose of "touching and improving consumers' lives." The content on the site is vibrant and dynamic, with leaders offering their perspectives and bringing the purpose to life. The site also facilitates ongoing dialogue with employees and provides access to learning networks and virtual communities.

We Plan Careers

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Talent is only half of the leadership development equation. In order to fully develop leadership capacity, employees at all levels must be given appropriate opportunities and assignments that broaden their experience and exposure to the company. Understanding the various roles within and the kinds of experiences they provide enables us to effectively match employees with the right development opportunities.

Each year, P&G employees are asked to develop what we call a "Work and Development Plan." This plan is jointly developed by the employee and his or her immediate manager and is reviewed at least quarterly. Through the W&DP, employees are asked to prioritize their work for the coming year, set goals, identify future roles and responsibilities to which they aspire, and plan how to leverage strengths and make improvements in specific areas. This gives both employees and managers a clear sense of the employee's current objectives, and direction the employee would like to take his or her career within the company. Once potential future roles are identified, managers identify opportunities that will help the employee develop the capacity to fill those roles. In this way, employees are not only fulfilling clear objectives in their present responsibilities, but they are developing capacity for future assignments and the leadership skills that will be necessary in new positions.

The career development of P&G executives is directly overseen by our Chairman & CEO, Bob McDonald. Talent development is a strategy-led process that balances short-term business and talent needs with long-term development needs. It is an active engagement of senior level business and function leaders, taking collective responsibility for developing P&G talent. Through a frequent rhythm of face-to-face forums that allow for open and transparent discussions, a balanced set of staffing decisions are made for the best interests of the individuals, businesses and corporate functions of the company.

Once a year, Mr. McDonald meets with the board of directors for a comprehensive review of leadership needs and multigenerational succession planning for the CEO, vice chairs, group presidents and functional officer positions. These annual reviews are supplemented by 2-3 additional board-level discussions each year. Through a number of other monthly, quarterly and annual reviews, Mr. McDonald meets with other members of our senior management team to determine executive staffing needs, review the individual performance of executives, plan assignments and opportunities that will give executives the skills and experience needed for future roles, and identify mid-career employees as candidates for a general manager career path. Successful leadership development at this level is a strategic imperative for the company and the process is meticulously undertaken. Similar processes and tools are used throughout the organization – in functions, business units, and regions – for assignment and development planning of talent more broadly in the company.

Business and Functional Leaders Actively Recruit, Teach and Coach

Managers at all levels participate actively in the leadership development of more junior employees. Our CEO, vice chairs, presidents and functional officers actively recruit on college campuses, teach in our executive education programs, and serve as mentors and

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coaches for younger managers. They play a critical role in identifying, mentoring and developing the next generation of senior executive leadership in the company.

Several times each year, our senior executives attend college campus recruiting events, often accompanied by a team of junior managers who are recent graduates of the target school. They speak with recruits individually and answer questions about life as a P&G employee. Our leadership team recognizes that this investment of time plays an important role in making P&G the employer of choice for the most talented graduates.

P&G managers (including our executive team) also engage employees at all levels through our training programs, some of which are discussed above. Our senior Leaders spend a significant amount of time training and coaching. In fact, the Executives' offices are contiguous with our training center to enable their regular and active participation in learning events. Through these regular programs, our senior executives are able to share their vision of the future of P&G and discuss experiences that helped them achieve success at each level in their own careers. These are two-way discussions that also allow our executives to solicit ideas and feedback from participants, answer questions, and to get a better sense for the challenges employees experience.

Junior managers are also mentored by our more senior managers and executives, particularly those who are identified as top performers with strong leadership potential. These one-on-one coaching relationships allow young managers to develop the skills necessary to lead large businesses and organizations within the company.

We Measure Performance

Every employee at P&G—from the most junior recruits to our Chairman & CEO—is evaluated for performance and results. The outcome of these performance evaluations is used to determine employees' compensation and eligibility for promotion.

For all employees, performance is measured against the key work priorities and developmental goals established in the employee's Work and Development Plan. Employees are held accountable for results in two areas: contributions to building the business and building the organization. Performance feedback from peers and direct reports is also gathered as part of the review in order to assess both what was accomplished as well as how the results were achieved.

For Vice Chairs, Presidents, and Line General Managers in the Company (i.e., those with P&L responsibility), a performance scorecard is also completed which also assesses the leaders' business and organizational performance. Objective data is gathered for a two-year period on 6-11 key business metrics, depending upon the leader's role (e.g., volume, sales, profit) and an additional 11 organizational metrics (e.g., ethics & compliance, P&G annual survey results for their specific business unit). These data are used, along with a retrospective assessment of the manager, to determine the employee's overall performance evaluation.

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Collectively, P&G employees are accountable to the shareholders who own our company. We are also accountable to the consumers whose lives we touch every day. In many cases, they are the same people. By measuring performance against clear and objective goals and benchmarks, we strive to ensure that our individual and collective efforts as P&G employees result in superior financial performance of the company and superior products that improve people's lives. This process also ensures that leaders who rise to senior management positions in the company have demonstrated exceptional performance throughout their careers.

Metrics Used for Evaluating Success

There are several key talent metrics that are used to track and measure results, including:

1. Bench Strength: sustained, measurable performance over time; best qualified talent in mission-critical roles with at least 3 highly qualified candidates identified and ready to fill each role
2. Flow-Through: employees moving in and out of the organization: recruiting, attrition, promotion rate
3. Pipeline: number of high potential candidates ready relative to number of available roles; high potentials with robust assignment and development plans, mentors in place
4. Interchange: number of moves within and across business units; Expatriate assignments
5. Continuity: percentage of leaders moved in previous year with 3+ years in role, 5+ years in role
6. Constellation: critical mass of complementary skills and experiences on leader's Core Business Team
7. Sequencing: transition timing; continuity among leader's Core Business Team
8. Diversity: diverse mix in the pipeline by gender, ethnicity, culture, geography, experiences

Outcomes

P&G's rigorous leadership development program yields three significant outcomes. First, all strategic jobs at P&G are filled by experienced employees who have demonstrated superior performance in previous assignments, and show the greatest potential in future roles. Our bench for these positions is deep; we typically have three or more internal candidates identified for each strategically significant job, each of whom also has received top marks for performance and potential.

Another outcome is a globally diverse organization and leadership team that reflects our consumers. Approximately 60 percent of P&G's sales are derived from outside the United States, and we anticipate that a significant portion of our future growth will occur in emerging and developing markets. Our leaders at the vice president level and above have backgrounds from 35 countries, with more than half of them originating from outside the United States. Additionally, 85 percent of our leadership team has had one or more international assignments. We are also ranked among the top 10 companies for

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executive women by the National Association for Female Executives. The diversity of our leadership team mirrors the diverse base of consumers we serve, which helps us to better understand our consumers and respond to their unique needs.

Finally, our leadership development efforts produce multi-disciplinary leaders with capabilities needed to succeed today and in the future. Members of our leadership team each have broad experience across a variety of P&G businesses, organizations and functions. They have both breadth and depth of experience. They can see the big, strategic picture but can also engage on the more operational aspects of execution. Their talent was often recognized early in their careers and they were given carefully selected opportunities to prove themselves and grow their skills.

Conclusion

The future of Procter & Gamble depends on our investment in leadership development today. We take pride in the processes and policies we have developed that allow us to recruit the best, provide effective and relevant training to all employees, identify and enable top performers, and assemble a powerful leadership team—at all levels of our company. Leadership is a competitive advantage for P&G not only because our executive team is world class, but also because the leadership of our plant technicians, junior and line managers, and emerging leadership is world class as well.

Chairman Akaka, Ranking Member Voinovich, and other members of the Subcommittee, thank you again for inviting me to testify at this hearing.

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BACKGROUND
DEVELOPING FEDERAL EMPLOYEES AND SUPERVISORS: MENTORING, INTERNSHIPS, AND TRAINING IN THE FEDERAL GOVERNMENT
APRIL 29, 2010

BACKGROUND

The Federal government is expected to face one of the largest retirement waves in the nation's history within the next five years. In 2008, the United States Office of Personnel Management (OPM) estimated that by 2014 approximately 53 percent of permanent full-time Federal employees will be eligible to retire, and approximately 57 percent of that group – or more than 30 percent of all permanent full-time employees – will actually retire.[1]

In light of the large number of impending retirements, developing a new generation of Federal workers is a matter of national urgency. Federal agencies will need to recruit and develop new employees, and also to train employees to replace retiring supervisors and members of the Senior Executive Service. Because it often takes years to develop the specialized expertise and institutional knowledge required to be fully effective, the Federal government must address this issue in the near future to ensure that agencies can continue to execute their missions at a high level. This hearing will address the steps the Federal government is taking to develop Federal employees and supervisors.

A. FEDERAL SUPERVISOR TRAINING

One of the largest challenges facing the Federal government is the development of a new generation of Federal supervisors. As stated above, a large percentage of Federal employees will retire in the next five years. Because supervisors tend to be older and have more years of service than non-supervisors, supervisors likely will retire at faster rates than non-supervisors. Supervisors are responsible for achieving their offices' organizational goals and providing employees the tools necessary to succeed in their jobs. As first-level supervisors have direct contact with employees, they tend to have more of an impact on employee performance and productivity than anyone else in the management chain.[2]

One issue that makes this challenge so difficult is the changing nature of supervision in the Federal sector. Federal jobs are becoming more complex and knowledge-based in the information age, and the emergence of a knowledge-based workforce can place additional

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[1] U.S. Office of Personnel Management, "An Analysis of Federal Employee Retirement Data: Predicting Future Retirements and Examining Factors Relevant to Retiring from the Federal Service," Washington, DC, March 2008, at pp. 4, 6.

[2] John Crum, Director, Policy and Evaluation, U.S. Merit System Protection Board, "Improving the Performance of Federal Supervisors," *Issues of Merit* Newsletter, April 2010, at p. 2, available at: http://www.mspb.gov/netsearch/viewdocs.aspx?docnumber=491200&version=492557&application=ACROBAT.

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responsibilities on the supervisors and managers who recruit, train, and manage workers.[3] Younger workers and knowledge workers may have different career expectations and a different set of motivations than the previous generation, and supervisors must adjust to be effective managers.[4]

Efforts to improve Federal supervisor training are addressed below.

1. THE FEDERAL SUPERVISOR TRAINING ACT

On March 24, 2009, Senator Daniel Akaka introduced S. 674 – the Federal Supervisor Training Act. S. 674 requires the head of each Federal agency to provide training to supervisors on the following topics:

- Developing and communicating goals and objectives with employees;
- Mentoring and motivating employees and improving employee performance;
- Fostering a work environment characterized by fairness, respect, equal opportunity, and merit principles;
- Effectively managing employees with unacceptable performance;
- Addressing reports of hostile work environment, reprisal, or harassment of, or by, another supervisor or employee;
- Prohibited personnel practices under section 2302 of title 5 of the United States Code, employee collective bargaining and union participation rights, and the procedures and processes used to enforce employee rights; and
- Mentoring new supervisors.

S. 674 also requires interactive instructor-based training for managers in their first year as supervisors and at least once every three years thereafter. Finally, the bill requires each Federal agency to develop competencies to assess the performance of supervisors in effectively managing the performance of employees.

2. OPM'S SUPERVISOR TRAINING AND DEVELOPMENT REGULATION

In December 2009, OPM issued a final regulation requiring more effective training and development of supervisors, managers, and executives in the Federal government.[5] Similar to S. 674, OPM's regulation requires Federal agencies to provide supervisors and managers training on specific topics. These topics include:

- Mentoring employees;

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[3] "Knowledge workers" are employees who add to an organization's products and services by applying their knowledge. *See* P.F. Drucker, "Managing Knowledge Means Managing Oneself." *Leader to Leader*, .16 (Spring 2000), pp. 8-10, available at: http://www.leadertoleader.org/knowledgecenter/journal.aspx?ArticleID=26.

[4] F.M. Horwitz, C.T. Heng, & H.A. Quazi. "Finders, Keepers? Attracting, Motivating, and Retaining Knowledge Workers," *Human Resource Management Journal*, 13(4), 2003, pp. 23-44, available at: http://www.blackwellpublishing.com/pdf/horwitz-et-al.pdf.

[5] 5 C.F.R. Part 412.202.

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- Improving employee performance and productivity;
- Conducting employee performance appraisals in accordance with agency appraisal systems; and
- Identifying and assisting employees with unacceptable performance.[6]

Also similar to S. 674, the regulation would require training within one year of an employee's initial appointment to a supervisory position and at least once every three years thereafter.[7]

3. Supervisor Training Requirements in the National Defense Authorization Act for Fiscal Year 2010

With over 600,000 civilian employees, the Department of Defense (DoD) is the country's largest Federal agency. Section 1113 of the National Defense Authorization Act for Fiscal Year 2010 (NDAA), signed into law on October 28, 2009, requires DoD to develop a supervisor training program.[8] The NDAA requires DoD supervisors to receive training on the same topics as would be required government-wide by S. 674. Under the NDAA, DoD supervisors are required to complete the training once every three years.

B. Internships in the Federal Government and the Federal Career Intern Program

1. The Value of Valid Government Internship Programs

Government internship programs have proven to be a valuable tool in training and mentoring young employees. Among other things, the training and mentoring associated with internship programs can help young employees feel connected to their agency's mission, encourage stronger bonds with coworkers, and prepare those employees to take on meaningful responsibility. There are a number of successful internship programs in the Federal government. Two of the more successful programs are the Apprentice Career Experience Program (ACEP) at the Pearl Harbor Naval Shipyard in Hawai'i and the Acquisition Professional Career Program (APCP) at the Department of Homeland Security (DHS).

The ACEP is a four-year work/study program at the Pearl Harbor Naval Shipyard that was designed to prepare students for careers in the industrial trades.[9] The ACEP provides opportunities for apprentices to work alongside journeymen at the Naval Shipyard, receive trade theory training, and work towards a degree in a wide variety of applied trades. Upon successful completion of the program, graduates can be offered a permanent position in the industrial trades

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[6] 5 C.F.R. Part 412.202(b)(1)-(4).

[7] 5 C.F.R. Part 412.202(b).

[8] Public Law 111-84.

[9] See Pearl Harbor Naval Shipyard Apprentice Career Experience Program, *available at* https://acep.hawaii.navy.mil/home.aspx.

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at the Shipyard.[10] The program annually attracts close to 5,000 applicants for approximately 150 apprenticeships.

DHS implemented the APCP to attract new employees at the entry level into acquisition positions, and to retain and train them through focused professional career development. APCP interns are appointed to three one-year rotational assignments in different DHS component organizations.[11] Within an APCP intern's first 90 days, he or she is partnered with a DHS senior expert in the intern's acquisition field, who serves as a mentor.[12] APCP began in FY 2005 with 20 participants and expanded to 83 participants in FY 2008. DHS plans to expand the program to 200 participants by the end of FY 2010 and 300 participants by 2011.

Additionally, the NDAA established the Defense Civilian Leadership Program (DCLP) at DoD for the "recruitment and development of civilian employees of the Department of Defense." The DCLP allows for the selection of candidates from within or outside of DoD for special training and assignments designed to help the government develop a "new generation" of civilian talent. Under the NDAA, up to 5,000 individuals can be selected each year for the DCLP.[13]

2. THE FEDERAL CAREER INTERN PROGRAM

Executive Order 13162 established the Federal Career Intern Program (FCIP) in July 2000 to recruit, develop, and retain exceptional men and women in the Federal workforce.[14] OPM is responsible for developing "appropriate merit-based procedures for the recruitment, screening, placement, and continuing career development of Career Interns," and those procedures must protect equal employment opportunities and veterans' preference.[15] The Executive Order further requires that Career Interns "participate in a formal program of training and job assignments to develop competencies … appropriate to the agency's mission and needs."[16]

The FCIP, however, is exempt from applying many of the procedural requirements of the competitive hiring process. For instance, agencies using the FCIP are not required to announce job vacancies to the public through USAJOBS, follow ratings and rankings procedures, or give priority consideration to current or former Federal employees who will be or have been separated through a reduction in force. Moreover, although agencies using the FCIP are required to follow

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[10] *Id.*

[11] Department of Homeland Security, Acquisition Professional Career Program, *available at* http://www.dhs.gov/xabout/careers/gc_1191246953945.shtm.

[12] *Id.*

[13] Public Law 111-84, Section 1112.

[14] Executive Order 13162, July 6, 2000.

[15] *Id.*

[16] *Id.*

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veterans' preference rules, agencies have considerable flexibility in applying veterans' preference.[17]

Use of FCIP as a hiring authority has grown dramatically in recent years. In 2001, the FCIP accounted for a mere 1 percent of hires in the Federal government at the GS-05, GS-07, and GS-09 grade levels.[18] By 2005, however, 34 percent of employees at these grade levels were hired under the FCIP authority.[19] By 2008, 50 percent of these positions were filled by Career Interns.[20]

Concerns have been raised that the widespread use of the FCIP is undermining merit principles and veterans' preference laws. In 2005, the MSPB cautioned agencies against increased reliance on the FCIP as their primary means of hiring, stating:

> [B]ecause the FCIP has few eligibility requirements and procedural requirements, agencies must be extremely mindful and observant of the merit principles and rules of equal opportunity and veterans' preference when using the FCIP. Otherwise, agencies could unwittingly violate these principles and rules.[21]

Additional concerns have been raised with respect to the training received by Career Interns. Although Executive Order 13162 requires that Career Interns participate in formal training, the MSPB has found that many agencies have no training requirements at all for Career Interns.[22] The Board warned agencies of the potential consequences of failing to provide proper training and mentoring to Federal employees:

> The FCIP was established to provide a way for agencies to create a pipeline of well-trained individuals who can take over more responsibilities. If no formal training or no mentor is provided to guide interns on the job, agencies are using the "sink or swim" method. This approach is a disservice to both career interns and agencies, and defeats the purpose of the FCIP.[23]

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[17] The Merit Systems Protection Board, "Building a High Quality Workforce, The Federal Career Intern Program," September 2005, at p. 10, *available at*: http://www.mspb.gov/netsearch/viewdocs.aspx?docnumber=224108&version=224327&application=ACROBAT

[18] U.S. Merit Systems Protection Board, *Issues of Merit* Newsletter, February 2010, at p. 3, available at: http://www.mspb.gov/netsearch/viewdocs.aspx?docnumber=479230&version=480546&application=ACROBAT.

[19] *Id.*

[20] *Id.*

[21] The Merit Systems Protection Board, "Building a High Quality Workforce, The Federal Career Intern Program," September 2005, at p. 12, *available at*: http://www.mspb.gov/netsearch/viewdocs.aspx?docnumber=224108&version=224327&application=ACROBAT

[22] *Id.* at 42.

[23] *Id.* at 43.

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U.S. ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL

Catalyst for Improving the Environment

Hotline Report

Results of Hotline Complaint Review of EPA Region 9 Hiring under the Federal Career Intern Program

Report No. 10-P-0112

April 26, 2010

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Abbreviations

EPA	U.S. Environmental Protection Agency
FCIP	Federal Career Intern Program
OARM	Office of Administration and Resources Management
OIG	Office of Inspector General
OPM	U.S. Office of Personnel Management
SOP	Standard Operating Procedure
SSC	Shared Service Center

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U.S. Environmental Protection Agency
Office of Inspector General

10-P-0112
April 26, 2010

At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We received a Hotline complaint that alleged abuse of authority regarding how the U.S. Environmental Protection Agency (EPA) Region 9 conducted hiring under the Federal Career Intern Program (FCIP). Based on the complaint, we sought to determine whether (1) the Region's use of a job fair and registration code was inappropriate, and (2) opening a vacancy announcement for only 4 calendar days (2 business days) denied potential applicants the opportunity to apply for the positions.

Background

EPA Region 9 held a job fair in San Francisco on July 28-30, 2009. EPA provided only job fair participants with the registration code needed to apply for the four FCIP vacancies. The associated vacancy announcement was open from Friday, July 31, to Monday, August 3, 2009. The FCIP has few requirements, allowing flexibility in recruiting, but agencies must still meet Merit System Principles.

For further information, contact our Office of Congressional, Public Affairs and Management at (202) 566-2391.

To view the full report, click on the following link: www.epa.gov/oig/reports/2010/20100426-10-P-0112.pdf

Results of Hotline Complaint Review of EPA Region 9 Hiring under the Federal Career Intern Program

What We Found

The specific Hotline allegations against Region 9 were unsubstantiated, but we found that the Region engaged in a prohibited personnel practice.

Neither the U.S. Office of Personnel Management (OPM) nor EPA prohibits the use of a job fair and registration code as recruiting and hiring methods. Also, neither OPM nor EPA requires a minimum number of days for performing applicant intake. Therefore, the specific allegations were unsubstantiated.

However, Region 9 engaged in a prohibited personnel practice by giving four FCIP job fair participants improper advantages not provided to others attending the job fair. Records show that these four individuals were favored for hire and offered paid travel to the FCIP job fair by Region 9 before the fair or vacancies were publicly announced. The EPA Human Resources Shared Service Center in Las Vegas (Team Vegas), which took over hiring authority for Region 9 in early 2009, considers pre-employment interview travel to be appropriate only after applicants have been qualified and listed on a selection certificate – processes that occur after a job fair is held and candidates have submitted their job applications. Region 9 also arranged for these four individuals to participate in interviews and meetings with regional officials during the job fair – advantages not provided to others attending the fair. Three of the four individuals were subsequently hired for this vacancy announcement; the fourth was hired by Region 9 under a different announcement. We concluded that Region 9 used a legitimate job fair recruitment method to mask hiring persons favored by management. We also believe Team Vegas's oversight of Region 9's hiring activities related to this job fair was insufficient.

What We Recommend

We recommend that EPA's Region 9 Administrator take appropriate administrative actions against the individuals who engaged in a prohibited personnel practice in violation of Merit System Principles. Region 9 did not agree with the report's conclusions and its comments were not responsive to our recommendation. We are referring this matter to the U.S. Office of Special Counsel. We also recommend that the Assistant Administrator for Administration and Resources Management (1) require that job fair plans (outreach, notice, application process) be approved by a senior management official hosting the job fair, and (2) verify that Shared Service Center oversight processes are sufficient to provide reasonable assurance that EPA does not engage in prohibited personnel practices. Although positive, the Agency's comments did not address these recommendations, which remain unresolved.

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

April 26, 2010

MEMORANDUM

SUBJECT: Results of Hotline Complaint Review of EPA Region 9
Hiring under the Federal Career Intern Program
Report No. 10-P-0112

FROM: Wade T. Najjum
Assistant Inspector General for Program Evaluation

TO: Jared Blumenfeld
Regional Administrator, EPA Region 9

Craig E. Hooks
Assistant Administrator for Administration and Resources Management

This is a final Hotline report on the subject evaluation conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position. Final determination on matters in this report will be made by EPA managers in accordance with established audit resolution procedures. EPA Region 9 and the Office of Administration and Resources Management provided comments to our draft report. The OIG evaluated these comments and, where appropriate, made necessary changes in this report. We have included the response and the OIG's evaluation in Appendix B.

The estimated cost of this report – calculated by multiplying the project's staff days by the applicable daily full cost billing rates in effect at the time – is $219,573.

Action Required

In accordance with EPA Manual 2750, *EPA's Audit Management Process*, you are required to provide a written response to this report within 90 calendar days. Region 9's response should include a corrective action plan and planned completion dates for Recommendation 1. The Office of Administration and Resources Management should submit a correction action plan and planned completion dates for Recommendations 2 and 3. We have no objection to the further release of this report to the public. This report will be available at http://www.epa.gov/oig.

If you or your staff have any questions regarding this report, please contact me at (202) 566-0832 or najjum.wade@epa.gov, or Rick Beusse at (919) 541-5747 or beusse.rick@epa.gov.

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Purpose

The Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA) receives Hotline complaints of fraud, waste, and abuse within EPA programs and operations. These complaints include allegations of mismanagement or violations of law, rules, or regulations by EPA employees or program participants. In August 2009, the OIG received a Hotline complaint alleging abuse of authority with respect to how EPA Region 9 recently conducted hiring under the Federal Career Intern Program (FCIP). The complaint involved an FCIP job fair that Region 9 held in San Francisco, California, on July 28-30, 2009. Only FCIP job fair participants received a registration code, which had to be supplied online to apply for one of the four FCIP vacancies. The associated vacancy announcement (Reg 9-OT-2009-0009) was open from Friday, July 31, to Monday, August 3, 2009. Based on the complainant's allegations, our objectives were to determine whether Region 9's:

- use of a job fair and registration code was inappropriate, and
- opening a vacancy announcement for only 4 calendar days (2 business days) denied potential applicants the opportunity to apply for the positions.

Background

Federal Career Intern Program

The FCIP was established by Executive Order 13162 on July 6, 2000. The program's goal is to help federal agencies recruit and attract exceptional men and women for a variety of occupations. The program is a minimum of 2 years, with interns typically hired at General Schedule (GS) grades 5, 7, or 9. The FCIP is designed not only to attract qualified individuals, but also to help train, develop, and convert them into career or career-conditional appointments.

Compared to the competitive examining process – the government's long-established hiring method – the FCIP has few eligibility and procedural requirements, giving agencies substantial flexibility in recruiting, assessing, and selecting career interns. For example, FCIP vacancies need not be publicly announced via USAJOBS;[1] stringent rating and ranking of applicants are not required; and agencies have options in how to apply veterans' preference rules. However, this flexibility does not relieve an agency's obligations to avoid prohibited personnel practices and abide by the Merit System Principles. The Merit System Principles are based on the public's expectations of a civil service that is efficient; effective; fair; open to all; free from political interference; and staffed by honest, competent, and dedicated employees.

Team Vegas and Region 9 Responsibilities in Implementing FCIP

In February 2009, EPA Region 9 human resources functions were consolidated within the Las Vegas Shared Service Center (Team Vegas). Team Vegas was one of three Shared Service Centers (SSCs) established by EPA's Office of Administration and Resources Management in

[1] USAJOBS.com is the official job site of the U.S. Federal Government. Applicants can apply for a job by responding to a job vacancy announcement posted online.

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June 2008 to process personnel and benefits actions for EPA employees, including vacancy announcements. Prior to the consolidation, Region 9 had conducted FCIP recruiting and hiring in-house, using a job fair strategy that largely avoided the use of USAJOBS. Upon consolidation, Team Vegas assumed all hiring authority and Region 9 came under the control and oversight of the Team Vegas SSC.

Team Vegas had already established standard operating procedures for recruiting FCIP applicants and provided these procedures to Region 9. The SSCs' *Federal Career Intern Program (FCIP) Recruitment Standard Operating Procedure (SOP)* identifies different recruiting methods to be used, depending on the number of vacancies and applicants expected to apply. For instance, if there is only one vacancy, qualifications may be done by Team Vegas staff on-site at a job fair held for potential applicants. In contrast, if there are several vacancies, the Agency is encouraged to use an automated method, employing USAJOBS.

The SSCs' *Customer Service Standards* outline the SSCs' responsibilities, including "uphold[ing] Merit System Principles" and "work[ing] in partnership with supervisors/managers to ensure merit principles and regulatory requirements are met." Appendix A lists Team Vegas and Region 9 responsibilities when recruiting and hiring. As the senior executive in Region 9, the EPA Regional Administrator also has an obligation to prevent prohibited hiring and recruiting practices by Region 9 supervisors, managers, and staff.

Scope and Methodology

We conducted our review from September 2009 to February 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform our review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

To accomplish our objectives, we reviewed documents provided by the complainant, Region 9, and Team Vegas. We conducted interviews with relevant EPA Region 9 staff in San Francisco and EPA Team Vegas staff in Las Vegas, Nevada. We independently obtained and reviewed communications between and among Region 9 and Team Vegas managers and staff related to the July 28-30, 2009, job fair and the associated vacancy announcement, including the travel vouchers for the individuals who were paid travel to attend the job fair. We contacted each of the universities to which Region 9 sent flyers promoting the July 28-30 job fair to confirm whether they received the flyer and the amount of advance notice they received. We also obtained and reviewed the public law, federal policies, and Agency guidance pertaining to FCIP hiring and pre-employment travel compensation. These included, but were not limited to:

- Title 5 U.S. Code, Section 2301, *Merit System Principles*
- Title 5 U.S. Code, Section 2302, *Prohibited Personnel Practices*
- Title 5 U.S. Code, Section 5706b, *Interview Expenses*
- Executive Order 13162, *Federal Career Intern Program*
- 5 Code of Federal Regulations Parts 213 and 315, Final Rule, August 2, 2005
- Federal Travel Regulations – Part 301-75

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- U.S. Office of Personnel Management (OPM) Hiring Process Model
- EPA's 2002 Human Resources Policy Bulletin, No. 213-5, *Federal Career Intern Program*
- EPA's 2008 Human Resources Policy Bulletin, No. 08-007B, *Quality Assurance in the Hiring Process*
- EPA's 2008 Shared Service Centers Human Resources Standard Operating Procedure, SSC-Recruitment-04-300, *Federal Career Intern Program (FCIP) Recruitment Standard Operating Procedure (SOP)*
- EPA's 2008 Shared Service Centers Human Resources Standard Operating Procedure, SSC-Recruitment-02-300, *Recusal Procedures for Recruitment*
- EPA's 2008 *Human Resources Shared Service Center (SSC) Customer Service Standards*
- EPA's 1995 Resources Management Directives, 2550B, *Travel Manual*
- U.S. Merit Systems Protection Board's 2005 report, *Building a High-Quality Workforce: The Federal Career Intern Program*

Results of Review

Region 9's Use of a Job Fair and Registration Code Was Allowed

The allegation that Region 9's use of a job fair and registration code was inappropriate was unsubstantiated. Neither OPM nor EPA prohibits the use of a job fair and registration code for recruiting and hiring. OPM does not administer the FCIP, leaving the development and implementation of the FCIP to individual agencies. To administer the FCIP, agencies must describe, in writing, how the program will be implemented, including how it will accept applications and evaluate and select applicants. EPA's three SSCs collaborated to create the Agency's 2008 FCIP SOP that describes the processes and methods all regions should follow. One of five recruiting methods outlined in the FCIP SOP is the use of a job fair where "job fair participants are given a registration code for identification when applying for the FCIP position."

For each recruiting effort, it is Team Vegas's responsibility to work with regional supervisors/selecting officials to develop vacancy announcements. Prior to the July job fair, Team Vegas prepared a flyer that underwent several revisions following communications with Region 9. The original flyer contained a registration code and no requirement to attend the job fair. However, Region 9 human resources staff believed they would receive too many applications and subsequently removed the registration code from the flyer. Region 9 human resources staff were concerned that they might be inundated with phone calls from applicants requesting the registration code, so Region 9 decided to conduct a job fair at its EPA San Francisco offices where it would distribute the registration code. Attendance at the job fair was mandatory for anyone interested in applying for the FCIP vacancies, since it represented the only opportunity to obtain the registration code required to apply.

Region 9's Use of a Limited Open Vacancy Period Was Allowed

The allegation that Region 9's decision to keep the vacancy announcement open for only 4 calendar days (2 business days) denied potential applicants the opportunity to apply for these positions was unsubstantiated. OPM does not require a specific number of days for performing

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applicant intake. According to OPM, the time a vacancy announcement remains open is determined by "the nature of the position and the competency need." There is no minimum period required. Similarly, EPA's FCIP SOP allows for EPA supervisors and human resources staff to determine "the length of time the vacancy announcement will be open"; again, there is no minimum period required.

Region 9 Engaged in a Prohibited Personnel Practice

Region 9 management engaged in a prohibited personnel practice by giving four candidates improper advantages. Under Section 2302 (b) of Title 5 U.S. Code, it is a prohibited personnel practice to "grant any preference or advantage not authorized by law, rule, or regulation to any employee or applicant for employment (including defining the scope or manner of competition or the requirements for any position) for the purpose of improving or injuring the prospects of any particular person for employment." Records show that four prospective FCIP job applicants – three of whom were subsequently hired for this vacancy announcement – were provided improper advantages not offered to others who attended the job fair. These advantages included offers of paid travel to the job fair and participation in interviews and meetings with regional officials while they were in San Francisco for the job fair. The fourth prospective FCIP job applicant was subsequently hired by Region 9 under a different vacancy announcement. The evidence that these four individuals were to be the hires from the job fair before it was announced was substantial.

We concluded Region 9 management used a legitimate job fair recruitment method to mask hiring persons who were favored by management. While public promotion of the Region 9 job fair did not begin until July 24, 2009, evidence shows that by July 1, 2009, Region 9 managers were improving four particular candidates' prospects for employment by:

- inviting them to the upcoming – and as yet unannounced – job fair,
- offering to reimburse them for travel expenses to attend the job fair,
- authorizing and paying for travel expenses for three candidates' trips to San Francisco, and
- arranging and conducting pre-employment interviews before the job fair was announced.

Title 5 of the U.S. Code makes giving unauthorized preference or improper advantage a prohibited personnel practice in federal hiring. Records show that these candidates were selected before the job fair was announced. For example, a Region 9 selecting official confirmed in a July 21 e-mail that final decisions regarding three of the four future hires were made before the July 28-30 job fair had been announced:

> *We have held final interviews with all three water candidates and their presence at the event was merely to address the procedural requirement put in place as agreed to with Team Vegas... namely, we stand ready to proceed and to recommend offering them employment at EPA, Region 9....*

The three candidates referenced in the July 21 e-mail were later hired by Region 9.

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Records also show that Region 9 arranged for the four FCIP job applicants to participate in "final" pre-employment interviews before the job fair was announced. In a July 23 e-mail, several Region 9 managers confirmed a day-long itinerary for the four favored candidates for July 28 (day one of the job fair), including lunch with the Region 9 managers. In a July 8 e-mail – more than 2 weeks before the job fair was announced and nearly 3 weeks before it was held – a Region 9 selecting official informed colleagues that she had contacted one of the four favored candidates to let the candidate "know of our interest" and that this "would complete our interview and proposed selections for the three [positions] in Water." In a July 10 e-mail, the same Region 9 selecting official told colleagues that she and one of the favored candidates discussed a potential August start date for the candidate; the candidate was later hired by the Region. In another example of providing improper advantage, a Region 9 selecting official informed one of the four favored candidates in a July 21 e-mail that the recruitment process was undergoing some changes and alerted the candidate that the candidate would need to apply through USAJOBS, so she suggested that the candidate get a head start by registering in USAJOBS. In a July 25 e-mail, a Region 9 human resources staff member expressed concern that Team Vegas's approach to the job fair may not allow them to hire the four favored candidates and this staff member did not:

> *...want to risk losing the candidates we want to hire (3 in Water and 1 in the Lab) who may get blocked by veterans via USAJOBS if we keep following [Team Vegas's] path.*

Generally, EPA is not authorized to pay for travel expenses for non-federal employees. One exception to this rule applies to pre-employment interviews. Title 5 of U.S. Code, Section 5706(b) states, that:

> *An individual being considered for employment by an agency may be paid travel or transportation expenses under this subchapter for travel to and from pre-employment interviews determined necessary by the agency.*

While 18 prospective FCIP job applicants attended the July job fair, Region 9 management offered to pay travel expenses to only the 4 favored candidates. We sought travel expense information for all 18 prospective FCIP job applicants. Travel expenses were only paid for three of the four favored candidates.[2] Two of the three favored individuals who received EPA funds were later hired, while the third did not complete an application for these vacancies but was later hired by Region 9 under a different hiring authority. The fourth favored individual who was offered travel at Region 9's expense and later hired did not use EPA travel funds. The "Purpose Description" on one of the travel authorizations was "job interview"; the other authorizations did not include travel purpose codes. When we questioned Region 9 staff about the purpose of the travel, they maintained the travel was not to ensure that the candidates would be present at the job fair (to obtain the requisite registration code) but rather to conduct "final" pre-employment interviews. The Region's offering and paying for travel for only these candidates, prior to a vacancy announcement being made public, is further evidence Region 9 management engaged in a prohibited personnel practice by giving unauthorized preference or improper advantage.

[2] We identified three travel authorizations and three travel vouchers, but these were only for the favored candidates. We confirmed with Region 9 that travel expenses were only paid for three of the four favored candidates.

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On pre-employment travel, the Federal Travel Regulations and Title 5 U.S. Code simply state that travel expenses may be paid for pre-employment interviews so long as it is "necessary" or in the "best interest of the Government." Agency guidance on what constitutes pre-employment interview travel is lacking. According to Team Vegas, EPA typically pays for pre-employment travel expenses for an interview only for those candidates who are on selection certificates. Yet in this case, Region 9 offered pre-employment travel to four prospective FCIP candidates before the vacancies were announced. EPA's FCIP SOP does not clearly address when travel should be paid in the FCIP recruiting process or the procedures required to assure that, if provided, FCIP applicants are treated equitably and fairly. Paid travel to San Francisco was not extended to other prospective job applicants. In our view, it is improper to authorize travel expenses for a pre-employment interview when the associated job vacancy has yet to be made public. Region 9's paying for travel for a select few individuals is further indication that the Region 9 management gave unauthorized preference or improper advantage to favored candidates.

Team Vegas Did Not Provide Sufficient Oversight of Region 9's Hiring Activities

EPA's Team Vegas, with whom hiring authority rested in this case, did not properly oversee Region 9's recruiting and job fair process.

Team Vegas Did Not Prevent Abuse of FCIP Hiring Authority

As the hiring authority, Team Vegas has an obligation to prevent prohibited personnel practices by the regions it supports. However, Team Vegas did not sufficiently oversee Region 9's recruitment activities associated with the July 28-30 job fair. According to SSC guidance, Team Vegas must "work in partnership with supervisors/managers to ensure merit principles and regulatory requirements are met." Yet, in interviews with Team Vegas staff, they said the regions are solely responsible for outreach and management of job fairs while Team Vegas helps to implement the process. This is contrary to SSC guidance. We noted that in a July 7 e-mail, Team Vegas advised Region 9 Human Resources to publicly distribute the job fair flyer no later than the end of that week (i.e., no later than July 10) for the "job fair at the end of the month." However, Region 9 did not send out the original flyers for the vacancy announcements to universities and individuals until Friday, July 24. Further, Region 9 made changes to the flyer during the weekend, including deleting the original registration code from the flyer and adding the requirement that attendance at the job fair would be necessary to obtain a registration code. Region 9 did not distribute the revised flyer to universities until Sunday, July 26, or 2 days before the start of the July 28-30 job fair.

The FCIP SOP does not define what constitutes proper outreach for a job fair or the number of days of advance notice needed. However, announcing a job fair shortly before it is held limits the number of people who will attend. Weeks before the July 28-30 job fair, Region 9 management's favored candidates were notified of the job fair and invited to travel to the Region at public expense. In our opinion, Region 9 management abused the authorities allowed under FCIP and the job fair was simply a pretense to hire favored candidates.

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Team Vegas Did Not Confirm Region 9's Outreach Efforts

The FCIP SOP states that Team Vegas, as the SSC hiring authority, must determine whether a sufficient pool of applicants has been obtained. The July 28-30 job fair was the second recruiting effort coordinated between Team Vegas and Region 9. An earlier June 2009 FCIP job fair was sparsely attended. Concerned about outreach for the July job fair, Team Vegas asked Region 9 to provide a list of contacts to whom Region 9 sent the July job fair flyer. Team Vegas independently contacted the six universities to which the flyers were sent to verify whether they had received the flyer. Only two responded and, of those two, only one verified that it had received the flyer. Team Vegas did not follow up with the other universities or Region 9 regarding the poor outreach and response.

Conclusions

The specific allegations that Region 9's use of a job fair and registration code was not appropriate, and that the limited open vacancy announcement period denied potential applicants the opportunity to apply for the positions, were unsubstantiated. These hiring and recruitment methods are not prohibited under FCIP authority. However, Region 9 engaged in a prohibited personnel practice by giving four candidates improper advantages in violation of Merit System Principles. Even if a desired candidate is exceptionally qualified, manipulation of the hiring system is a prohibited personnel practice when done to help or harm a particular candidate. The actions of Region 9's managers and staff gave unauthorized preference and improper advantage to favored candidates. Region 9's outreach and promotion of the July job fair undermined the FCIP's purpose of providing "for the recruitment and selection of exceptional employees for careers in the public sector." Despite having earlier concerns about sparse attendance and outreach, Team Vegas did not provide sufficient oversight of Region 9's administration of the job fair process.

Recommendations

We recommend that EPA's Region 9 Administrator:

1. Take appropriate administrative actions against the individuals who engaged in a prohibited personnel practice in violation of Merit System Principles.

We recommend that the Assistant Administrator for Administration and Resources Management:

2. Require that job fair plans (outreach, notice, application process) be approved by a senior management official hosting the job fair.

3. Verify that SSC oversight processes are sufficient to provide reasonable assurance that EPA does not engage in prohibited personnel practices in its outreach, recruiting, and hiring activities.

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Agency Comments and OIG Evaluation

The Office of Administration and Resources Management (OARM) and Region 9 said they agreed with our findings that the original basis of the hotline complaint was unfounded, but disagreed with our conclusion that the Region had engaged in a prohibited personnel practice by giving four candidates improper advantages in violation of Merit System Principles.

- For Recommendation 1, Region 9 does not believe it violated Merit System Principles when it hired three Region 9 Water Division FCIP candidates and one Lab candidate. The OIG disagrees. The draft report portrayed an accurate representation of the facts and properly applied the criteria provided in the Merit System Principles, resulting in the conclusion that the actions of Region 9's managers and staff gave unauthorized preference and improper advantage to favored candidates – a prohibited personnel practice.

- For Recommendation 2, OARM plans to convene a cross-Agency workshop to review the Agency's FCIP SOPs, identify the essential elements to be included in FCIP recruitment plans, and review how such information is used by the SSCs, regions, and program offices in their FCIP outreach and recruitment activities. OARM's response did not address the recommendation, which was to establish accountability for oversight of job fairs. Absent accountability, there is no assurance that changes will be implemented and followed.

- For Recommendation 3, OARM plans to work with regional senior leadership to strengthen the SSC oversight role in processing FCIP appointments. OARM's response does not address the recommendation that OARM verify that SSC oversight processes provide a reasonable assurance that EPA does not engage in prohibited personnel practices in its outreach, recruiting, and hiring activities.

Because Region 9 did not agree that it engaged in a prohibited personnel practice and its comments were not responsive to Recommendation 1, we are referring this matter to the U.S. Office of Special Counsel. Although positive, OARM's comments did not specifically address Recommendations 2 and 3. As such, these recommendations remain open pending our receipt of the Agency's proposed corrective actions, including estimated completion dates. The Agency's complete written response to the draft report, and our evaluation of the response, are in Appendix B.

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Status of Recommendations and Potential Monetary Benefits

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in $000s)	
Rec. No.	Page No.	Subject	Status[1]	Action Official	Planned Completion Date	Claimed Amount	Agreed To Amount
1	7	Take appropriate administrative actions against the individuals who engaged in a prohibited personnel practice in violation of Merit System Principles.	U	Region 9 Administrator			
2	7	Require that job fair plans (outreach, notice, application process) be approved by a senior management official hosting the job fair.	U	Assistant Administrator for Administration and Resources Management			
3	7	Verify that SSC oversight processes are sufficient to provide reasonable assurance that EPA does not engage in prohibited personnel practices in its outreach, recruiting, and hiring activities.	U	Assistant Administrator for Administration and Resources Management			

[1] O = recommendation is open with agreed-to corrective actions pending
C = recommendation is closed with all agreed-to actions completed
U = recommendation is undecided with resolution efforts in progress

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Appendix A

Team Vegas and Region 9 Recruiting Responsibilities

Team Vegas	Region 9
For *all* recruiting efforts: • Receive complete recruitment package • Work with supervisors/selecting officials to develop job analyses, EZhire questions, and vacancy announcements • Post vacancy announcements • Respond to questions from regional/program offices and applicants • Review applications and check for eligibility • Perform qualification analyses on eligible applications • Perform quality assessment of applications • Provide notice of results to applicants to provide disposition of applications • Discuss hiring requirements with supervisors/ selecting officials • Issue selection certificates • Advise supervisors/managers and apply pay setting guidance (review/approval of appointment above the minimum requests, recruitment/relocation incentives, retention incentives, Student Loan Repayment Program requests, etc., if applicable) • Extend preliminary and official job offer(s), code SF-52s for entrance-on-duty	**For *all* recruiting efforts:** • Submit recruitment package to Team Vegas (including SF-52, position description, etc.) • Select job fair venue, date, and time, if applicable
In addition, if using one of the following FCIP recruiting methods…	
Nationwide announcement on USAJOBS – open to the public:	
• Post vacancy announcement on USAJOBS for 3 to 5 days	• Obtain announcement approval by supervisor • Promote vacancy
Job Fair #1: Announcement on USAJOBS – open only to job fair attendees:	
• Post vacancy announcement on USAJOBS for 3 days • Attend job fair, if needed	• Obtain announcement approval by supervisor • Promote job fair and vacancy
Job Fair #2: No Announcement on USAJOBS – applicant qualifications determined manually at the job fair by the SSC:	
• Coordinate travel/job fair logistics • Perform on-site qualifications determinations and certification	• Coordinate travel/job fair logistics • Promote job fair and vacancy • Supervisor, regional/program representative conducts interviews at the job fair to expedite selection
Job Fair #3: Employment opportunity flyer posted at the college/university – no announcement on USAJOBS – applicant qualifications are determined manually by the SSC:	
	• Supervisor approves employment opportunity flyer • Regional/program office coordinates with college/university to post flyer
Job Fair #4: General outreach at job fairs by Regional/Program representative(s) – announcement on USAJOBS:	
• Post vacancy announcement on USAJOBS for 3 to 5 days	• Supervisor approves announcement • Advance regional/program office notifications sent to applicants on the USAJOBS announcement

Source: OIG analysis of EPA *Human Resources (HR) Shared Service Center (SSC) Customer Service Standards*, July 2008.

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Appendix B

Agency Response to the Draft Report and OIG Evaluation

MEMORANDUM

SUBJECT: Response to Draft OIG Report Project No. OPE-FY-09-0019
(Results of Hotline Complaint Review of EPA Region 9 Hiring under the Federal Career Intern Program)

FROM: Craig E. Hooks
Assistant Administrator
Office of Administration and Resources Management

Jared Blumenfeld
Regional Administrator
Region 9

TO: Bill Roderick
Acting Inspector General
Office of the Inspector General

Wade T. Najjum
Assistant Inspector General for Program Evaluation
Office of the Inspector General

The Office of Administration and Resources Management (OARM) and EPA Region 9 appreciate the opportunity to review and comment on the draft findings related to a hotline complaint concerning Federal Career Intern Program (FCIP) hiring procedures. The FCIP is a valuable recruitment and hiring tool for the Agency; one which we believe we have used judiciously and appropriately. While we do concur with the Office of the Inspector General's (OIG's) findings that the original basis of the hotline complaint was unfounded, we strenuously disagree with the subsequent findings and proposed recommendation for administrative actions.

OIG Response: OARM's and Region 9's comments are nonresponsive to the facts in the draft report. The candidates we identified were not chosen from a previous selection certificate. In order to be hired for these FCIP positions, individuals had to attend the Region 9 job fair, apply through a USAJOBS announcement, qualify, and be listed by Team Vegas on a selection certificate. To be eligible to apply for the positions for which they were selected, the individuals had to attend the July 28-30, 2009, job fair. On July 27, the senior leadership of Region 9 was informed by Region 9 Human Resources (HR) that they were paying for these candidates to attend the job fair and would be spending time with them to provide one-on-one instruction on applying formally through USAJOBS. In fact, Region 9 also arranged for these four individuals to participate in interviews and meetings with

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regional officials, including selecting officials, during the job fair. Region 9 did not do this for the other attendees at the job fair. Following the update to Region 9, some senior leadership expressed concern that the "targeted" recruitment approach was geared to excluding those not in the targeted group, noting that this approach "is doing exactly what we should be avoiding."

Our review of the records shows that Region 9's actions resulted in giving improper advantages. Region 9 manipulated the hiring system to help four particular candidates. The Region notified the four favored candidates about the job fair and the as-yet-unannounced vacancies far in advance of the event. The Region also took measures to ensure their presence at the job fair. The Region did not follow Team Vegas's advice to publicly distribute the job fair flyer announcing the FCIP positions no later than July 10. Instead, the Region publicly announced the job fair on Friday, July 24 – 2 business days before the event. The original job fair flyer contained the USAJOBS registration code and no requirement for attendance at the job fair to apply. The Region reissued the job fair flyer on Sunday, July 26 with no registration code and the requirement that candidates must attend the job fair to apply. The Region 9 human resources staff said they did that because they believed they would receive too many applications and might have been inundated with phone calls. In our opinion, the Region's actions virtually guaranteed that other attendees would be local and few in number. As a result, it significantly improved the likelihood that the four preferred candidates would be qualified and listed by Team Vegas on a selection certificate.

Recommendation 1: Take appropriate administrative actions against the individuals who engaged in a prohibited personnel practice in violation of Merit System Principles.

We do not believe that the Agency violated Merit System Principles when it hired three Region 9 Water Division FCIP candidates and one Lab candidate. Contrary to the draft OIG report, the Agency did not give "preferential treatment" to the four candidates who were ultimately hired after a July 28, 2009, job fair. A more comprehensive set of interviews would have shown that these candidates were part of an initial pool of 200. These candidates had been recruited, screened, interviewed several times, and reference-checked, following Merit System Principles, prior to their attendance at the job fair.

It is permissible to manage FCIP recruitments on a "rolling basis," and full consideration was given to all candidates from both the initial pool and the new job fair pool. Selections were made from both pools. The candidates from the initial pool were reached appropriately and were subjected to extensive screening, including multiple rounds of interviews. Thus, for those candidates interviewed before the job fair, the Agency had already satisfied Merit System Principles. The new candidates who attended the job fair were subject to Merit System Principles applied through the USA JOBS process by the Las Vegas Shared Service Center. The Lab candidate was ultimately hired as a disabled individual under the Schedule A hiring authority.

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OIG Response: Region 9's comments are nonresponsive to the facts in the draft report. OIG does not take exception to Region 9 knowing who they would prefer to hire. However, we do take exception to giving unauthorized advantages to preferred candidates to help ensure the preferred candidates are available to be selected. That is the prohibited personnel practice identified in the report. As discussed above, the unauthorized advantages were communicated to Region 9 senior leadership, who did not curtail it. Since the Agency's comments are nonresponsive to the recommendation, the OIG is referring this matter to the U.S. Office of Special Counsel.

Further, we disagree with the Agency's assertion that Region 9 did not engage in a prohibited personnel practice when it gave four candidates improper advantages. The Region's offer to pay for travel prior to the July 28-30, 2009, job fair was an advantage not offered to others who attended the job fair or who may have wanted to apply. Collectively, these actions improved the prospects of some candidates and injured the prospects of other candidates at the job fair. As stated in our draft report, under Title 5, U.S. Code, Section 2302(b), it is a prohibited personnel practice to:

> *grant any preference or advantage not authorized by law, rule, or regulation to any employee or applicant for employment (including defining the scope or manner of competition or the requirements for any position) for the purpose of improving or injuring the prospects of any particular person for employment.*

A week before the job fair the selecting official said final interviews had already been held with all three water candidates. The official said that the candidates' presence at the event was merely to address the procedural requirement put in place as agreed to with Team Vegas and the official was ready to recommend offering them employment at Region 9. Although Team Vegas, as the sole hiring authority, is tasked with issuing selection certificates and extending preliminary and official job offers, weeks before the job fair the Region was already discussing a start date with one of the four candidates (in effect, extending a preliminary job offer). Consequently, we disagree with the Agency's assertion that "full consideration" was given to all candidates who attended the July 28-30 job fair. This recommendation remains unresolved.

Recommendation 2: Require that job fair plans (outreach, notice, application process) be approved by a senior management official hosting the job fair.

Given the concern that has been raised, the Agency does not want there to be even an appearance of pre-selection in its use of the FCIP authority. In support of this recommendation, OARM is convening a cross-Agency workshop to identify all of the essential elements to be included in the recommended FCIP recruitment plans, both in terms of information, as well as how such information will be used by the Shared Service Centers (SSCs) and the regions and program offices to ensure proper oversight. The workgroup will also review our current SSC FCIP Standard Operating Procedures (SOPs) for possible changes and will broadly examine the bounds of appropriate approaches to FCIP outreach and recruitment activities and how they interact with the SSC servicing model.

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OIG Response: Although positive, OARM's comments are not responsive to the recommendation, which was to establish accountability for oversight of job fairs. While it would be useful for the Agency to identify all of the essential elements to be included in the recommended FCIP recruitment plans, and broadly establish boundaries for appropriate recruitment activities, neither action establishes accountability by senior management. We believe establishing accountability over job fair plans (outreach, notice, application process) is an essential management control. Absent accountability, there is no assurance that changes will be implemented and followed. This recommendation remains unresolved pending additional information from OARM in the 90-day response regarding actions it plans to take.

Recommendation 3: Verify that SSC oversight processes are sufficient to provide reasonable assurance that EPA does not engage in prohibited personnel practices in its outreach, recruiting, and hiring activities.

The Agency does not believe that the hiring practices at issue here were prohibited personnel practices. However, recognizing that there is clearly the potential for misunderstanding, OARM will work with regional senior leadership to strengthen the SSC oversight role in processing FCIP appointments.

Given the serious nature of the conclusions reached in this draft report, we respectfully request that the Acting Inspector General meet with OARM and Region 9 senior management to get a full briefing on all the facts associated with this case before a final report is prepared. We believe that the facts of the case combined with an in depth review of Merit System Principles will lead to a significantly different conclusion. Issuing this report as it stands would do a serious disservice to both EPA and the OIG.

OIG Response: Although positive, OARM's comments are nonresponsive to the recommendation to verify that SSC oversight processes provide a reasonable assurance that EPA does not engage in prohibited personnel practices in its outreach, recruiting, and hiring activities. We believe Region 9's hiring practices, as exhibited during the July 28-30, 2009, hiring event, were prohibited personnel practices – not just a perceived misunderstanding. We also agree that OARM, in collaboration with regional senior leadership, should strengthen the SSC oversight role in the recruiting and processing of FCIP candidates.

Regarding the serious nature of the conclusions reached, our draft report portrayed an accurate representation of the facts and properly applied the criteria provided in the Merit System Principles, resulting in the conclusion that the actions of Region 9's managers and staff gave unauthorized preference and improper advantage to favored candidates – a prohibited personnel practice. As requested, OIG senior management and OARM and Region 9 senior management met on April 14 and 15, 2010, to discuss the facts associated with this July 2009 FCIP recruitment. These meetings did not result in a different conclusion or to significant changes in the draft report. This recommendation remains unresolved pending additional information from OARM in the 90-day response, regarding actions it plans to take.

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Additional Information

1. Application of Veteran's Preference

Veterans' preference rules applied to the selection process; the Region 9 Human Resources (HR) Office applied veterans' preference rules to all resumes collected from its various job fairs and recruitment events and distributed them to selecting officials. A candidate's veterans' preference eligibility would have been noted on resumes distributed to the selecting officials. However, none of the qualified candidates had veterans' preference eligibility.

OIG Response: Our draft report did not render a finding as to whether Region 9 correctly applied veterans' preference rules and our conclusions were not based on whether Region 9 correctly or incorrectly applied veterans' preference rules in the FCIP recruitment process. As we noted in the report, a Region 9 human resources staff member expressed concern that Team Vegas's approach to the job fair may not allow it to hire the four favored candidates. The staff member said she did not:

> *...want to risk losing the candidates we want to hire (3 in Water and 1 in the Lab) who may get blocked by veterans via USAJOBS if we keep following [Team Vegas's] path.*

Shortly thereafter, Region 9 decided that to apply applicants had to personally attend the job fair on July 28-30. The requirement to attend was imposed by Region 9 on July 26 and resulted in limiting the ability of applicants (veterans and nonveterans) to apply.

2. No Violations of Prohibited Personnel Practices

Title 5 U.S. Code Section 2302(b)(6) prohibits selecting officials from granting preference or advantage not authorized by law, rule, or regulation to any employee or applicant for employment for the purpose of improving or injuring prospects of any particular person for employment.

No Vacancy Announcement Required: The OIG Draft Report concludes that Region 9 management committed a prohibited personnel practice by giving the three Water Division FCIP candidates and the one Lab FCIP candidate improper advantage by:

- Inviting them to the upcoming - and as yet unannounced – job fair, and
- Arranging and conducting pre-employment interviews before the job fair was announced. (Draft Report, p. 4)

However, the Draft Report fails to recognize that Executive Order 13162 does not require the Agency to issue a vacancy announcement in order to recruit and hire FCIP interns. Likewise, EPA's HR Policy Bulletin 213-5 explicitly states public notice is not required for vacant FCIP

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positions. In addition, the SSC's FCIP SOP indicates that a vacancy announcement is not required for all options. FCIP hiring procedures also allow agencies to conduct interviews before certificates are issued. It is common for such interviews to be conducted at FCIP Job Fairs whether certificates will be manually created at or after the job fair or electronically created after the job fair through the use of after-fair applications in response to a USAJobs vacancy announcement. The candidates in question had been identified through previous FCIP outreach events and had been screened and competitively selected for further consideration. Therefore, they were not pre-selected. Region 9 did not give an improper advantage to the three Water Division FCIP candidates or violate Merit System Principles by interviewing these candidates prior to issuing Vacancy Announcement Reg 9-OT-2009-0006.

OIG Response: Page 1 of the draft report does in fact state that "FCIP vacancies need not be publicly announced." Other tools legitimately available to hiring agencies are not discussed in this report. What are discussed are the options and actions of Region 9 in its July 28-30, 2009, job fair. The Agency must abide by the Merit System Principles and avoid prohibited personnel practices at all times.

3. No Improper Travel Reimbursement Preference

The OIG Draft Report concludes that Region 9 management committed a prohibited personnel practice by giving the three Water Division FCIP candidates and the one Lab FCIP candidate improper advantage by:

- Offering to reimburse them for travel expenses to attend the job fair, and
- Authorizing and paying for travel expenses for three candidates' trips to San Francisco. (Draft Report, p. 4)

As stated in the Draft Report, Title 5 of U.S. Code § 5706(b) authorizes agencies to pay travel expenses for pre-employment interviews. The record shows only three individuals needed travel reimbursements to attend the July job fair/hiring event. These three candidates were traveling to the event to participate in final pre-employment interviews. All other attendees were either local or were going to be in the San Francisco Bay Area for other matters.

OIG Response: Our draft report states that Region 9 management engaged in a prohibited personnel practice by giving four candidates improper advantages. Offering, authorizing, and paying travel expenses to favored candidates – and not to other candidates who contacted the Region 9 office inquiring about attending the job fair – constitutes an improper advantage. The Region notified the four prospective candidates about the job fair far in advance of the event and then took measures to ensure their presence at the job fair. Senior Region leadership was specifically told on July 27 that the Region was paying for these candidates to attend the job fair. By failing to follow Team Vegas's advice to publicly distribute the job fair flyer no later than July 10, and instead publicly announcing the job fair only days before the event, the Region virtually guaranteed that all the other attendees would be local.

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Appendix C

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Testimony for the Record
Before the United States Senate
Committee on Homeland Security and Governmental Affairs
Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia
April 29, 2010

Developing Federal Employees and Supervisors:
Mentoring, Internships, and Training in the Federal Government

Statement Submitted for the Record by
The Federal Managers Association

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Chairman Akaka, Ranking Member Voinovich and Members of the Senate Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia:

On behalf of the over 200,000 managers, supervisors, and executives in the federal government whose interests are represented by the Federal Managers Association (FMA), we would like to thank you for allowing us to express our views regarding supervisory training and mentorship programs in the federal government.

Established in 1913, FMA is the largest and oldest Association of managers and supervisors in the federal government. FMA originally organized within the Department of Defense to represent the interests of its civil service managers and supervisors, and has since branched out to include nearly forty different federal departments and agencies. We are a nonprofit, professional, membership-based advocacy organization dedicated to promoting excellence in the federal government.

The Retirement Wave and Opportunity

According to an Office of Personnel Management (OPM) report published in 2008, approximately 53 percent of the permanent, full-time federal workforce will be eligible for retirement by 2014.[1] Of those employees eligible to retire, the report estimates 57 percent will leave government service. With federal managers and supervisors representing the more senior members of the federal workforce, we can expect them to retire at a significantly faster rate than their non-supervisor counterparts.

While the surge of federal retirement on the horizon seems daunting, federal agencies are presented with a unique opportunity to reshape the federal management cadre for the benefit of the entire federal workforce and the American taxpayer. As agencies grapple with the demands posed by an exodus of highly skilled managers, proper investments must be made in developing the next generation of supervisors equipped with the skills necessary to advance the federal government's mission now and in the future.

Evolution of Management

[1] U.S. Office of Personnel Management (OPM), *An Analysis of Federal Employee Retirement Data: Predicting Future Retirements and Examining Factors Relevant to Retiring from the Federal Service*, March 2008.

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Today's supervisors operate in a work environment far different than those of generations past. The evolution of federal agency responsibilities over the years has catalyzed the need for a knowledge-based workforce, one that is less consumed with manufacturing widgets and more oriented towards information processing. Just as the skills required by civil servants are evolving constantly, the responsibilities federal managers and supervisors shoulder in the modern workplace are transforming as well, growing in complexity and requiring progressive talents and training.

In recent years, the concept of employee engagement has garnered significant discussion among those in the federal community tasked with evaluating agency and employee performance. According to the Merit Systems Protection Board (MSPB):

> *Engagement refers to a high level of motivation to perform well at work combined with passion for the work. Engaged employees are absorbed intellectually and emotionally in their work and vigorously invest their best efforts in producing the outcomes needed for the organization to achieve its goals.*[2]

Engagement and performance, MSPB argues, go hand-in-hand. Agencies with engaged employees experience fewer Equal Employment Opportunity (EEO) complaints, score higher on the results section of the Office of Management and Budget's Performance Assessment Rating Tool, and experience less productivity loss through sick leave use or work-related illness/injury leave requests.[3]

It is no surprise supervisors' management skills are a key factor in fostering a work environment that promotes employee engagement. One MSPB study found that 87 percent of engaged employees believed their direct supervisors possessed strong management skills.[4] That same study found that only 13.7 percent of employees not engaged agreed their managers possessed strong management skills. Based on its findings, MSPB established supervisor competencies as the single most influential component of engagement. As John Palguta, Vice President for Policy at the Partnership for Public Service, discussed in his testimony before the Subcommittee, the Partnership found that employee attitudes toward their managers and supervisors represented the number one predictor of changes in employee satisfaction, a key component of engagement. According to Palguta, "[a]s employees' views of

[2] Merit Systems Protection Board (MSPB), *Managing for Engagement – Communication, Connection, and Courage*, October 2009.
[3] MSPB, *The Power of Federal Employee Engagement*, September 2008.
[4] ibid

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their supervisors decline so does employee satisfaction," and a decline in satisfaction leads to a drop in performance.[5]

The challenges accompanying managing employees with the intent of cultivating engagement are immense, requiring a more time-consuming, hands-on supervisory approach. Supervisors are tasked with managing employees' motivation in the modern workplace, not simply managing individual's output of tangible goods. Critical in this effort is instilling a sense of teamwork and pride in one's work through communication of how individuals' daily tasks relate to agencies' core missions. Greater emphasis is placed on performance management and supervisor-employee feedback in this context, requiring supervisor flexibility to address the needs of each individual subordinate.

The stress the Administration and Congress place on transforming the civil service into a flexible, adaptive workforce has also altered and expanded the management responsibilities borne by federal supervisors. FMA supports telework initiatives introduced by Members Congress and endorsed by OPM, but these programs will only succeed if current and future federal supervisors possess the competencies required to manage operations remotely. Additional skills are required to maintain employee engagement, monitor performance and promote cooperation when face-to-face communication is restricted.

Training for Success

When looking to fill current or anticipated future management vacancies, agencies naturally turn to the more senior members of the workforce who exhibit the greatest technical aptitude, particularly under the General Schedule system where pay is based on promotion through various levels and steps. An MSPB report released in 2008 found that 68 percent employees held a favorable opinion of their direct supervisors' technical skills, but only 55 percent held a favorable opinion of their supervisors' management expertise.[6] That same report found that 25 percent of an employee's overall job satisfaction hinges on how he or she regards her supervisor.

An agency's ability to meet its mission directly correlates to the quality of workforce management. There is a clear need for training if a manager is to be fully successful. If an agency promotes an individual to managerial status based on technical prowess but then fails to develop the

[5] Written Testimony of John Palguta, Vice President for Policy, Partnership for Public Service, "Developing Federal Employees and Supervisors: Mentoring, Internships, and Training in the Federal Government," April 29, 2010.

[6] MSPB, *The Federal Government: A Model Employer or a Work in Progress?*, September 2008.

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individual's supervisory and leadership skills, the agency severely jeopardizes its capability to deliver the level of service the American public expects.

The development of managerial skills is one of the greatest investments an agency may make, both in terms of productivity gains and the retention of valuable employees. A supervisor's ability to effectively monitor his or her workforce while resolving internal conflicts is instrumental in forming a harmonious work environment. Whether serving as a mediator between upper level managers and their staff or clearly defining organizational goals, well-trained federal managers serve a vital role in the continuity of operations on a day-to-day basis and are an essential component in ensuring the federal government retains a workforce that espouses a strong work ethic and commitment to the nation's wellbeing.

Federal Supervisor Training Act – S. 674

In 2004, the President signed into law the Federal Workforce Flexibility Act (P.L. 108-411), which added §4121 of 5 U.S.C. requiring agencies to create basic training programs for federal managers and supervisors. Hailed at the time by many in the federal community as a major step forward in ensuring agencies afford their managers the training necessary to effectively supervise their employees, the law, however, failed to establish funding mechanisms and accountability measures to ensure training takes place. The law also failed to provide specific guidance on the type of training managers and supervisors should undertake, while omitting when and how often this training should take place. The result is that current regulations afford agencies the latitude to cut training from their budgets when funding is tight, and as you are aware, funding is always tight.

In order to provide federal managers and supervisors with training on the full array of subjects necessary to effectively monitor and manage their employees, we at FMA urge Members of Congress to support the Federal Supervisor Training Act of 2009 (S. 674), introduced by Senator Akaka. This legislation, which FMA helped craft as part of the Government Managers Coalition (GMC), requires agencies to provide managers and supervisors with interactive, instructor-based training within one year of promotion to a supervisory position. Training would cover three primary management topics: basic supervisory training; mentorship training; and, training focused on prohibited personnel practices including collective bargaining and anti-discrimination rights. After receiving initial managerial training, supervisors would engage in training updates once every three years, offered via an instructor, Web-

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based technology or various other alternative mediums. Senator Akaka's legislation also includes an accountability provision to establish competency standards to ensure the training and its intent are effective while requiring OPM collect data on the programs.

We are encouraged to see that Congress and the Administration over the past year have demonstrated a strong commitment to examining the state of training in the federal government. In December of 2009, OPM published final regulations requiring agencies to provide much of the training included in the Federal Supervisor Training Act. The regulations require agencies provide supervisors with training on how to improve employee performance, conduct performance appraisals, and identify and address employees exhibiting unacceptable performance. As OPM Associate Director and Chief Human Capitol Officer Nancy Kichak discussed in her testimony before the Subcommittee, OPM is in the process of developing guidance to assist agency implementation of the regulations and has high hopes for agency adoption.

Relying on regulations alone, however, does not constitute an adequate long-term training solution. By establishing a *mandatory* initial training program and ongoing seminars the entire workforce benefits from better supervision and improved leadership. Funding these programs in the appropriations process as opposed to relying on OPM regulations is essential to prevent training dollars from being cut when budgets are tight. It is also important to note the OPM regulations fail to mandate agencies provide training on prohibited personnel practices, employee collective bargaining and union participation rights, and procedures involved in employee rights enforcement. We believe managers trained in these areas will lead to fewer employee grievances, both formal and informal, as supported in testimony provided to the Subcommittee by leaders of two federal employee unions.

The Fiscal Year 2010 National Defense Authorization Act (P.L. 111-84), signed into law in October 2009, included training language pulled directly from S. 674, applying the provisions to Department of Defense (DOD) managers and supervisors. As Acting Deputy Under Secretary of Defense Marilee Fitzgerald discussed in her testimony, the Department of Defense conducted an analysis of current and future workforce requirements and identified a critical need for enhanced supervisory training to develop "diverse civilian leaders who effectively manage people in a joint environment, ensure continuity of leadership, and sustain a learning environment that drive continuous improvement across the enterprise."[7] Fitzgerald detailed DOD's belief that managers and supervisors on the front lines

[7] Written Testimony of Marilee Fitzgerald, Acting Deputy Under Secretary of Defense, Department of Defense "Developing Federal Employees and Supervisors: Mentoring, Internships, and Training in the Federal Government," April 29, 2010

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"can have a stronger impact on employee performance and productivity than anyone else in the management chain." We encourage Congress to capitalize on this momentum and approve the Federal Supervisor Training Act to codify regulations currently in place to provide all supervisors across the federal government with managerial training covering the full gamut of supervisory responsibilities.

Mentorship in the Federal Workforce

The training of federal supervisors cannot end in the classroom. If we allow this to occur, then we are ignoring the value of on-the-job development and the importance of providing individuals with a sounding board for ideas. This is why it is essential that Congress express support for mentoring in the federal government, a chief component of the Federal Supervisor Training Act. Mentoring, both in terms of supervisor to employee mentorship and supervisor to supervisor mentorship, allows for the transference of knowledge in a setting that encourages ownership of one's responsibilities and a sense of cooperation towards a common goal in the workplace. As an essential component to the stability of every organization, the mentoring process provides an avenue for honest and empathetic collaboration while developing participants' full potential.

Supervisor to Employee

The potential benefits of equipping federal employees with mentors in the supervisory ranks are enormous. Both the employee and mentor benefit through this symbiotic relationship. Mentors serve as a coach or guide for employees, motivating and empowering workers to reach their full potential while facilitating their professional growth. Often, the day-to-day duties of an employee overshadow the big picture. A mentor reinforces the importance of performing every task to the best of the employee's ability, while maintaining a global perspective on its significance in the long term. Mentors, on the other hand, benefit through learning about the challenges encountered by workers on a daily basis, helping them determine how best to employ managerial tactics to create a more productive workforce.

The mentor-employee relationship must establish trust and strong communication to ultimately achieve the desired results. For mentorship programs to be effective, several guidelines must be adhered to. A mentor should not be a direct supervisor of the employee, but must have buy-in from the supervisor. Each participant must be personally vested in the relationship - a mentor may provide both professional and personal support. Finally, the mentor relationship should cross professional areas of

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expertise while lasting a specific period of time, after which an informal relationship may continue. It is important that a distinction be made between formal and informal mentorship programs. Both have their strengths and, to capitalize on the benefits of mentorship in the workplace, both strategies should be employed.

Supervisor to Supervisor

When a supervisor is set to retire, agencies must work to ensure that the knowledge they possess does not depart with him or her. Creating mentorship programs between veteran and novice supervisors helps mitigate this loss of institutional knowledge and leadership skills. Such a relationship facilitates the application of training received in the classroom in a cost effective manner. As discussed earlier in our testimony, many managers and supervisors are promoted to these positions based on their technical skills. By establishing mentoring programs with experienced supervisors at the helm, agencies create a more amicable transition for these new managers. Creating as smooth a transition as possible as we employ the next generation of public servants must remain a top priority for the 111th Congress and beyond.

The mentor also benefits through this relationship as well, learning about the generational differences between individuals in the workforce and how to adapt management strategies to acquire the greatest output from his or her employees. As in the supervisor to employee mentoring relationship, the mentor in the supervisor to supervisor program also gains a greater understanding of supervisory obstacles and challenges while sharpening his or her leadership skills. Again, a balance must be struck between formal and informal mentoring on this level. As OPM notes in the agency's 2008 mentoring best practices guide, mentoring programs fail when proper investments are not made. An understanding of expectations, leadership involvement, ample planning, and thorough implementation are all chief to mentoring success.[8]

Conclusion

We find ourselves today in prime position to tackle the challenges posed by a wave of retirement and the need to replenish the supervisory ranks in the federal government. Failure to act will severely impede the federal government's ability to provide the American public with a top-notch workforce able

[8] OPM, *Best Practices: Mentoring*, September 2008.

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to provide the needed services on which millions of taxpayers rely. We must work together now to ensure the federal government's greatest asset, the men and women of the civil service, are equipped with the tools to succeed. For federal managers and supervisors, training stands at the forefront of their requirements to ensure they lead an efficient and effective workforce that is prepared to confront the obstacles at hand and those that lie on the horizon.

To this end, it is imperative that Members of Congress recognize the Federal Supervisor Training Act as a crucial legislative measure designed to ultimately provide the American public with a quality public labor force. Each provision contained in S. 674 directly contributes to Congress' effort to preserve the welfare of the nation through the creation of federal programs managed by a proficient workforce.

We look forward to greater discussion of this legislation, and thank you again for the opportunity to express our views before the Subcommittee.

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Post-Hearing Questions for the Record
Submitted to Ms. Nancy Kichak
From Senator Daniel K. Akaka

"Developing Federal Employees and Supervisors: Mentoring, Internships, and Training in the Federal Government"
April 29, 2010

1. Reports have shown that many employees hired under the Federal Career Intern Program (FCIP) are unaware of their status as an intern, which is significant as those employees have no Merit Systems Protection Board appeal rights and limited protections for two or three years. What can be done to make the FCIP hiring process more transparent and understandable so that employees are aware of their probationary status and limited appeal rights?

The Federal Career Intern Program (FCIP) is independently administered by Federal agencies. Each agency has its own procedures for informing selectees about the conditions surrounding their employment, including the probation period and their current status as interns. Additionally, once on board, an intern's Notification of Personnel Action (Form SF-50) notes that there is a two-year probationary period for the internship. This form is accessible by the intern. The Office of Personnel Management (OPM) also provides regular guidance to agencies on FCIP along with operating a web page devoted to the Program. The web page, accessible to the public at http://www.opm.gov/careerintern/, provides prospective and current FCIP employees with answers to frequently asked questions. This page coupled with agency guidance helps inform prospective and current interns about the various requirements and facts about FCIP.

OPM is currently reviewing FCIP, pursuant to the President's May 11, 2010 Memorandum, and will make a recommendation to the President about the future of the program by August 9, 2010.

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Post-Hearing Questions for the Record
Submitted to Colleen Kelley, President
National Treasury Employees Union
From Senator Daniel K. Akaka

"Developing Federal Employees and Supervisors: Mentoring, Internships, and Training in the Federal Government"
April 29, 2010

1. **In your testimony, you state that the lack of public notice with respect to jobs filled under the Federal Career Intern Program (FCIP) is detrimental to both Federal employees and the general public. How do you believe the Federal government would be better served if agencies were required to announce jobs they seek to fill under the FCIP on the USAJOBS website?**

A. One of the tenets of the merit system is fair and open competition and adherence to equal opportunity principles in hiring. How can fair and open competition and equal opportunity take place if prospective candidates do not even know about the positions? Posting the FCIP positions on USAJOBS will enhance the ability of numerous people to become informed. While NTEU believes there are problems with using FCIP per se, as a hiring authority, at minimum, position vacancies need to be widely advertised. As I explained in my testimony, agencies are usurping the merit principles and veterans preference by selectively advertising these positions, thereby shutting out groups of potential applicants. Posting the positions on USAJOBS enhances fair competition and transparency in hiring, which better serves the government and its potential applicants, including our nation's veterans.

2. **The Federal Supervisor Training Act (S. 674) would require that supervisors throughout the federal government be trained on employee collective bargaining and union participation rights. In what manner do you believe this training would affect labor relations in the Federal government?**

A. Labor relations training in the federal government is critical to the operations of an agency. In order to better achieve an agency's mission, it is necessary to have management and labor talking to each other as equal partners, and problem-solvers, with full knowledge of collective bargaining and prohibited practices. Unfortunately, that does not come naturally to some managers. The provisions in Supervisor Training Act

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explicitly call for training on collective bargaining and union participation rights, and the procedures to enforce employee rights. A key way to lessen discrimination in the federal workplace and ensure workplace fairness, is to achieve sound supervisor training so that there is a clear understanding about the duties and obligations that supervisors have. This could lead to more communications, problem-solving and workplace agreements during an early stage. Supervisor training will likely have a positive effect on labor relations in government.

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Post-Hearing Questions for the Record
Submitted to J. David Cox, Secretary
American Federation of Government Employees
From Senator Daniel K. Akaka

"Developing Federal Employees and Supervisors: Mentoring, Internships, and Training in the Federal Government"
April 29, 2010

1. As you know, the Federal Career Intern Program is currently being used to hire more than 20,000 employees per year. In your testimony, you suggest eliminating the FCIP or restricting its use. As you may know, the President's May 11, 2010, memorandum on improving the Federal recruitment and hiring process directed the Office of Personnel Management to review FCIP and provide recommendations for the future of the program.

    a. Assuming that the FCIP is terminated or substantially restricted, what do you believe should be done to ensure that hiring is not disrupted at agencies that rely on the FCIP to hire a substantial number of employees?

    Answer: We believe that in many cases, agencies resort to FCIP because they lack the resources in their human resources offices to conduct proper, merit-system based open competition for jobs. Contracting out and downsizing has left human resources offices virtually incapable of providing the support that hiring officials need in terms of posting positions, initial review of applicants, etc. Thus we believe that agencies should be authorized to insource human resources jobs – positions that are crucial to an agency's ability to carry out its mission – and invest in adequate training for human resources staff so that they are able to provide effective support for competitive hiring.

    b. Assuming that the FCIP is not terminated, what do you believe would be an appropriate number of appointments made under the FCIP each year and why?

    Answer: We believe that the FCIP should be terminated. If the program is not terminated, we believe that agencies should have to each use of FCIP authority to OPM. Further, we believe that no federal job should ever have permanent or perpetual designation as an "FCIP position" i.e., permission to hire under FCIP should attach solely to a special case, not a position.

2. The American Federation of Government Employees represents a large number of employees at the Department of Defense (DoD). As you know, the Department of

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Defense is currently implementing a new supervisor training program. What features do you believe are most critical to this program?

Answer: While classroom training in the legal obligations related to prohibited personnel practices and collective bargaining are crucial, we are also very supportive of mentoring as a means of training supervisors. Effective managers need to develop skills that are often best learned by watching and participating in actual hands-on management tasks. Being mentored by a good supervisor, one who takes his or her legal obligations seriously, acts with integrity, has a full understanding of the jobs performed by those under his/her supervision, and who makes sure that those under his/her supervision have all the resources necessary to perform their jobs well is invaluable. Unfortunately, such "good supervisors" are rare and extremely busy. Thus, the features that are "most critical" will be realization of the goal of combining classroom education with hands-on mentoring by truly effective supervisors.

3. The Federal Supervisor Training Act (S. 674) would require that supervisors throughout the federal government be trained on employee collective bargaining and union participation rights. In what manner do you believe this training would affect labor relations in the Federal government?

   Answer: As we testified, we believe that if supervisors are trained to understand their obligations under the law with respect to collective bargaining, labor relations in the federal government would be strengthened and improved. Further, we believe that such training would help guard against attempts to politicize the collective bargaining relationship, as occurred so often during the past administration when collective bargaining was characterized as a threat to national security. Good labor-management relationships are built on trust and respect, and the collective bargaining process offers a superb structure on which to base such a relationship.

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Post-Hearing Questions for the Record
Submitted to John Palguta, Vice President for Policy
Partnership for Public Service
From Senator Daniel K. Akaka

"Developing Federal Employees and Supervisors: Mentoring, Internships, and Training in the Federal Government"
April 29, 2010

1. **Employees hired under the FCIP serve a two or three-year probationary period. During this time, these employees have extremely limited rights and cannot appeal personnel actions to the MSPB. What do you believe should be done to ensure that employee whistleblower, non-discrimination, and other rights are protected during the extended probationary period?**

   Answer: The Federal Career Intern Program (FCIP) provides for a two-year appointment which may be extended for up to one additional year. During this time, employees may be removed for inadequate performance or misconduct or suitability (for example, failure to achieve a security clearance). However, this does not mean that during this period employees are without protection of their rights under law. Even probationary employees may not be removed because of partisan political reasons or marital status and they have appeal rights to the Merit Systems Protection Board (MSPB) if that right is violated (5 U.S.C. § 1201.3(a)(8)) . Also, the Whistleblower Protection Act of 1989 offers protections and avenues for redress that are not denied under a probationary period, including the right to appeal to the Office of Special Counsel. Finally, title 7 protections against discrimination based on age, race, color, religion, national origin, gender, or handicapping condition are also available to probationary employees and a discrimination complaint may be filed through established procedures that include an appeal to the Equal Employment Opportunity Commission (EEOC).

   It is true that an appointment under the FCIP does not confer a right or entitlement to continued federal employment in the competitive or excepted service upon the expiration of the FCIP appointment and employees who accept such positions are informed of this. However, an employing agency has the option to non-competitively convert the employee to a permanent position and experience has shown that the large majority of FCIP hires who wish to continue federal employment are offered that conversion. Further, if an agency selects one of its current career or career-conditional employees for a FCIP job and if the employee fails to complete the program for reasons other than misconduct or suitability (for example, due to an inability to perform at a satisfactory level), the agency is obligated to place the employee back into a position of equivalent status, tenure, and pay as the position that was left (5 CFR 213.3202(o) (6) (ii)).

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Based on the above, employees serving under a 2 or 3 year FCIP appointment do have protections against discrimination, reprisals for whistleblowing, and removal for partisan political reasons or marital status that are comparable to permanent federal employees. The main difference between those serving under an FCIP appointment and employees in permanent career or career-conditional positions is that there are fewer procedural rights afforded employees under an FCIP appointment if they engage in misconduct (for example, failing to come to work on a regular basis), are found unsuitable (for example, during a background investigation) or are unable to perform the job at a satisfactory level. It is this difference that defines the essence of a probationary period which serves as the final stage of the hiring process during which the employer has an opportunity to further evaluate whether an employee is a good "fit" for the job. And, as mentioned, even in the situation where an employee under the FCIP is unable to perform at a satisfactory level, if they came into the FCIP from a career or career conditional federal position – they have the right to return to an equivalent federal position.

In short, I do not think that any further action needs to be taken to provide reasonable rights and protections to employees serving under a FCIP appointment.

2. **Your testimony discusses how private sector employers have been more successful in converting their interns into permanent employees than the Federal government. What lessons do you believe the Federal government can learn from the private sector in administering more successful internship programs?**

Answer: Private sector employers have greater success in converting highly qualified interns into permanent employees for two reasons:

a. Private sector employers view internships – particularly internships for students who will be returning to school to finish their education -- as part of their overall recruitment strategy and they view their interns as an important talent pool for future permanent needs. Therefore, they try to recruit talented and motivated individuals to serve as interns and they use the period of the internship to determine which of the interns demonstrate the greatest promise for success in the organization as permanent employees. The companies then take active steps to encourage these latter interns to consider an offer of permanent employment.

Many federal agencies, on the other hand, do not have this same mindset regarding their student internship programs and view interns, in many cases, as simply temporary help. Therefore, federal agencies may not seek to actively recruit well qualified interns nor do they take the time to evaluate their work and their potential as future employees. Not surprisingly, these same federal agencies do little to encourage

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even their most promising interns to consider federal employment as a career.

b. The other major lesson learned from successful private sector companies involves how they treat interns and what they do to encourage student interns to want to work for their organization after graduation. Even though they are temporary employees, the best companies provide their interns with a good "onboarding" experience during which it is clear that thought was given to how to make best use of the intern from the beginning of the internship. They provide meaningful and challenging work and give periodic and constructive feedback on the intern's job performance. Successful companies also provide interns with good supervisors who encourage them, show interest, and answer questions. In short, the interns are provided with a positive, welcoming work environment that demonstrates to them that the company in which they are an intern would be a good place to work on a permanent basis. Finally, the companies keep in touch with the interns even after the internship is over, especially those in whom they are most interested as possible future employees.

By contrast, too many federal agencies do not plan well for how their interns will be used. The agency may be unprepared or disorganized when the interns arrive and the interns frequently are not provided with meaningful or challenging work. Their interns, subsequently, may spend too much of their time on very routine work (for example, photocopying) or, even worse, they spend a significant amount of time with little work to do. In addition, federal supervisors may not view interns as a valuable resource or a priority. These supervisors subsequently devote little time to meeting with or encouraging their interns, providing feedback, or explaining the mission of the organization and the exciting job opportunities that may exist. In many federal agencies, once an intern leaves there is no attempt to elicit feedback from the intern or to follow-up with even the best interns regarding future job opportunities in the agency.

Fortunately, there are exceptions to this scenario in that at least a few federal agencies or agency subcomponents have demonstrated that it is possible to convert their interns to permanent employees at a rate comparable to some of the best private sector companies. The challenge, of course, is to encourage more federal agencies to adopt the practices of these successful private and public sector organizations.

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(The information follows):
Components throughout the Department of Defense are structured to support civilian training and development. At the Departmental level, the Civilian Personnel Management Service, Leader & Professional Development Division, manages Department-wide civilian leader development programs, policies and initiatives. For example, the CPMS/LPDD is actively engaged in developing the Department's strategies and implementation plan for satisfying legislative requirements for managerial and supervisory training requirements, as well as, establishing the Defense Civilian Leadership Program (FY2010 NDAA, Section 1112). Implementing the National Security Professional Development program, which directly supports the May 2010 National Security Strategy, is also under the CPMS/LPDD purview.

CPMS works closely with many DoD Components to ensure a well-orchestrated and holistic approach to civilian employee development. Further, each of the DoD Components have dedicated resources to manage and execute civilian workforce development programs. For example, the Department of the Army has one office that oversees policies, while another office executes programs and budgetary resources. The Department of the Air Force is structured in a similar manner. The Department of the Navy has a centralized workforce development office which partners closely with its major commands that execute programs at the local level. For many of our Defense agencies, the Washington Headquarters Services provides overall training support. Defense agencies that have independent appointing authority, such as the Defense Logistics Agency, have standalone training centers through which myriad training programs for employees and supervisors alike continually operate.

Additional background information on the Department's approaches for developing civilians follows.

Background Information
The training regimen for Defense Department employees and supervisors begins very early in their Federal careers. In virtually all circumstances, the content of training includes information and review about the mission and priorities of DoD as a whole and particular roles and responsibilities of the agency in which the individual works. DoD employee development (via training) centers around both the needs of the DoD office or agency in which the individual works and the employee's own aspiration, goals, and priorities. Although the DoD workforce is widely diverse, there are uniform opportunities provided to benefit from educational and training experiences at all phases of an employee's career.

In terms of supervisory and managerial training, compliance with the National Defense Authorization Act (Section 1113) specifically necessitates training supervisors and managers. The training paradigm consists of a four phase training scheme with common characteristics of creating and developing world-class leaders within DoD. Phase 1 provides curriculum for new managers and supervisors with less than two years of experience. Phase 2 will include managers and supervisors with two or more years of experience and provides refresher training for seasoned supervisors and managers. In Phase 3, the DoD Lead People Certificate modeled after the OPM LEAD Certificate Program will implement a streamlined approach built on the core elements of the supervisory/managerial curriculum. For Phase 4, the full program implementation will culminate in DoD's Civilian Leader Academy to be located at the DoD Executive Management Institute.

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Mentoring extends beyond the critical goal of creating a new generation of DoD civilian leaders. This may more commonly be known as succession planning. In fact, mentoring targeted (from experienced supervisors) to either new employees or new supervisors is mandated by Title 5 CFR 412 and is an integral element of Section 1113 of the FY 2010 NDAA. The practice of mentoring has been extensively and consistently successful for several years for Defense Department civilian employees at all levels and is an on-going activity which will spread further in the near future. Mentoring can be effectively implemented for civilian employees at all levels—from young staff members recently graduated from college to seasoned professionals who might be newly arrived DoD employees.

Internships represent an important and effective enhancement vehicle for a wide range of civilian employees in the DoD workforce. Even for seasoned employees with potential assets for achieving management or supervisory positions, the value of hands-on settings and opportunities will provide direct and reality-based experiences. In such settings, the 360-assessment and the hiring "tool-kit" are merely two of many examples of resources which can generate valuable experiences and opportunities. Currently, internships opportunities are omnipresent throughout the Defense Department. A more traditional internship program is the DoD Centralized Intern Program. Participation in this program involves a paid internship for students enrolled in two- and four years accredited higher education institutions. The goal of the program is to integrate academic theory with workplace experience that may serve as a pipeline to the student employment programs and entry-level employment opportunities within DoD. Students selected to participate in the program must be U.S. citizens and have a grade point average of 3.0 on a 4 point scale. Interns will participate in an on-site work experience at Defense Department Components/Agencies in the National Capital Region.

The topic of training in the Federal government and specifically within the DoD would start with the implementation of chapter 41 of title 5, USC and part 410 of title 5 CFR. These laws mandate deliberate planning, programming, budgeting, operation, evaluation and improvement of training, education and professional development (TE&PD) activities and programs for civilian employees. The goal in these endeavors is to enhance individual and organizational performance, assist in achieving performance objectives and the DoD mission, and maximize the return on investment to the DoD. These TE&PD opportunities include on-the-job occupational, and functional training; developing administrative, technical, professional, supervisory, managerial, and executive competencies. The culminating result of these training, education and professional development programs is the attainment of professional credentials and academic degrees, certificates and courses, as well as non-academic credentials and courses as needed, required, or desired by the individual and/or the individual's employer (DoD).

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(The information follows):
The Department of Defense is making effective use of the Student Loan Repayment Program. Overall, the use of the program is increasing and we have been able to target those mission critical occupations in order to attract and retain employees with those critical skills. During the last three calendar years the Department has increased the number payments, the average size of payments, and the total amount of payments.

Student Loan Repayment Data

Calendar Year	2007	2008	2009
Number of Personnel Actions	1,128	1,305	2,126
Average Amount	$5,767.00	$6,068.00	$ 6,636.00
Total Paid	$6,505,032	$7,918,216	$14,108,413

The data show that between calendar year 2007 and calendar year 2009: DoD has nearly doubled the number of personnel actions used to pay for student loans; the average student loan payment amount increased by almost $1000 and; the overall spending for student loans more than doubled.

Not only has the Department increased the use and funding for this program, but we have also been able to target some of our most critical occupations. The following table shows the amount paid in student loan repayments by occupational series and the corresponding percentage of the total amount of student loan repayments for calendar year 2009. The data clearly show that we are making effective use of the program for our mission critical occupations. The top 10 occupations account for approximately 65% of our total funding for student loan repayments in 2009.

Top 10 Occupations for Student Loan Repayments in 2009

Occupational Series	Student Loan Payments	Percent of Total
1102 - CONTRACTING	$2,856,173	20.2%
0610 - NURSE	$1,244,465	8.8%
0501 - FINANCIAL ADMINISTRATION AND PROGRAM	$1,234,221	8.7%
0830 - MECHANICAL ENGINEERING	$951,094	6.7%
0801 - GENERAL ENGINEERING	$684,558	4.9%
0840 - NUCLEAR ENGINEERING	$664,402	4.7%
1101 - GENERAL BUSINESS AND INDUSTRY	$532,031	3.8%
0855 - ELECTRONICS ENGINEERING	$484,335	3.4%
0346 - LOGISTICS MANAGEMENT	$347,704	2.5%
0201 - HUMAN RESOURCES MANAGEMENT	$265,513	1.9%

I believe that this data demonstrate how the Department of Defense is leveraging the Student Loan Repayment Program to address its most critical recruitment and retention challenges.

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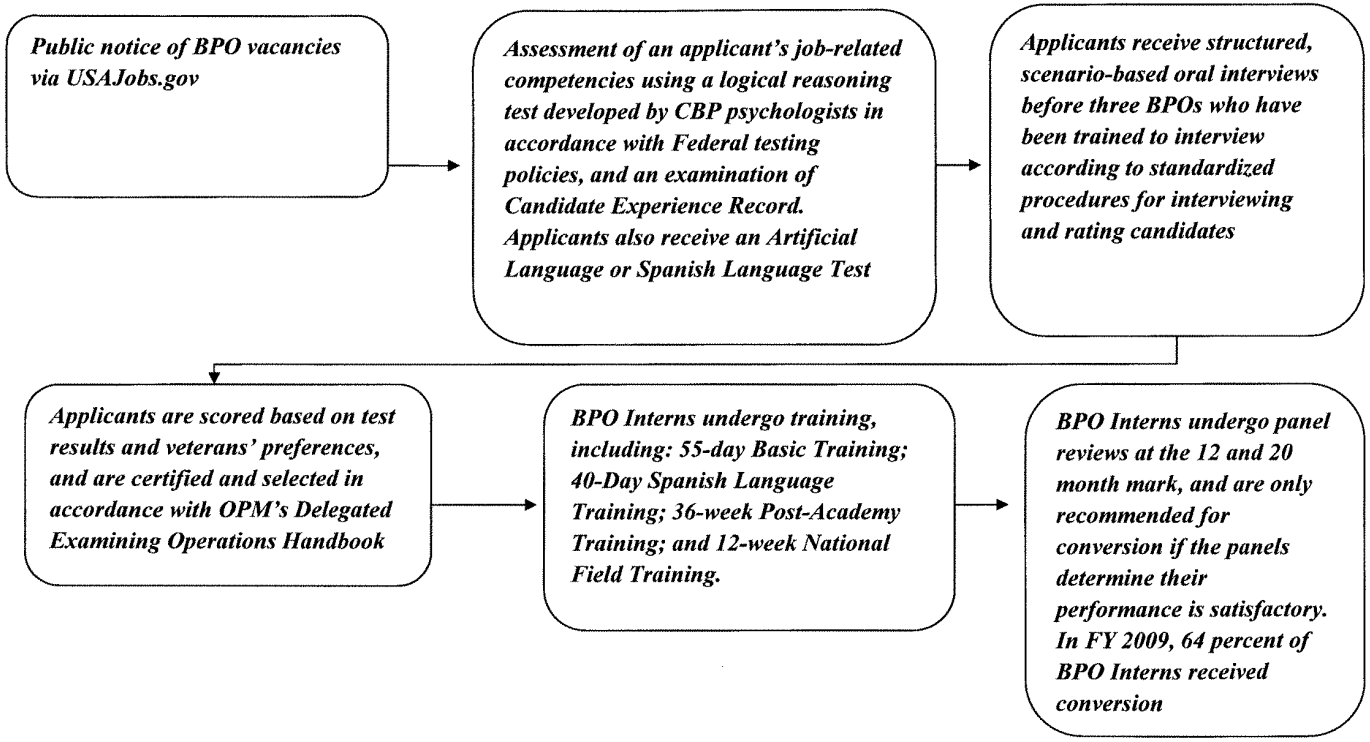
Selecting Border Patrol Officers (BPOs) Using the Federal Career Intern Program



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