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UNDERSTANDING THE MILLENNIAL PERSPECTIVE IN DECIDING TO PURSUE AND REMAIN IN FEDERAL EMPLOYMENT

HEARING

BEFORE THE

SUBCOMMITTEE ON
REGULATORY AFFAIRS AND FEDERAL
MANAGEMENT

OF THE

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HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
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UNDERSTANDING THE MILLENNIAL PERSPECTIVE IN DECIDING TO PURSUE AND REMAIN IN FEDERAL EMPLOYMENT

THURSDAY, SEPTEMBER 29, 2016

U.S. SENATE,
SUBCOMMITTEE ON REGULATORY,
AFFAIRS AND FEDERAL MANAGEMENT,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:01 a.m., in room SD–342, Dirksen Senate Office Building, Hon. James Lankford, Chairman of the Subcommittee, presiding.

Present: Senators Lankford, Ernst, Heitkamp, and Carper.

OPENING STATEMENT OF SENATOR LANKFORD

Senator LANKFORD. Good morning, everyone. Welcome to today's Subcommittee hearing, Connecting with Millennials: Strategies for the Federal Government to Attract and Utilize Younger Workers. The Federal Government currently employs more than 2.5 million Executive Branch civilians. However, according to the Government Accountability Office (GAO), 600,000 Federal employees will be eligible to retire by September 2017. That is a staggering 31 percent of the current workforce.

Unfortunately, those under 35 years of age make up only 16 percent of the government employees, meaning that in order to make up for the anticipated retirements, we must recruit and hire a new generation of Federal employees. While the need for effective government recruitment is apparent, especially with the amount of anticipated retirements, it is particularly important to show younger applicants that a government career can be fulfilling and a worthwhile endeavor to be able to serve their fellow citizens.

Unfortunately, there are many obstacles we must overcome in order to attract the key demographic millennials into the Federal workforce. When it comes to obstacles in hiring millennials in the Federal workforce, the two problems I hear about most often are the lengthy and cumbersome hiring process and the fact that many millennials believe government service is not a rewarding or fulfilling job.

According to some studies, the millennial generation is leery of Federal service because of the rigidity of the General Schedule (GS) system, which often treats everyone the same regardless of skill

level. They feel that job assignments and rewards for achievements are arbitrary and that incentives to excel are rare and recognition for exceeding expectations are mostly non-existent. Whether or not this is true, it is the perception that Federal agencies must overcome or address in order to attract millennials into the workforce.

The Federal hiring process is another obstacle we must address. The new generation of Federal workers has grown up in a world where decisions are made quickly and efficiently. Recruiting and hiring in the private sector is accomplished in days and weeks, not in months. On average, it takes 100 days to fill an open position in the Federal Government. One hundred days. The Office of Personnel Management (OPM's) Acting Director has testified that she wants to bring that down to 60 days. We will never attract the first-rate workers that we seek if the current rate of hiring continues to be 100 days or 60 days or any of these other goals. We have to get to a faster process. Whether they are forklift drivers at military facilities or analysts at the National Security Agency (NSA), the brightest and the skilled will not wait 100 or 60 days. I doubt they will even settle for 45 days, and it is tougher because many places they go into, they can be hired within days or a week or two.

I frequently hear from Oklahomans about their attempts to work for the government, which they too often abandon when it takes three months or more to hear back about their USAJOBS application. Workers should not be torn between providing for themselves and their families during a season-long application process or taking a job in the private sector that hires more quickly.

To recruit the best employees and attract the millennial generation to civil service, we must make the government a viable competitor with the private sector. This begins with seeking out and hiring the best employees in a timely fashion and providing them with an atmosphere that maximizes their skills and rewarding them based on expectations.

I look forward to talking with our witnesses today about ways to make the hiring process faster, to reward employees based on merit, and to engage the next generation in fulfilling civil work service.

With that, I now recognize Ranking Member Heitkamp for her opening statement.

OPENING STATEMENT OF SENATOR HEITKAMP

Senator HEITKAMP. Thank you, Chairman Lankford.

I am very pleased that finally, after a lot of planning and a lot of discussion, we are holding this hearing entitled "Understanding the Millennial Perspective in Deciding to Pursue and Remain in Federal Employment." We did a lot of negotiating to get to that title.

I would first like to say that I can appreciate that millennials are by no means an easy generation to quantify and to generalize.

In fact, I had a whole discussion with my staff one morning about the difference between an older and a younger millennial, and I am not sure we came to a consensus. But I knew most of them were millennials.

It is important to say that I have been looking forward to this hearing for some time because I think that it is only the beginning of the conversation. And when you look at the statistics that Chairman Lankford just gave us, 31 percent, and one of the things that we learned during the Bakken boom was that when we did not have Federal employees on the ground, permits were not issued, frustrating many of the companies that wanted to build infrastructure. We did not see our grassland grazing associations be able to get grassland plans approved. And so it is not just about filling a bureaucratic slot. Many times these jobs are critically important to moving commerce forward in our State.

So when we look at our hearing today, we are very fortunate to have OPM, the Department of Homeland Security (DHS), the National Aeronautics and Space Administration (NASA), and GAO testifying from their perspectives, but you are obviously not the only one, only perspective, and I think at some point we desperately need to hear from the people that we are talking about, which are people who fall in this age category.

So I appreciate that both OPM and the Federal agencies have made tremendous strides in their recruitment and retention efforts. I am looking forward to a spirited discussion today on how the following challenges affect millennial generations: compensation and benefits, career growth within Federal agencies, the job application process in the Federal Government, and the intersection between engagement, creativity, and work culture.

Most importantly, I feel it is important that the Federal Government connect with the millennial generation in a way that speaks to their needs and their desire to pursue mission-oriented careers, while also demonstrating what all the careers in the Federal Government have to offer.

So I am looking forward, and I am reminded of a story that is often told about someone walking through the halls of NASA, asking someone who was cleaning up from a day's work what he did, and he said, "I help put men on the Moon." And that is what we need. We need that kind of connectivity to the mission that will make sure that everybody does not feel just like a cog but part of a team.

And so I really look forward to this hearing. Thank you so much for agreeing to attend. And, Chairman Lankford, I know that, having completed the Senate business yesterday, you would love to be home with your family but stayed so that we could do this hearing. So my personal thank you to you.

Senator LANKFORD. The right thing to do. This is a big issue for us as well, and I appreciate that. At this time we will proceed with testimony from witnesses.

Mark Reinhold is the Associate Director for Employee Services and Chief Human Capital Officer (CHCO) for the U.S. Office of Personnel Management. At OPM Mr. Reinhold is responsible for designing, developing, and implementing governmentwide human resource policy and programs for strategic workforce planning. He has worked in human resources at OPM under four different Directors. You have been before this Committee before, and we appreciate you coming back again.

Angie Bailey is the Chief Human Capital Officer at the U.S. Department of Homeland Security, where she has served since January 2016. Prior to DHS, Ms. Bailey worked at OPM as the Chief Operating Officer (COO), Deputy Associate Director for Recruitment and Hiring, and the Chief Human Capital Officer. We appreciate you being here.

Lauren Leo is the Assistant Administrator at the Office of Human Capital Management for the National Aeronautics and Space Administration. Ms. Leo sets the workforce development strategy, assesses future needs, and aligns human resource policies with NASA's goals. She is a member of the Human Capital Officers Council.

Robert Goldenkoff is the Director of Strategic Issues at the U.S. Government Accountability Office. At GAO Mr. Goldenkoff leads reviews of governmentwide civil service reforms and looks for ways to improve the cost-effectiveness of the Federal statistical system. He also serves on the Advisory Board of the George Washington University Trachtenberg School of Public Affairs and Public Administration.

I would like to thank each of the witnesses for appearing before us today. It is the custom of this Subcommittee to swear in all witnesses before they testify, so if you would please stand and raise your right hand. Do you swear the testimony you are about give before this Subcommittee is the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. REINHOLD. I do.

Ms. BAILEY. I do.

Ms. LEO. I do.

Mr. GOLDENKOFF. I do.

Senator LANKFORD. Thank you. You may be seated. Let the record reflect the witnesses all answered in the affirmative.

I do appreciate your testimony today. Not only will your written testimony be a part of the permanent record, but also your oral testimony coming up. You have all done this before. You know the timing system there in front of you. I would like you to be able to stay as close to 5 minutes as possible as we go through the countdown.

I do want to give one quick statement. I have already mentioned this to the witnesses as well. I have actually been asked to speak on the floor here at about 10:45, on the Senate floor, Senator Alexander and I, so I will have to slip away at about 10:40, and then I will come right back. I will leave this Subcommittee in the very capable hands of our Ranking Member, Senator Heitkamp, during that time period. So we will continue on with the hearing during that time period, but I will have to slip away for a moment and be able to come back.

Mr. Reinhold, you are up to bat first.

TESTIMONY OF MARK REINHOLD,[1] ASSOCIATE DIRECTOR FOR EMPLOYEE SERVICES AND CHIEF HUMAN CAPITAL OFFICER, U.S. OFFICE OF PERSONNEL MANAGEMENT

Mr. REINHOLD. Thank you. Chairman Lankford, Ranking Member Heitkamp, and Senator Ernst, thank you for the opportunity to be here today to discuss the OPM's role in helping agencies build and support the Federal workforce. As the Associate Director of Employee Services and the Chief Human Capital Officer of OPM, I appreciate the opportunity to give you an overview of our efforts to ensure Federal agencies have the guidance, tools, and support they need to build and sustain talent.

This Subcommittee has explored several important Federal workforce matters in a hearing and a roundtable over the course of the past year.

As OPM has testified previously, each agency is responsible for strategically managing its workforce to deliver on its mission and goals. OPM understands that these responsibilities are varied and at times challenging, and we recognize that the Federal system of employment is grounded in core statutory principles and ideals that make it different than many other employment sectors. As such, we strive to assist and support agencies in building and sustaining the Federal workforce they need, in a way that is consistent with the core foundational precepts of our merit system of employment.

One way we support agencies is through administering the Federal Employee Viewpoint Survey. Through this survey, we are able to examine and report on key drivers of employee engagement and satisfaction with important aspects related to work.

Following heightened focus on employee engagement and satisfaction over the past few years, for the second year in a row the governmentwide employee engagement and global satisfaction indices have risen, breaking the prior four-year decline.

OPM encourages agencies to support diversity and inclusion in the workplace and ensure that their recruitment reaches all segments of society. As the U.S. workforce continues to experience demographic shifts, Federal agencies must continue their focus on attracting diverse talent. The Federal Government continues to be a leader in providing employment opportunities to minorities; as of 2015, minorities represented almost 36 percent of the Federal workforce, which is greater than the percentage of minorities within the U.S. civilian labor force. The Senior Executive Service (SES) is more diverse than ever before, with women and minorities continuing to increase in representation. And the impact of the millennial generation is increasingly being reflected in the demographics of the Federal workforce, as people under 35 represented about 44 percent of full-time permanent new hires into Federal service in fiscal year (FY) 2015.

OPM is working with agencies to examine their existing human capital management programs, understand their challenges, provide technical assistance, tools, and support, advance sound policy solutions, and encourage agency operational enhancements. For example, OPM, in partnership with the Office of Management and

[1] The prepared statement of Mr. Reinhold appears in the Appendix on page 44.

Budget (OMB) and the Presidential Personnel Office, has launched a Hiring Excellence Campaign as part of the President's Management Agenda. The campaign enables OPM to reach Federal hiring managers and human resources professionals in headquarters and field locations nationwide. Through the campaign, human resources staff and hiring managers learn about best practices, tools, tips, and techniques that can help improve the hiring process and, more importantly, hiring outcomes.

To date, OPM has conducted 32 in-person workshops across the Nation, and virtual presentations are further expanding on this reach. So far, the Hiring Excellence Campaign has reached nearly 1,200 hiring managers and human resources professionals from 25 agencies.

OPM has also undertaken recent work to enhance the USAJOBS website for the benefit of both job seekers and agencies. USAJOBS now provides new tools agencies can use to find and recruit talent and offers applicants an improved user experience aimed at easing common pain points. These enhancements are yielding real dividends in improving user satisfaction, which increased from 72 percent to an all-time high of 79 percent over the past year.

Research tells us that students and recent graduates about to enter the workforce believe in public service and want to make a difference, and the Student Internship and Recent Graduates Pathways Programs are designed to help tap this important talent pool. Our data show that more than 35,000 people have been hired through the Pathways Programs as of the end of fiscal year 2015, and 93 percent of Pathways Programs participants who responded in a recent study conducted by OPM either plan to remain at their current agencies or want to stay with the Federal Government in the immediate future.

OPM is working diligently to assist the Federal Government in recruiting and retaining a workforce that is drawn from the American public it serves and fulfills the commitment each agency holds to delivering on its important mission.

Thank you again for having me here today, and I am happy to respond to any questions.

Senator LANKFORD. Thank you. Ms. Bailey.

TESTIMONY OF ANGELA BAILEY,[1] CHIEF HUMAN CAPITAL OFFICER, U.S. DEPARTMENT OF HOMELAND SECURITY

Ms. BAILEY. Chairman Lankford, Ranking Member Heitkamp, and Senator Ernst, thank you for the opportunity to appear before you here today to address recruitment and retention of millennials in the Federal Government.

I joined DHS in January of this year as the Chief Human Capital Officer. I am a career executive with nearly 35 years of Federal service, including almost 30 years in human resources. I actually started at the age of 17, so while I may not necessarily be considered a millennial, I think I kind of—at one point—maybe was, right?

I look forward to discussing with you the challenges in hiring millennials to the Federal workforce and the challenges in retain-

[1] The prepared statement of Ms. Bailey appears in the Appendix on page 49.

ing them once they are hired, such as compensation and benefits, career growth within DHS, and the process of applying for a Federal job, and the intersection between engagement, creativity, and workplace culture.

Like my colleagues here today, I have some examples of where we are quite successful and also some ideas on ways we can partner with you and OPM to address our challenges.

One idea that you may be familiar with is the idea to create a passport where talented folks, including millennials, can more easily move in and out of government with an eye toward capitalizing on their gained experience and education in a more realistic manner. Today this talent has to compete for jobs with higher responsibility and pay if they leave the Federal Government and wish to come back. The passport idea would ultimately eliminate the need for further competition when rejoining the Federal Government, making it far easier to move talent in and out of government at the levels in which we need their expertise.

The catch is that this would require legislative change because we would need an appointing authority to make this happen. In this regard, DHS is more than willing to work with you and Members of this Subcommittee and OPM to craft legislative language that makes sense for both the talent we seek and the agencies whose mission we support.

Another idea we successfully implemented was having our components within DHS pull together and bring to life the principles of unity of effort in recruiting and hiring over 370 cybersecurity professionals during and immediately following a 2-day hiring event. We literally turned the idea of time to hire on its head by focusing instead on what we could creatively do with the authorities already granted to us by OPM and do so in a far more collaborative way within DHS. We received over 14,000 applications for our jobs. We interviewed close to 1,000 people. And our demographics to date show that of those that we have hired, 45 percent are millennials. By bringing together the DHS human resource, information technology (IT) and cyber, and personnel security communities over a course of two days, we proved to ourselves—and, quite frankly, the rest of the Federal Government—the art of the possible in hiring some of the best talent inside and outside of the Federal Government.

We plan to replicate this successful event in December, but this time we are going to do it virtually. We are going to focus in on interns and recent grads, and we are going to use again the authorities that OPM has given us using the Pathways authorities.

The bottom line for us is that when we step out smartly, we act in a collaborative manner, we take calculated risk, and we do not fear failure, we can and we do have success. The cyber technology hiring event is just one example. Within DHS, we are also applying these same principles to how we are tackling our other tough challenges, such as employee engagement, career growth for our employees, employee retention, and addressing pay and compensation for our critical mission and business operation positions.

I look forward to exploring these important recruitment and retention issues with you today and, in particular, addressing how those ideas can be applied to our next generations of talent.

Thank you.

Senator LANKFORD. Thank you. Ms. Leo.

TESTIMONY OF LAUREN LEO,[1] ASSISTANT ADMINISTRATOR, OFFICE OF HUMAN CAPITAL MANAGEMENT, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Ms. LEO. Chairman Lankford, Ranking Member Heitkamp, and Senator Ernst, thank you very much for the opportunity to testify about NASA's efforts to recruit and retain millennials.

As NASA's Chief Human Capital Officer, my job is to care for and support the agency's most valuable assets: our amazing multigenerational workforce of brilliant rocket scientists, innovation engineers, and dedicated support and administrative personnel, and every employee and contractor who makes up the NASA family. These are the people who work together daily to overcome huge challenges of exploring space and improving life on Earth.

The health of our workforce is a top priority for NASA leadership. Our leadership pays attention to the Federal Employee Viewpoint Survey results and other indicators to monitor the state of the agency and to develop strategies for continually improving employee engagement, connection, and effectiveness.

At NASA, we strive to create an environment where all employees feel valued and have opportunities to contribute to the NASA mission. This requires understanding and respecting the different styles, values, and expectations of everyone in our workforce.

Personally, I am privileged to have regular conversations with NASA employees. We talk about what inspires them to show up at work, what commits them to stay engaged throughout their career, and what new challenges they are up against.

Today I would like to share with you what makes NASA such a great place to work, and I would also like to share what we have learned along the way about employee engagement, leadership development, and incentivizing innovation—all topics of importance to our younger workforce who are often described as the "millennial generation."

NASA recognizes the tremendous value and impact provided by our millennial workforce, and we will continue to look at ways to better engage and develop them. While there is no standard definition of the age group known as the millennials, for purposes of this hearing NASA is speaking about millennials as employees under the age of 40 since that is an age bracket used in the Federal Employee Viewpoint Survey.

NASA currently has more than 4,100 of these employees, which is about 23 percent of our workforce. That number will continue to grow as more millennials enter the workforce. And NASA's attrition rate for millennials is very low, at 2.8 percent, and overall agency attrition rate is 4.7 percent.

Research shows that millennials generally expect to work for multiple organizations throughout their careers. They care about having a positive work experience. They value learning and development. And they want to work for an organization that makes a

[1] The prepared statement of Ms. Leo appears in the Appendix on page 57.

positive impact on society. These are foundational elements to our approach of employee engagement at NASA.

According to our 2015 Federal Employee Viewpoint Survey results, 80 percent of our millennials said that they felt engaged at NASA. Our millennials also had a higher response rate and global satisfaction scores than employees over 40 years old. We believe these higher scores are reflective of NASA's intentional focus on creating a positive work environment in which employees feel included, valued, and connected to something bigger than themselves.

Given that NASA is strongly mission and project focused, our employees believe in the importance of the mission, and they are heavily engaged in their work. They come to work at NASA because they want to be part of something bigger than themselves, not just because it is a job. Every NASA employee impacts the agency's mission daily, no matter his or her age, pay grade, or area of expertise.

NASA employees consistently cite shared values, shared commitment to the mission, and loyalty to the agency as reasons why they feel positively engaged in their jobs. This sense of belonging fuels a deep sense of community at NASA, and this begins at the top. NASA Administrator Charlie Bolden fundamentally believes that communication is the cornerstone of his connection to employees, and he never missed an opportunity to tell employees directly that their work is important.

NASA believes that agency leaders, and particularly supervisors, play a unique role in creating a positive work environment for employees. Therefore, NASA invests in a number of leadership development programs and activities across the agency, from early career to executive, that are designed to better equip current and future agency leaders to carry out our mission.

Additionally, as part of the broader Federal Government community, NASA believes that we really need to work together to leverage what is working well across all Federal Government agencies, including lessons learned about best hiring practices.

In conclusion, NASA's multigenerational workforce raises the bar of human achievement every day. These dedicated men and women are passionate about ushering in the future of our Nation, including new technologies, with the goal of one day landing humans on Mars.

Personally, I am very proud of NASA's robust strategy to engage our workforce and to create a culture of inclusion and innovation. When I am asked about why NASA is such a great place to work, I say: "It is our people. Without them, nothing would be achieved."

Mr. Chairman, thank you for the opportunity to appear before you today to share the story of NASA's workforce. I would be pleased to answer any questions you have.

Senator LANKFORD. Thank you. Mr. Goldenkoff.

TESTIMONY OF ROBERT GOLDENKOFF,[1] DIRECTOR, STRATEGIC ISSUES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. GOLDENKOFF. Chairman Lankford, Ranking Member Heitkamp, Senator Ernst, thank you for the opportunity to be here today to discuss recruiting and retaining millennials and other age groups in the Federal workforce.

Across Government, skill gaps and critical occupations, along with large numbers of employees eligible for retirement, are threatening the ability of agencies to carry out their vital missions. To help ensure agencies have the capacity to address complex national challenges, agencies need to be competitive for top talent, including millennials. Simply attracting and hiring quality candidates is not enough. Agencies need a robust talent management strategy that covers the full life cycle of Federal employment.

In my remarks today, I will focus on a key component of such a strategy, building a culture of employee engagement. High levels of engagement, which is generally defined as the sense of purpose and commitment employees feel toward their employer and its mission, can make an agency more attractive to job seekers, reduce turnover, and, most importantly, improve organizational performance.

For purposes of data comparability, my statement defines millennials as those employees up to and including 39 years old. Governmentwide, millennials represented around 30 percent of the civilian Federal workforce. However, that number varied by agency, and those agencies with high rates of retirement eligibility also tend to have fewer millennials in their workforce.

In fiscal year 2014, for example, the Department of Homeland Security had the highest proportion of millennials at 39 percent while the Small Business Administration (SBA) had the lowest at around 19 percent. Governmentwide, around 31 percent of those Federal employees on board at the end of fiscal year 2014 will be eligible to retire by 2019.

The large percentage of Federal employees eligible for retirement creates both an opportunity and a challenge for Federal agencies.

On the one hand, if accompanied with appropriate strategic and workforce planning, it allows agencies to realign their workforce with needed skills and leadership levels to better meet their existing and any newly emerging mission requirements.

On the other hand, it means that agencies will need to double down on succession planning efforts and focus on sources and methods for recruiting and retaining candidates in order to avoid a brain drain.

As retirements of Federal employees continue, agencies with few millennials may face future gaps in leadership, expertise, and critical skills because millennials represent the next generation of workers. Developing a culture of engagement can help agencies' recruiting and retention efforts. Overall, millennial engagement levels were similar to other age groups in 2015, which was around 63.8 percent for millennials compared to 64.2 percent for nonmillennials, according to the results of the governmentwide Federal Employee Viewpoint Survey.

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

Across individual agencies, however, there was substantial variation in engagement levels, ranging from a high of 80 percent for millennials at NASA and 78 percent for non-millennials, to a low of around 51 percent for millennials at DHS and 55 percent for non-millennials.

Overall, we found that the drivers of engagement were similar for millennials and non-millennials and include support for constructive performance conversations, career development and training, work-life balance, inclusive work environments, employee involvement in decisions affecting their work, and communication from management.

Building a culture of engagement also requires effective management practices such as top leadership involvement and creating a line of sight between an agency's mission and the work of each employee, using a range of different data sources to better understand agency engagement levels, and a recognition that the effects of engagement efforts occur over multiple years as cultural change takes time.

In summary, these engagement efforts, combined with other components of a sound talent management strategy, provide an ample toolkit that should position agencies to be more competitive in the labor market for top talent.

Chairman Lankford, Ranking Member Heitkamp, this concludes my prepared remarks, and I would be pleased to respond to any questions that you may have.

Senator LANKFORD. Great. Thank you. I thank all of you for your testimony today.

We are going to open this up to questions, and as we typically do on this panel, we have more open dialogue. We will go back and forth and be able to have a less structured question time. But we want to have open conversation on how we solve some of the issues that we have.

Mr. Reinhold, let me chat with you first on this. You have been with us before, in April I believe was the last time that you were with us. There was a lot of conversation about USAJOBS. There was a lot of conversation about some of the hiring practices. As we met at that time, you made this statement: "OPM recognizes it is a frustration for applicants when they do not receive up-to-date feedback from hiring agencies. To address this, we are working to help agencies streamline processes and cut down on the time it takes to fill Federal positions." How is it going since April? Give us an update. What has changed?

Mr. REINHOLD. Thank you for the question, Senator. So since April, we have rolled out in earnest our Hiring Excellence Campaign, and one of the components of that campaign is to ensure that agencies understand the importance of communicating with job applicants and provide regular status updates. Other aspects of the Hiring Excellence Campaign include bringing together hiring managers and H.R. specialists for better collaboration. We know that the best hiring outcomes can be achieved when the manager who is filling the position and the H.R. office are in close communication and have mutual understanding of what the manager is really interested in in terms of skill set and targeted areas of focus.

Another key area is ensuring that we have good assessment strategies in place so that we have tools that we can use to distinguish the very best candidates from the rest. And we also talk a lot about hiring flexibilities and hiring authorities which can be used to help facilitate and streamline the hiring process, as well as a focus on the use of data and evidence to inform things like strategic recruiting, understanding where the applicant pools are and how to tap into them.

Senator LANKFORD. So can I ask a question? What is the key metric you are looking for? Because we talk a lot about time and just length of time. I know it is an OPM goal as well to try to reduce the amount of time that it takes to do a hire. When you look at it and trying to evaluate, obviously we all want the best staff, we all want the best individuals to be able to be the employees there. No question about that in trying to get excellence. How do you track as the primary metric we are improving because this number is getting better?

Mr. REINHOLD. So there are actually a group of metrics that we are using, and one of those is time to hire, because we understand that continues to be of critical importance.

In addition to that, we look at things like applicant satisfaction with the process. We have a fairly extensive set of surveys that are used for folks who are applying for jobs.

In addition to that, we look at management satisfaction. We want to make sure that managers are actually satisfied with the outcome of the process, which tells us that we are hitting the mark.

So those are some examples of what we are using.

Senator LANKFORD. OK. So let me run through a list, because as I talk to some of the human capital folks, this is the kind of thing that I get and be able to walk through. In 2008, OPM and the Chief Human Capital Officers Council created the End-to-End Hiring Roadmap Initiative to try to improve the Federal hiring process for applicants. That was in 2008.

In 2010, the White House launched the President's Hiring Reform Initiative to help with recruiting and finding the most qualified employees for the Government.

In 2010, OPM launched an initiative to help veterans find Federal jobs.

In 2011, OPM established a Veterans Employment Program and the Office of Diversity and Inclusion to further the efforts to hire veterans.

Also in 2011, OPM started an initiative to help students find Federal jobs.

In 2015, OPM created the Recruitment, Engagement, Diversity, and Inclusion Strategy to improve the hiring process by guiding H.R. employees and managers.

In 2016, OPM and OMB started the Hiring Excellence Campaign to improve hiring by raising awareness of available hiring authorities.

It seems like every year or two there is a new initiative. I understand some of those are for different people groups as well, and those are all strategic areas. My challenge is that when we come back to the data, 60 days is the target, but in 2013, it took about 90 days on average to do a hiring. In 2014, it took 94.4 days to do

a Federal hire. In 2015, it now takes 99.6 days. Our length of time to actually get there is getting longer.

Now, some agencies have made improvement, DHS being one of those. DHS, as you know, still takes way too long to be able to do a hire. It is about 124 days or so on average. But it is getting better on that. There are some improvements happening.

The challenge is we are trying to figure out—there are some good initiatives that are going on, and there is attention to this. What is the barrier? What can we do to be able to break through that? Because we want to be able to get good people, and part of that is getting to the hire at an appropriate time or we lose good people; they get hired by somebody else.

Mr. REINHOLD. So I will say, obviously there are quite a number of initiatives, and they all have, a specific purpose and intent behind them. One of the things that I believe distinguishes what we are attempting to do with the Hiring Excellence Campaign is kind of bring all those things together. So, for example, many of those were initiatives that were focused on facilitating recruitment of certain groups or——

Senator LANKFORD. Right, veterans or students.

Mr. REINHOLD. Veterans and students. Some of those were specifically focused on aspects of the hiring process like get time to hire down, perhaps not as much of a focus on quality, just shortening the timeline. And what we are trying to do under Hiring Excellence is really emphasize the fact that all of those pieces fit together. And what I mean by that is there is a place for hiring flexibilities, leveraging those to reach certain groups, or to streamline the process. There is great importance, again, focused on things like assessments if we are going to go through this process, let us make sure that we are assessing people in smart ways so that the people who end up at the top of the list are the right ones and the best qualified for the job.

Here, again, we are emphasizing the importance of manager and H.R. specialist collaboration. Some of our survey results show that managers are not always satisfied with the support that they are getting from their H.R. offices. They are not H.R. people. They do not understand the process. And we believe it is incumbent upon H.R. specialists to engage with their managers to achieve a good outcome.

So these are all things that, again, we are attempting to take a more holistic approach so that we do not overemphasize any of those important aspects of hiring.

Senator LANKFORD. Do we have a sense of how long it takes to do a hire in private industry? Have you seen a number out there, whether that be a Fortune 500 company or whether that be a middle or small business? Do we have a good feel for how long it takes to typically fill a position in any of those areas in the private sector? Obviously, it is not the same. It is region to region. I get all that. But have you seen a general number?

Mr. REINHOLD. Candidly, the numbers are really all over the place. I mean, there is a great difference between, hiring someone at Home Depot versus hiring somebody at a top consulting firm.

Senator LANKFORD. But there is not in the Federal workforce. When I talk to some of the folks in some of our facilities, they will

tell me stories about hiring someone in the warehouse in our of our Federal facilities still takes three months. Again, that is a specific story that I have heard. One of the facilities in my State trying to hire someone who is a qualified forklift operator, and that forklift operator has to wait three months to get an answer. They can go to Home Depot, apply right there in-store, interview with someone in-store, and within about 72 hours, know if they are hired or not. They are waiting three months—they have already been hired and working for Home Depot for three months before they get the call back from one of our facilities.

Mr. REINHOLD. I understand. I think it is important to recognize that there are certain features of our system that make it different, for better or worse, for example, our principles of fair and open competition, which really means that we should give an opportunity to the American public to know if there are Federal jobs that exist that might be of interest to them. And what that translates to often is that we have to put a job announcement out on the street. We have to leave it open for a certain amount of time so people have access to seeing it and having an opportunity to apply. And then even beyond that, there are other features like our background investigations, quite honestly. That is, somewhat unique to our system, and we certainly do not want to short-shrift that process, but it is another part of the process that can take some time.

Senator LANKFORD. OK. I have to run to the floor, and I am going to turn this over to the capacity hands of Senator Heitkamp, and then I will be back. And the Ranking Member of the full Committee, Senator Carper, has also joined us as well. But I will be able to circle back around, and we will be able to finish up the questioning that I have still have as well.

Senator HEITKAMP [Presiding.] There are folks who are sitting in the back, and there is a lot of interest. You are not supposed to sit at these press tables, but go ahead. Over there. Sorry, press. There is no one over there.

Senator LANKFORD. You can pull out a laptop and fake it. [Laughter.]

Senator HEITKAMP. Everybody is a member of the press today.

Mr. Goldenkoff, you have all these people here. Obviously, GAO has taken, very lengthy, detailed, almost scientific analysis of kind of where we are at here, taking a look at data, crunching the data. But you have three folks here who are part of that implementation, and should read your report. I think your report is fascinating. What three things do you want them to understand from this report? And if you were going to do this in five years, how would you judge their—because that is what GAO does. They look at review. How would you judge their performance?

Mr. GOLDENKOFF. That is a great question, and I want to start by answering it with the story that you told at the very beginning about the custodian at the NASA facility who, when asked what his job was, he said he is putting a man on the Moon. The person who asked that question was John Kennedy, and I think that speaks so much to what we are trying to illustrate here today, which is the tone starts from the top. And whether it is at the Presidential level or the heads of agencies—and we heard some of that today: Charlie Bolden at NASA communicating with employ-

ees, connecting that mission, that line of sight between what they do every day on their job and the bigger picture. It is going on at DHS as well. So that is important.

I also want to commend everybody for the steps that are being taken today, and there is a lot more focus now on recruiting and retaining employees. OPM is taking some important steps in the right direction.

But, in doing so, data is important. At GAO, we are data geeks, so we love this stuff. But these are important metrics of how you are doing. And so, for example, when we talk about things like time to hire, whatever metrics we use, it is important to use outcome metrics; and it is also important to use a whole suite of metrics. Time to hire, that is one important measure, but there are others. The quality of the candidate was also mentioned—managers satisfaction with applicants, applicant satisfaction, and the diversity of the workforce. Who are we getting? That is important as well. So a second thing to say, is the importance of data.

And so those are two things right there, and I will stop and just open it up for further questions.

Senator HEITKAMP. Obviously, this is a complicated issue with a large workforce, and there has to be—as you explained to Senator Lankford, we have additional obligations that may not be consistent with comparisons to Home Depot. Plus we know that there are additional requirements that we have to make sure that an employee is successful.

But with that said, I am still frustrated when you look at USAJOBS, because it seems like we are engaging in a lot of study, but the USAJOBS platform coming out is still burdensome, it is still cumbersome. It still is a turnoff. If that is the first impression that we make in the Federal Government with employment to a potential employee, it is not a really good first impression.

And so where are we at with revamping that? Where are we at with better communication to the agencies in terms of what they need and want and, just not simply passing along that list of people who applied but actually performing a service for the agencies so that they are in a better position when it comes time to make offers to do that more quickly?

Mr. REINHOLD. So, first off, we could not agree more that if USAJOBS is the face of Federal hiring, it is important that we have an easy-to-use website that does not turn potential applicants off.

Over about the past year, OPM has been very focused on iteratively transforming USAJOBS into a much more user-friendly and attractive site that supports a better job seeker experience. We have rolled out already a series of enhancements using an agile approach where we roll out new enhancements about every six weeks. And then we look at our user satisfaction data and other metrics to determine whether those were the right things and whether we are on the right track.

We have spent a great amount of effort talking to people, talking to millennials and other groups about what they would want to see in USAJOBS and have really focused intently on creating——

Senator HEITKAMP. And what have you learned, Mark?

Mr. REINHOLD. So what we have learned is that—so I will mention a couple of enhancements that I think are important.

One of these is we have created a mobile-friendly website, so, we know increasingly folks are interested in being able to pick up their phone or their digital device and do things on that. So we have created a website that enables them to do that.

In addition to that, we have created a new profile dashboard where an individual, the first thing they are asked to do when they get to USAJOBS is to create a profile, and it includes things like, tell us a little bit about yourself, things like——

Senator HEITKAMP. Kind of like Match.com.

Mr. REINHOLD. So what it actually does is by doing some of that work on the front end——

Senator CARPER. How would you know that?

Mr. REINHOLD. That just sunk in now. [Laughter.]

Senator HEITKAMP. I could not resist.

Mr. REINHOLD. So unlike Match.com—no. So, again, one of the other things we have is the creation of this profile, and it includes things like uploading certain documents, like your resume. So if you reach a point where you have now found a job that you want to apply for, you have already got your resume in there and, bingo, you can press a button and apply. Previously, folks would find, wow, I am really interested in this job, now what do I do? And then they would have to go to the trouble of figuring out, oh, is this where I load my resume and other documents?

Senator HEITKAMP. One of the suggestions that I would have is do you engage with guidance counselors in high schools and in college to train them on using this product, so if somebody is uncomfortable, it is not done in a vacuum, a young person who is a civil engineer says I am interested in what opportunities are there, goes into the counseling office at a university, and the university is prepared to sit down and help them fill out that profile and upload the resume and do that review. Where are we at communicating with universities and high schools?

Mr. REINHOLD. Yes, absolutely, and that is a critical compliance of our outreach strategy. In a typical year, we will meet with roughly 150 colleges and universities to do workshops such as find and apply. How do you use USAJOBS as a tool to find a Federal job?

Senator HEITKAMP. And when you look at this, going back to Mr. Goldenkoff's point, that it has to be data driven, when you do that, do you notice that those places where universities and institutions of learning really engage, that you get better applicants, you get more applicants? Have you noticed that with your engagement with schools?

Mr. REINHOLD. So what I will say is historically there have not been good measures to determine where are the applicants coming from. And one of the enhancements that we are creating in USAJOBS is to enable us to better track the source of applicants. We have created what we call the Agency Talent Portal, which is a place where an agency can go and specifically look at where applicants are coming from, whether it be people linking from Facebook or from certain job sites or folks who hit USAJOBS from the get-go.

Senator HEITKAMP. One of the things, thinking about this and understanding kind of how people engage in what they think, a lot of recruitment happens through friends and family. "This is my job, I really like it. I think Joe would like it," or at least there might be an opportunity there.

One of the things that I was thinking is if, let us say, I see an opportunity at NASA and I think this is great, I get a hold of my sister and say, "I think you would love this job." She may be reluctant to think about making the change, but if there was some way based on that recommendation USAJOBS could send her some kind of outreach saying, "Hey, I heard you might be a great person." I mean, I think we wait around for it to come to us, is my point, and we do not do enough to reach out. And if you talk to college recruiters, what they will tell you is their students frequently sign up in colleges that may not have, U.S. News and World Report ranking, but because someone did outreach, this very top-notch student is in an institution because they felt like, hey, they really wanted me, they really made it possible for me to come. And that is one of the things I think when I hear this, it is all about incoming and not about outgoing and reaching out.

I know that would be hard to measure, but I think it is something you might want to add to a potential kind of recruitment tool.

Mr. REINHOLD. That is a great suggestion.

Senator HEITKAMP. Yes, I mean, think, if you are sitting there and all of a sudden out of the blue you are trying to decide what to do, and you get an email from someone saying, "Hey, I heard you are an aerospace graduate at UND. NASA has some openings. You might want to consider looking at us. We would love to have a visit with you about what that opportunity looks like." And, "Go to your guidance counselor whom we have trained, fill out this profile, and let us have a conversation."

But I think, because the numbers are so large in Federal service, that kind of strategic recruitment that you would see in a major law firm, that you would see in an elite kind of service, we do not see. But I think we should treat it that way.

Mr. REINHOLD. I could not agree more, and, one of the things that I would submit is that USAJOBS is not directly a recruiting mechanism, but agencies can engage in lots of activities, and I know many of our folks at the table here do this, where they know where the talent pools are and how to strategically go after them. And what we are trying to do with USAJOBS is create kind of a central place where everybody can go. Once you find out about, hey, there is this place where you can go to find out about Federal jobs and it is USAJOBS, we want folks to have a good experience when they land there.

Senator HEITKAMP. I think we want people to feel like this is not them asking for a job; this is them getting recruited to a job. I think that is a significant kind of—it adds to the discussion about the mission. We are being recruited to help launch the Web. We are being recruited to help protect the border. Someone wants me to help them do that. And I think that is different than, boy, that is a job, may pay good benefits and be exciting for a while, but, do they want me?

I would turn it over to Senator Carper for questions.

OPENING STATEMENT OF SENATOR CARPER

Senator CARPER. Thanks. I just want to commend you for your interest in this area and for taking the initiative. This is important.

Senator HEITKAMP. Well, I want to say this about Senator Carper. Every month Senator Carper goes to the floor and puts up a picture and talks about an enormous contribution of Federal employee has made to the safety or security or just to improving the quality of life in America. And he is one of the few people who does it, and there is no greater champion of recognizing the great service that so many of our Federal employees provide, no greater champion than Senator Carper.

Senator CARPER. I have nothing else to say. [Laughter.]

I will quit while I am ahead. Thank you. Thank you, Heidi.

We use the internship program in our office much like a farm system in baseball, and we have a single-A team in Wilmington, Delaware, Carolina League, believe it or not, and they have a single-A. Folks finish up there, they go to double-A. If they are getting better, they go to triple-A, and eventually they end up with the Kansas City Royals. A year ago, when the Kansas City Royals won the World Series, half the people on the field that day for the Royals were folks who started off in Wilmington, Delaware, with the Wilmington Blue Rocks.

But we think of our interns that work in our office here in Washington; we have three offices in Delaware—Wilmington, Dover, and a place called Georgetown down south—and we have interns in all of them throughout the year. In the summer, we pay them. We pay them a stipend—not a lot but something. And the other parts of the year, they can earn credit for school. For the most part, they are in school, in college. And if they do a good job, they get letters of recommendation. They get a great work experience. We treat them like our family. We welcome them warmly. We give them just a wonderful experience.

I was shocked to learn, Senator Heitkamp, that there are some Senate offices where the interns are not allowed to talk to the Senators, if you can believe that. Good luck in our office. That would not be in ours either. But I have had five chiefs of staff as a Congressman, Governor, and Senator, and two out of the five started as unpaid interns. And what we do is we bring the really outstanding interns back for a second tour, either in Delaware or down here. And when we have an entry-level position, we hire our former interns in a lot of cases. And then we have sort of a career ladder for them that sometimes ends up as chief of staff or legislative director of our committee, that kind of thing.

I do not know a whole lot about the Pathways Program, but I know what works for us. I understand that the Pathways Program is made up really of three programs, and one of those is an internship program. Can you just tell us how that works? We have people lined up to be interns. I mean, it is highly competitive. For maybe four slots here in D.C., we have easily 20 times that many people who would like to be able to hold a spot. But just tell us how the internship program works. We stay in touch with our interns. When they graduate and go off into the world, the ones that were

really outstanding, we stay in touch with them. And, eventually, when we have an opening, we try to bring them back in.

For the folks that have been part of our team now going off into the world, there is actually a name for us. It is called "Carpertown." It is like "Hotel California." You can get it but you cannot get out. [Laughter.]

Please.

Mr. REINHOLD. I would be happy to. Thank you. And thank you, Senator, for being a champion of the Federal workforce. I think it is critically important that we get them——

Senator CARPER. It is a labor of love.

Mr. REINHOLD. So turning to your question about the Pathways internship program, it is very much designed to be what you are talking about. It allows current enrolled students to come in on a temporary basis and serve for some period of time. And for some it is a summer. For some it is summers and breaks. And for some it is a longer-term proposition.

Part of what it does is give folks an opportunity to get some exposure to a lot of the interesting work that we do in the Federal Government, and that time served in an internship can also be credited toward—once they meet a certain number of hours and there is a position open, they can be converted into a permanent job at that point. So there is that flexibility to convert folks.

Based on a recent review and study that we conducted of that Pathways Program, we were really pleased to see that recruitment efforts are paying off, that we are attracting good applicant, diverse applicant pools. And the other thing that, frankly, I think we were a bit surprised about based on conventional wisdom is that about 93 percent of program participants who were surveyed indicated that they wanted to stay in the Federal Government. So we were really——

Senator CARPER. Say again the percentage?

Mr. REINHOLD. Ninety-three percent of the folks who were surveyed. So we are really encouraged with the fact that, wow, they want to stay with us.

So we have actually hired governmentwide about 35,000 individuals under that program since its inception in 2012, and we are continuing to work to publicize that program and encouraging agencies to take advantage of it as a tool.

Senator CARPER. Good. Do you know if all Federal agencies or most of the major Federal agencies use the Pathways Program?

Mr. REINHOLD. I do not have numbers off the top of my head.

Senator CARPER. You do not have to even know, but just generally, are most agencies aware of it? Is there an interest in using it?

Mr. REINHOLD. Yes, I will say the Pathways Program was introduced—kind of took the place of a group of student programs several years ago, and given the fact that we were going through, some budget constraints and there was not a lot of hiring going on, it kind of coincided with the introduction of this program, and the uptake was not great. But what we are pleased to see is that the uptake is picking up. OPM has done a lot of work to get the word out there about this program. As I mentioned, we reach out to colleges and universities to publicize the program. And we work very

aggressively to get the word out to agencies to ensure that they understand what it is and how they can leverage it.

Senator CARPER. Senator Heitkamp and I were here, along with our colleagues, a couple of days ago, and the Secretary of the Department of Homeland Security was here, and I think he was sitting, Mark, where you are sitting; and Jim Comey, head of the Federal Bureau of Investigations (FBI), was sitting where you are sitting; and Nick Rasmussen was sitting where Robert is. And one of the things we talked with Secretary Johnson about was the latest results from the surveys of Federal employees, and we go department by department to see where the agencies that are deemed to be most favored by employees as a place to work. And after years of seeing the Department of Homeland Security struggle with the low ratings, we had some very encouraging news, and we talked with him about that. I would like to hear from you, too, Angela. I like to say find out what works, do more of that. So what is working?

Ms. BAILEY. Thank you, Senator. Yes, we are actually quite proud of that, for an agency the size of ours to have an increase that we did. And I know OPM has supported the fact that they believe it is a statistically significant increase. I really think the bottom line is that, for us, it all started with leadership at the top. So from the——

Senator CARPER. Could I just say something?

Ms. BAILEY. Yes, sir.

Senator CARPER. When the President nominated Jeh Johnson to be the Secretary—I am sure Senator Heitkamp will remember this—across the whole top level of management within Homeland Security, there were folks in acting capacity, in some cases really almost nobody.

Ms. BAILEY. Right.

Senator CARPER. And that is not a good situation. And what this Committee did is worked with the administration, Democrats and Republicans—Tom Coburn was a part of that; Heidi was certainly a part of that—and put in place, I think, just a terrific team. I think leadership is always the key in the success of any organization. And they have been focused like a laser—Ali Mayorkas, the Deputy, Jeh, and obviously you are pulling the strings behind the stage.

So go ahead. Tell us why this is happening.

Ms. BAILEY. Yes, and you have touched on some of it. One of the things that the Secretary did that I think I am not aware of any other Federal agency doing is he did the "Undercover Boss." So he put on a uniform, a Transportation Security Administration (TSA) uniform, went into Baltimore Washington International (BWI) Airport, and went amongst the employees, the passengers, the customers and everything, and he listened to honest feedback, because in some cases some of them were not——

Senator CARPER. Who did this? Jeh?

Ms. BAILEY. Yes.

Senator CARPER. Because I remember going through an airport security check one time, and I was talking to one of the Transportation Security Officers (TSOs), and I said, "Do you know who you

look like?" I said, "You look exactly like Jeh Johnson." And he said——

Ms. BAILEY. Maybe it was.

Senator CARPER. And he said, "Well, I am Jeh Johnson." And I always thought he was just kidding. Maybe it was him. You never know. [Laughter.]

Ms. BAILEY. Yes, it very well may have. In addition——

Senator CARPER. Now, there is an old saying: "Never let the truth get in the way of a good story."

Ms. BAILEY. That is right.

Senator CARPER. Take that with a grain of salt.

Ms. BAILEY. So from his "Undercover Boss" experience, I think it was really great for him to actually hear from folks from an honest, unvarnished truth as to what is really going on, especially whenever folks are not necessarily sure who you are.

Then the second thing that they did is they did a lot of what I will call listening tours, where he and the Deputy and the Under Secretary went out——

Senator CARPER. Yes. He talked about that the other day.

Ms. BAILEY. And, again, it was a great opportunity and they did not go to all the places that are like the tourist attractions, right? They went to the places where it is really brass knuckles, really hard-to-do jobs, in some of our border areas, some of the tougher airports.

And so, again, from that kind of intel, they came back, and also the Under Secretary, Russ Deyo, heads up our executive steering committee, personally heads it up—he does not send a delegate or anything. He comes to those. Each of the components has a representative at the senior executive level that sit on that. And we just really have honest, open, candid conversations about what is working, what is not working, what are the paths that we want to take, stop trying to boil the ocean. We said let us focus in on a few——

Senator CARPER. I like that: "Stop trying to boil the ocean."

Ms. BAILEY. Yes, and so we decided to instead focus in on three concrete things that we really thought we could do.

One was we started paying attention to the leadership. We started delivering things like toolkits for them so that they could actually have—one of the things that we delivered is OPM's Mythbusters, for example, which was hugely welcomed by the hiring managers.

The second thing we did is created stay interviews, so everybody wants to do an exit survey, but at that point, the person is already gone and it is not exactly helpful. So we created stay interviews where you actually sit down with the employees and the executives and ask them: What makes you get up in the morning? What makes you hit the snooze button? What kind of job would you like to go back to that you had in the past? And what that did is it allowed us to really kind of drill in and find out exactly what it would take, because many of these things do not require money. A lot of these things just actually require paying attention to the small things in life that the employees really want.

When we listened and they said, "We would really like a microwave in the break room," we bought them a microwave for the break room.

Senator CARPER. How about beer?

Ms. BAILEY. Yes, and so most of the mini fridges are stocked with beer—no, just kidding. [Laughter.]

Just kidding. Jeff is going to kill me. I am really just kidding.

Senator CARPER. I think Senator Heitkamp is going to kill me if I do not yield my time back. Just one more quick thought from you, and then I need to bow out.

Ms. BAILEY. I think really what I wanted to say is that what we tried not to do, in addition to, like I said, not boiling the ocean, is we tried not to do one-size-fits-all. So we are a house of brands, right? We have cultures within cultures within DHS, and we tried to honor those and respect those and allow those different cultures to figure out what worked best for them. And I think really by doing so, we saw the results of that.

Senator CARPER. Good. Well, you are living proof of finding out what works, do more of that. I will just close with one of my favorite quotes. There is a woman named Maya Angelou, a famous poetess. She passed away about a year or two ago. She actually sang at the President's Inauguration I think 4 years ago. And I remember giving a graduation commencement address at the University of Delaware about 15 years ago when I was Governor and just really knocked the ball right out of the football field. But among the memorable things she said—and I think of this in the way that we treat our interns and, frankly, I hope, the other people on our staff. But she once said, "People will not remember what you said. They may not remember what you do. But they will always remember how you made them feel." And what we try to do in our office—and I am sure the same is true in Senator Heitkamp's office—especially with the interns, we want them to feel welcome, we want them to feel important, and we want them to feel like a valued member of our team. And it seems to work.

Thank you all, and thank you very much for letting me join you.

Senator HEITKAMP. Thank you, Ranking Member Carper.

Ms. Bailey, I want to get back to you because, as you know, we have been doggedly determined to try and get a full-fledged workforce on the Northern border, whether it is in Portal or whether it is in Pembina or all of the places that are very remote on the Northern border. It has been incredibly difficult not only to recruit people up there, because obviously you can ask people to go and they go, but to retain folks. And a lot of that is quality of life.

One of the things that we have experienced in economic development in rural areas is that we used to say, when I was in State government, all you had to do was develop primary sector jobs; and if you had jobs, that would save the rural areas. Now we are finding out we have open primary sector jobs, good jobs in rural America. No one wants to live there. And so we have a very hard time in this age category convincing folks that they want to live in rural America.

You operate in rural America all across—I mean, I have been on the Southern border, mainly in the very remote locations in Arizona. I have been up and down—in fact, took Senator Carper on

an airplane, a helicopter run by Air and Marine, thank you very much, showing him the Northern border.

How do we in this group really address the concerns of the younger millennials who would be coming in in terms of recruitment into what we might say are less desirable areas? What tools do you need to do that?

Ms. BAILEY. I think we probably have the tools available. I think we just have to rethink some of our strategies. And so what I mean by that is I think too often we are applying Washington, D.C., or metropolitan type recruiting and retention strategies to an area that is completely different than this particular area.

When I worked for the Defense Contract Management Agency, we ran into this same issue because we had some of the remote areas in which we were trying to do that, and one of the things that we successfully did—and I would like to actually bring this idea to DHS as well—is we started recruiting our interns and our recent grads, we started recruiting them in cohorts, and we started placing them as cohorts into these rural communities so that they were together as a group. Because what happens is if you just take, let us just say a 25-year-old or a 20-year-old and you plop them down into the middle of an environment which is completely unfamiliar to them, they do not have their parents, they do not have their family, they do not have their friends, and their co-workers are already married with their 2.5 kids and a dog, right? And so at the end of the day, when they are all headed home, the younger person just really did not have anybody that was there to be with them.

And so by creating these cohorts and actually putting them together, we helped them find housing in an area that was together. They then formed their own groups. They formed their own softball teams. They went to happy hour together. They did all the things together. But that is how we actually recruited them in, kept them together. We created mentors, which, by the way, we brought back alumni. I think this is another great idea. So the alumni that had retired, we created an alumni group, and then that group became kind of like mom and dad, if you will, over the cohort, and it helped them, kind of stabilized them, and they had somebody to turn to that was not necessarily their boss or their colleague. And it just created this more family environment.

Senator HEITKAMP. So how would you effectuate that, how would you implement that in Border Patrol?

Ms. BAILEY. In Border Patrol—and, we can work with them on this, but basically whenever we do a hiring, we would do hiring, and then we would look at the demographics, because we cannot just hire for millennials, right? But when we hire for those, we will look at the demographics of that, and where we find clusters of folks that are within the same age range, if you will, we will actively reach out to them and then help them, again, like I said, with finding the kind of housing that they might want to have and——

Senator HEITKAMP. Can I add a nuance to that?

Ms. BAILEY. Sure.

Senator HEITKAMP. Recruiting from the area, recruiting people who love to hunt and fish, that is their value, that is their ethic connecting them with community people who will be——

Ms. BAILEY. Right.

Senator HEITKAMP. But I think sometimes you take someone from Chicago and say here you are in Cavalier, North Dakota, and that is culture shock. And so I think taking a look at where you find these cohorts and who you recruit and how you recruit, taking a look at kind of what their backgrounds are, because you know the satisfaction level is going to be much higher if they are in a position—or if they are in a living situation that looks very familiar.

Ms. BAILEY. Right, or if not familiar, it at least is an area in which they can kind of collaborate together, and they can kind of get through it together. In other words, when we just think of them as individuals, then they are trying to struggle on their own versus if they see themselves as part of a group, even within a foreign environment, I think that they just tend to like cluster together and have more interest.

Senator HEITKAMP. Yes. One of the concerns that I have—and I guess it would go to both you and Ms. Leo—is that we think that you are enormously talented, and we are glad you are here today, grateful that you are here today. We think sometimes the bureaucracy or the rigidity of the system, you always have to be looking for work-arounds. I think that takes up too much energy to look for work-arounds. We want to know what are the embedded kind of problems that are in the system that need to be removed for you to do your job kind of moving forward. And most of you know I have a bill that deals with flexible hire. We have been working very closely with OPM on how this would work and respect kind of the traditions of Federal service, but also provide flexibility to the human service professionals, human capital professionals that are out there.

So I will ask you, Ms. Leo, what just drives you crazy in doing your job and you just say, "If only this would go away, I would really be able to do my job much better"?

Ms. LEO. Interesting question. I think that the way I approach it—well, nothing drives me crazy in my job, so I just have to say that authentically because I really love what I do and I love being able to connect with the people at NASA, and they really love what they do. And I think that is our key to bringing people in, is we think about our recruitment strategy beginning with outreach in the community at large. And so our employees take the story to the American people, and we do that on a daily basis. Just before I was coming to——

Senator HEITKAMP. But you have to give me something that might be just an irritant.

Ms. LEO. Well, I mean, there are certain things within our hiring authorities that are kind of rigid. I think even with the Pathways Program we have to be very creative with how we bring students, recent graduates and interns in. And we have met great success with that, too. So I think even though there are very many challenges with our hiring process and the regulations that we have to follow, we have a lot of flexibilities, and that is one of the things

we have been focusing on, is what are the authorities that we are not using that are there at our disposal.

So we have recently become an employer of National Service, and we are recruiting returned Peace Corps volunteers and AmeriCorps VISTA folks so that we can reach a different part of the population. So I think there are a lot of flexibilities. You just have to look broadly and cast a wide net and think about recruitment from outreach all the way to onboarding.

So even though there are some challenges with our hiring system in the Federal Government, there is a lot that is available to us that we can use.

Senator HEITKAMP. If you are familiar with it and if you are willing to use those flexibilities.

Ms. LEO. Yes.

Senator HEITKAMP. Ms. Bailey, same question.

Ms. BAILEY. So I think that—well, I guess there are a couple things. I had the fortunate opportunity of working at OPM for eight years, and so I kind of had the opportunity to see some of these things are they bubble up that we were actually trying to fix.

The number one thing for me is that I really do think that the H.R. community as a whole over the years has been decimated to the point where we do not have the number of folks actually on board to do the work that they need to do. They are not well trained anymore. We really actually need to start growing our own through what I will call an "HR Academy." I would love, love, love to see OPM get back in the business of actually providing H.R. training so that like whenever I was coming up in my 20s and I was an Army intern, you went to OPM and you got trained. And it was considered world-class training, and people actually recognized that and cared about that.

So I would love to see an H.R. Academy——

Senator HEITKAMP. So the same thing that we know drives millennials was just training and——

Ms. BAILEY. Right.

Senator HEITKAMP [continuing]. It is what you need in the workforce.

Ms. BAILEY. Yes, absolutely. And so that is one of the things, making sure that, both the hiring managers and the H.R. specialists understand this. We have way too many hiring authorities. Everywhere you turn, there is yet a different way to hire somebody, whether it is competitive or it is excepted or whatever, and it gets ultra confusing for everyone.

The next thing that I would really love to have is the ability to actually have these hiring events and use the direct hire authority. So one of the reasons we were so incredibly successful with our cyber hiring event is we used our direct hire authority, which OPM did give us—actually, they gave the Federal Government, all the agencies—to hire information technology security specialists. But without that, I can only say we have 14,000 resumes that we are trying to rate, rank, apply the veterans' preference, do everything that we need to do in order to get through all of that takes weeks and weeks and weeks because you really have to do that right.

And so the advantage and the benefit of having a direct hire authority when you are having a hiring event is that you can invite

people in. You can do it virtually, or you can do it in person. But you can actually get the resumes, and what we so successfully did is we had in this case the CIO community literally sitting in a room like this, CIO, HR, and security all together.

So as we are looking at the resumes that were coming in and people were walking in, we actually could review those, hand them over to the CIO, who literally ran downstairs, found the hiring manager, interviewed them, walked them over to the security office, gave them a tentative job offer, fingerprinted them on the spot, and out the door they walked.

And so that is how you can really effectively make some changes that would be just incredibly beneficial to us, is that when we have these specific hiring events.

Senator HEITKAMP. And I would say there is no more critical place where you need to do that, because we absolutely need the best and the brightest in this terrific challenge that we have on cybersecurity.

Ms. BAILEY. Exactly.

Senator HEITKAMP. So, you could really make a case that is a national security imperative, because you do not want those same folks using those incredible skills to go do something else.

Ms. BAILEY. Right. And I am not trying to suggest that we need to have these kind of things for every position out there, but I think we have to be judicious in which positions that we are actually using that kind of process for. So, those are really probably two of the things that just eat up most of our time, is this thing called the rating and ranking process when you are trying to get through. Thousands of people do apply for our jobs.

Senator HEITKAMP. Is there a way to streamline the rating and ranking—because I do not think anyone here would say we are interested in eliminating that. But is there a way to do it, using data, using kind of a more structured, less labor intensive kind of method?

Ms. BAILEY. Mark might be able to help me out with this answer a little bit more, or at least correct me if I get out of bounds here. But I really think that probably one of the best ways might be to do it is to actually ramp up the assessment process on the front end, right? And so what I mean by that is actually have something that has a little bit more rigor in an automated way on that front end so that what is spitting out on the back end is not tons of people that have to be manually reviewed, because that is the bottom line.

But I think whenever we actually do a lot of that, it is expensive to do the assessments. It sometimes can irritate the applicants, to think that they have to go through this assessment process on the front end before they are even interviewed, if you will. And so it is really trying to get that balance right. And, Mark, I do not know if you have any thoughts on that, too.

Mr. REINHOLD. No. I mean, I think your comments are right on point. I think in many ways we have come to rely on technology as kind of the fallback to do an assessment. But if you are not building a good assessment in the first place, then technology does not do anything but streamline a bad process.

OPM is continuing to put a lot of effort into a set of assessments that we call "USA Hire," and these are professionally developed assessment tools that are available to agencies that they can use to help screen in many cases large quantities of applicants. And some of these assessments help get at soft skills, which are really hard to glean from a resume, even sometimes from an interview. But they are a very robust set of assessments that you can actually apply at scale and help, winnow down some of the volume.

Senator HEITKAMP. Well, I am really interested in what the barriers would be to using those kinds of tools to streamline this process, because I want to say this: If in 2019, 30 percent of the workforce that is working today is not working, everybody retires when they can retire. Are you ready for that? Are you ready for it? I mean, that is a huge, huge challenge.

I think that we all need to think about this not as a continuation of a process, but that succession planning for almost every major organization is a huge challenge. This is not unique to the Federal workforce. You see this in utility companies where I have sat on boards of directors talking about the average age of managers, never mind the average age of the maintenance worker who may have started with a plant who finished their career with a plant, and that is a lot of intellectual property that the Federal Government has that is walking out the door. And if we do not have succession planning, if we do not have the ability or the workforce in the H.R. area to actually do the work that we need to do to guarantee that we are hiring the best and brightest, that is a formula for failure in the important work that the Federal Government does.

So are we ready? I guess, Mark, that is a question to you. Are we ready? If you can just imagine the worst-case scenario—because we know that a lot of people who are eligible to retire do not retire. But if you think worst-case scenario, something happens and people just get fed up because they are tired of the government shutting down and not knowing and feeling underappreciated, are we ready to fulfill the commitments that we have made in the Federal Government with the workforce?

Mr. REINHOLD. So I will say to your point, one of the things that OPM is really driving hard on is strategic workforce planning. There are some agencies who use very good approaches and sophisticated approaches, and there are others who are not doing as good a job as they could be. It is critically important that we look at the composition of our workforce, evolving skill sets that we are going to need, what we need today and looking at demographics of our workforce and that we systematically and intentionally plan for that.

Senator HEITKAMP. Well, it seems to me—and I want to turn back to Mr. Goldenkoff—that when we judge what we are doing right now, when we evaluate what we are doing, we have heard great creative ideas here. We have heard best practices. That is why both Angela and Lauren are here, because we think they represent great practices and great improvement. But how do we get other agencies to adopt these best practices? How do we best develop metrics, some kind of evaluative tool that we would need to

judge this from this Subcommittee's perspective, so that we can, in fact, do the oversight that we need to do on the Federal workforce?

Mr. GOLDENKOFF. Well, that is a great question. You are absolutely right. There are lot of best practices out there. There are agencies that are doing great things. You mentioned the agencies at this table. The problem is it is inconsistent across the Federal Government.

Senator HEITKAMP. Yes.

Mr. GOLDENKOFF. And so how can we level the playing field and how can we share those best practices? And so one approach is the CHCO Council, which already exists. It is the Chief Human Capital Officers Council, and that was set up to do exactly this in part, to share some of these best practices.

Senator HEITKAMP. But we need you to be our eyes and ears, to help us with that oversight function so that when we bring in an agency where we do not believe they are doing the right thing, we have the ability to evaluate that and to have that discussion.

Mr. GOLDENKOFF. Right, but——

Senator HEITKAMP. And they know what they are going to be measured on.

Mr. GOLDENKOFF. And that is where GAO can play a important role, and that is what we work with your Committee on, and we go about that in a couple of ways.

First, GAO has identified a series of best practices. We have our best practices or the drivers of engagement, and so that is something that you can use and evaluate agencies against and say, "To what extent are you implementing these drivers of engagement?"

We also issued a report recently, where we mentioned some of the barriers to more effective hiring. A key recommendation that we made to OPM was to basically scrub all the hiring authorities that are out there. In this report that we issued earlier this year, there were 196,000 new appointments in 2014, but just 20 hiring authorities of the dozens out there. Over 100 hiring authorities were used that year. Only 20 were used to make 90 percent of the hires. So there is a lot of hiring authority that is basically going unused. There are a lot of tools in the toolkit. That really begs the question: Why aren't these tools being used? And so that is one of the recommendations that we have made to OPM.

So where I am going with this is hold OPM accountable for implementing GAO's recommendations, these governmentwide recommendations. OPM is doing some great things, but they need to do more. And one of them, as I said, is looking at the hiring authorities and determine: Are they effective in meeting the needs of agencies? Effective in terms of meeting the needs of hiring managers? Of applicants? Are they meeting the needs of the merit system?

Another barrier is the classification system. The Federal classification system was established in 1949, so it is a relic of something that is decades old. Back then it was designed for workforce and workers of a different time or a different era. And we made some recommendations about the attributes of a modern and effective classification system such as flexibility, that sort of thing. By making changes to it, you might be able to give more flexibility in terms of pay, give more flexibility in terms of moving Federal em-

ployees around, both in terms of within agencies and across agencies. So that is another thing that can be done.

Senator HEITKAMP. And all of these things, I mean, going back to kind of the theme of this, all of these things in terms of removing the rigidity, making sure that people are using the flexibility and the hiring tools that they have, those are all things that, it seems to me, fit within recruiting the new Federal workforce.

Mr. GOLDENKOFF. Oh, exactly. And then a final thing in terms of actually getting down to specific metrics, GAO has put closing mission-critical skills gaps on our high-risk list, and one of the recommendations that we have made to OPM in concert with the CHCO Council is to develop a suite of metrics that agencies can use, a consistent set of metrics. Something called "HRStat," basically statistics for the human resource field, they already exist. Agencies are developing them. One of the issues that we found is that those metrics are inconsistent. So it is like you are using the metric system; someone else is using inches; someone else is using furlongs. And so in terms of your ability to oversee progress being made in improving the hiring process of whether agencies are addressing mission-critical skills gaps without a common suite of metrics, you cannot do that.

So we are not saying that there should be one-size-fits-all. Agencies do need their own individual metrics. But there also should be something that agencies—a more cross-cutting set of metrics as well, and that is something that the CHCO Council can consider.

Senator Lankford [Presiding.] Thank you. Let me drill down on the classification statement that you just made. And, by the way, I have a friend of mine that I know for a fact was born in 1949. I am going to tell him you say he is a relic. [Laughter.]

But the classification system does need an update. There is no question about that. Who is making the proposals to do that? Have you seen outside groups, have you seen CHCO, have you seen anyone that said, "Here is a set of ideas that we would propose as a change to that"?

Mr. GOLDENKOFF. No. The President has proposed a commission, and that has never happened. No one has picked up the ball, and that is where it could be a key starting point. Obviously, it is in statute, so that would need to be changed.

Senator LANKFORD. Sure.

Mr. GOLDENKOFF. Another aspect, too, is Title V. I mean, if we are talking about some relics here that is from 1978. Again, it was designed for a workforce of a different time. Things have changed. The skills that are required for a Federal job have changed. We have a need for many more advanced skills than existed just even in the last 10 years. And all those things just need to be reexamined. Some pieces may be entirely appropriate. There is a lot of it that still works. I mean, the merit principles, those are important. We need to retain those. But there is a big part of it that may not be working. We just need to look at where the friction is.

Senator LANKFORD. Mr. Reinhold, which agency would you look at and you would lift up and say—as Mr. Goldenkoff discussed earlier, there are 100 different tools in the toolbox there of these different authorities, 20 of them are used. Which agency or agencies would you lift up and say they are really good at using the authori-

ties that they have and that they are actually doing an effective job of using those? Any agencies in particular you would lift up?

Mr. REINHOLD. Off the top of my head, I really would not be able to do that. I think there are pockets of excellence when it comes to things like using a Pathways Program or leveraging things like direct hire authority. But, obviously, one of the big challenges is that we all crave flexibility, but the more flexibility there is, the greater the difficulty in managing it, and understanding the flexibilities that are available. And that is kind of one of the tensions that we have seen is, gee, we have 100-and-some flexibilities, nobody is using them? Should we take them away or should we encourage more use of them and train people so that they understand what they are? And it is just striking the right balance there. And I do not have a perfect solution for it, but——

Senator LANKFORD. Yes, part of that is going to be just management training so that they have the ability—when you trust your managers, then those managers are able to be able to make the hires and have the authorities that are needed, a set of parameters, a set of guidelines, that you go buy good training for those individuals and then provide trust. And I understand every agency is always concerned about ending up here or ending up in the newspaper at some point saying that there was a mistake made. But we have 2.5 million civilian employees. There will be mistakes made. Part of the challenge we have is the removal of individuals that should not have been hired or that are a problem, that streamlined process to make sure that is effective, good hiring process and good hiring authorities in the middle, and so that on one end you do not have individuals working within the Federal Government that are toxic in an environment that makes it miserable to work there because it is someone that should be removed and no one wants to isolate rather than remove them; on the other side that we hire better in the process, and that is just a trust issue.

Can I ask just a general question as well? How did this 60-day target come about? Obviously, as I mentioned before, we have actually gone from 90 days to 99 days over the last three years as far as the length of time it actually takes. But there has been this goal of 60. How was the 60-day time period set, that is what we want to achieve?

Mr. REINHOLD. So I have to be honest, the standard that was established as part of the hiring reform effort was actually 80 days, and I am not familiar with the 60 days.

Senator LANKFORD. OK.

Mr. REINHOLD. But that 80-day standard was based on research into what are the various components of the process from the time you need on the front end to begin planning and understanding what the job is that you are trying to fill, making sure that you have it classified correctly, you have a good job description, you understand what you are going to be looking for in candidates, through the open period where we allow folks to apply and throw their hat in the ring, through the process of assessing them to figure out who the best of the best are, all the way up to the point of onboarding. And it was, as I mentioned an intentional and thoughtful review to determine that 80 days seemed like it was a worthy target.

Senator LANKFORD. Right. Let me ask this: Ms. Bailey, this is going to sound like a "gotcha" question. It is not. This is an open dialogue. I pulled something recently on DHS and on the merger of DHS, which was such a giant merger and putting so many legacy systems all together in the previous two decades. There is still an H.R. struggle that is going through.

In 2011, the agency determined there are 400-some-odd different processes for H.R. within DHS, and they set what they call 15 areas of improvement and 77 projects. GAO came out and said at the end of 2015, of those 15 areas only one of them had been done, and I think only three of the 77 projects had been done over that four-year time period. Do you know where that is going by the end of 2016? And I know we have not talked about this before, but I just have an interest in this because this is an H.R. consolidation project that will affect obviously hiring, which is at 124 days at DHS.

Ms. BAILEY. I sure do. We actually reestablished—since I came on aboard in January, one of the things that we did is we reestablished the Executive Steering Committee that both myself and Luke McCormack, the CIO, we both co-chair, now this whole thing called HRIT. And so we are in the process—we actually are almost complete—probably by the end of October, we will have a complete view of all the H.R. systems that we have.

I will tell you that just whenever I came in and I saw those reports, I read the GAO report, and looking at the so-called 400 systems, we counted everything to include spread sheets. One of the things that I want to get away from is, like, let us make sure we are really clear on what a system is.

So, for example, within the Department we have one payroll system for the whole entire Department. Well, we use USAJOBS, so we have one front-end system for employees to apply. We have two what are called "back-end systems" that are being run, one by the private sector and one from OPM. So we have two major back-end systems that handle all of the applications that come in, the rating and ranking and all that kind of stuff. So from a global perspective within DHS, the things that I am really interested in, we actually have those kind of neck down to where we have the appropriate kinds of systems.

And then what we are doing is we have looked at all 77 projects. We actually put together an advisory team of all the components. Instead of it just being headquarters driven, we looked at every single project. If it did not make sense or it is not actually a real project that is going to drive us where we need to, we got rid of it. We took pretty brave steps in doing that because we had been reporting on it, and we just stopped them.

We got that all completely boiled down to nine specific areas, nine specific strategic improvement opportunity areas. The first one that I will take that I think is a success is we were actually able to, although we use USA Staffing, for example, as one system, we had seven different instances of that, or negotiated contracts, if you will, with OPM, with the seven different components.

We all pulled together with that, had a great conversation with OPM, got a 20-percent discount for doing so. We also now have a common set of requirements in which OPM can now deliver to us

exactly what we need for that. We are going to do that with the other hiring system that we have as well. So that is one example.

The second thing that we did is we said—what I asked them to do is let us actually look at this as to what is meaningful for us. So one of the things that we are putting our energy and our resources and priorities into is the workforce planning or the position management part. You have to know what your requirements are. When you address 2019, we have to know into the future five, 10 years from now what are going to be our requirements so we can build our recruiting strategies and our hiring strategies with the communities, with the universities, and with the employees themselves to actually meet that requirement.

That is another strategic opportunity that we are going after. We are looking at this from end to end so that we can actually wrap our arms around what the time to hire really is. So today one component keeps it on the books over here, and I think you are kind of speaking to that. Then you will have another component. So what we have done is we have actually gone through and done what we call an "apple and apple," so that we are all clear that when someone says entrance on duty that we actually know what that means.

And so we have done some back end work as well as looking at the actual systems so that we can start consolidating and really start making some really smart business decisions. We started also doing the independent cost estimates, which we are finalizing right now. I think we go back to GAO with regard to the independent cost estimate on each of these different strategic improvement opportunity areas. But it is my goal and it is Luke McCormack's goal as well, as well as our DOSM, to make sure that we focus in on the things that are actually going to drive the business and drive us in a direction in which we want to go, instead of just trying to tackle everything at one time.

Senator LANKFORD. Great.

Senator HEITKAMP. She is not boiling the ocean.

Ms. BAILEY. Yes, I told Senator Carper that we are not going to boil the ocean.

Senator LANKFORD. That is good to know. The global warming thing, that really throws that off. [Laughter.]

By the way, it is painful for me to hear. It is brave to be able to clear some of the areas and projects and things that are not strategic. I would hope that you would hear from us that is a great thing to do and that we would affirm that to say let us boil it down, instead of just ticking off someone's old list, try to figure out is this the right list to be able to work from, should be entirely appropriate.

Ms. BAILEY. Yes.

Senator LANKFORD. And we are glad to be able to walk through that together, whatever we can do to be able to help. The merger of DHS is one of those challenges that we still have as a Nation of trying to be able to merge so many things together that all of us are trying to figure out how do we actually get this done so we are no longer saying we are still working on merging entities together to be able to solve it. So we are grateful for the work on that and look forward to getting some of the reports on it.

Can I ask a process question as well?

Ms. BAILEY. Sure.

Senator LANKFORD. In the delays that are out there, how long does the background check part of it typically take? Because I have heard from multiple folks that seems to be a delay.

Ms. BAILEY. It is. I mean, that——

Senator LANKFORD. How long, typically? And I know it can change from moment to moment depending on the backlog. But what is typical?

Ms. BAILEY. It is not only the backlog. It is the level of clearance. So I will up front answer your question, I think it can take—I have seen it take as long as 200-plus days. I have seen it take as few as 25 days. We are averaging probably around 60 days, 45 to 60 days to get our folks cleared through the background investigation.

Another part of it, like a part of our 124 days—and I am kind of glad that you asked this question. So at DHS—and I would imagine some of my sister agencies find the same thing—we not only have top secret clearances, we have polygraphs, we have medical examinations, we have fitness examinations. So we have some pretty tough jobs that require quite a bit of extensive assessment beyond just simply applying for the job.

So when we look at that, at the 124 days, we actually as a team, as the entire leadership team, including the components, we have actually settled on the fact that—I think it was actually 125 days for us is what our target is, because we really do have to take into consideration that whole back end of getting them cleared through the process.

The other thing that we are discovering is—and OPM's standard, and I was part of OPM whenever we created these standards, the 80-day model. We had actually tacked on the back end I think it was 14 days for entrance on duty, for people to come on board after they got their final job offer. What we are finding is that most employees—and this is whether they are coming from outside or inside government. It is taking on average 30 days, because most people are giving their employers at least a month's notice before they are coming on board. So that artificially, if you will, tacks on some of it.

But what we have the ability to do today—and all of the components within DHS are participating in this—we can take every single step of that hiring process, and we have it completely broken down. We set targets for each of that, and then we have created a heat map where we can go in and we can look to see, and some of that has driven some incredible innovation.

One of the things that we are doing, for example, is partnering with DOD and getting reciprocity on some of these medicals and fitness and physicals. If they just got out of the military and they just got a medical, it does not make any sense that we are turning around and doing yet another medical. So that is an example of really using the data, heat mapping it, figuring out where we are red, and then going after that. We have actually even gone—started going after the military before they even get out of the service by putting recruiting efforts on the military transition centers. And so doing things like that, we are able to take what used to be 300-day hiring processes and get it down to like 125.

I am pretty confident that the folks who are applying for our jobs, whether it is a Secret Service agent or a Federal Emergency Management Agency (FEMA) responder, as long as we continually communicate with them what step they are in the process, what their next step is, what they can expect, they are actually willing—and they understand that it is a pretty arduous process to get in, but it is a very rewarding career at the end when they do.

Senator LANKFORD. Now, that would be true for someone who is a field agent and other individuals on it. Do you find the same to be true with individuals that are in a warehouse position or in an administrative position as well, that they are willing to wait that long to be able to get in? Or is that tougher?

Ms. BAILEY. So we set different standards for that. So for an administrative position, it should be the OPM 80-day model because most of those are just through a NACI and a fingerprint check and FBI check, we can get them on board. So we set different standards, depending on the job. So I should have been a little clearer on that.

Senator LANKFORD. That is OK. So tell me a length of time that you would anticipate in a role like that.

Ms. BAILEY. Well, right now we are averaging somewhere around the 80-, 90-day period. I would agree, we need to get that down to at least 60 days, if we are going to use the traditional process, right? What I would like to instead use is the process that we used whenever we did our hiring event, where we brought everybody together and we made tentative job offers on the spot.

Senator LANKFORD. See, and that is what people look for.

Ms. BAILEY. Right.

Senator LANKFORD. Is the opportunity to know—just tell me yes or no, are we moving to the next step?

Ms. BAILEY. Oh, yes.

Senator LANKFORD. That is a big issue. What about issues like moving from temporary to permanent? That is another issue that I hear quite a bit from individuals. And any of you can answer this, but that is a request that I frequently hear from people. They say, "I have a temporary employee that has been here 9 months. We really want to be able to keep them, but it becomes a whole big H.R. issue just to be able to do the transition." How does that work?

Ms. BAILEY. I think that that is correct, so that would be one of the areas which I would imagine will take legislation to be able to change that, to be able to go from a temporary or a term position and then convert them over into permanent. We would probably have to put some rules around it, like how long they are so that we are not circumventing the competitive hiring process—right?—to bring them in temporarily for 30 days and, bam, convert them over. I think that that would just cause us more headaches.

But I think if we had some good, solid criteria around it, like, for example, they are on that temporary appointment for a year or two and then we want to have the ability to convert them, I am positive that would take legislative change. And we would be more than willing to work with you and to work with OPM to write some legislation that would make sense in that regard.

Senator LANKFORD. I think that would be very helpful for us to be able to get, because I would say that is something I hear frequently from different groups. And, again, we are back into warehouse positions, clerical positions, administrative positions, where they have brought somebody on board, they love them, they fit well, they fit in the group, and they think, "I want to be able to make the transition," but it is such an administrative nightmare to be able to work through that process for the H.R. folks that they find barriers to keeping good folks. And so those folks are just incentivized to look elsewhere.

Ms. BAILEY. Right.

Senator LANKFORD. Or they are re-upping their term consistently. Any ideas on that, Mr. Reinhold? We have talked about that before.

Mr. REINHOLD. Yes, I mean, I think it is an important issue. One of the challenges we face, candidly, is that when we advertise for a job that is going to last for 30 days, that often has the effect of limiting the number of people who apply for it. So I think we would not want to have a situation where, kind of as Angie mentioned, we are advertising everything for 30 days, wink, wink, do not worry, we will convert you to a permanent job.

So I think we just need to be sensitive to those kinds of conditions, and, to Angie's point, I think there would need to be some structure around the way that we do that.

Senator HEITKAMP. Just in closing, I remember being hired as a young lawyer and being told I was a GS–9. I had no idea what that meant, but it did not sound very glamorous. It sounded pretty rigid. It sounded pretty bureaucratic. And it did not really help my identity as we move forward. And so I think that it is really important that we, in the work that you all do, start thinking about how we approach potential employees in a way that really makes them feel like, boy, this could be part of a mission I want to be part of; I will be an individual, I will not be a GS–9 in some kind of classification system.

And so I think that is one of the challenges that we have, but we do not have a lot of time. And I am intrigued by the reclassification system. That is a big job. And that is why it is not getting done. If this were easy, it would be done. But it may mean that because we have this transition coming, there is no better time, because you are not changing someone's status or classification. You may be just looking at bringing people in at a secondary level. But I think all of this rigidity leads to a diminished employment pool, and we need to figure that out. We need to really understand what it is that the new worker wants in the workplace, and we need to deliver that. And I think, NASA and with the progression that is happening at DHS, an important job there, cybersecurity, what a great success story that is, we need to populate those kinds of stories throughout the whole Federal employment system.

And so this discussion is by no means over. We are always interested on this Committee, not playing the role of "I got you," we are always interested in what can we do that will make your jobs easier. But going back to GAO, what do we need to do to guarantee that we have the ability to do the oversight so that we can play our important role, because there is no more important decision—

there is no more important decision that the Federal Government makes than who they hire to serve the people. That is true in elections, and it is true when you are doing the hiring. And, we take this role very seriously, this oversight role very seriously.

So thank you all for coming. You guys have been great witnesses.

Senator LANKFORD. I do appreciate that. Let me second her statement on that. I do appreciate it. These are big issues, and I agree that dealing with the classification system is biting off an enormous chunk. But when we are dealing with a changeover in administration here in the days ahead, that may be an area that needs to be proposed and to be able to be attacked.

I also understand full well when you say that, the onslaught of mail that we will get suddenly saying, "Do not change it, we finally just got it to this," and all that goes with that, there is a lot of pressure to be able to look at, to be able to evaluate this.

I think we have finally reached a point as a government that we are so heavy and we cannot take risk in every area and everyone has to be managed from D.C. that we are not spending enough time training managers and trusting people in the local entities to be able to make that, and that is the area where in so many places the private sector has rapid speed because they train managers, trust managers, and when there is a problem with managers and with the Department, they go deal with that manager. So we have to have the ability to be able to have oversight for managers, expectations, specifications, but they are not locked in a box so much that they think, "I know a good person, and I cannot hire them."

So we have to figure out how we are hiring the person I do not want to hire when this person I think is going to be better, or if someone in the middle is a problem to the entity and is draining morale because they are a problem in the middle and we cannot deal with that.

All of those are dynamics that can be dealt with, and I understand all of them bring slings and arrows toward you and toward us because they are suddenly the exception that is sitting out there. We will have to work through this, and that is tough to do with 2.5 million people in processes. We get that.

I want to say to all of you, as you encounter different groups, different entities, that they get together and they think through these issues and they make proposals and ideas, we are open to seeing them and reading them and having those conversations. It does not have to be in an open hearing like this. We are glad to be able to go through those documents and to be able to determine what are good solutions and directions to be able to go. So whether it is a finished product, as several of you have said, we can get you some ideas on that, we do anticipate getting those ideas from you. That is not something we will just turn away. But if there are also groups that you would recommend and that you would say this is something you might consider in the days ahead, we are glad to hear that as well. And just because we are in the month that we are in, I like to say to all of our witnesses that not every person will remain on in a new administration. Some of our best advice has been from people from previous administrations that could not say it while they were in the administration, but once they are not in the administration and they are not under those same guide-

lines, they can say, "Here is a set of ideas that I have seen that could make this better." We are open to hearing those things as well and to be able to walk through it. Again, this is not "gotcha." This is: How do we fix it? And what are the practical steps to be able to do that?

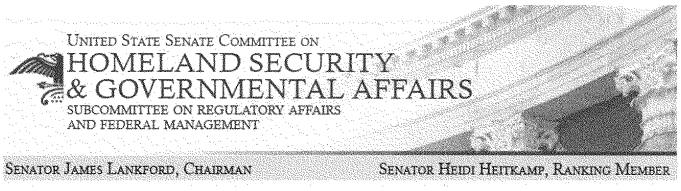
So I appreciate all of your work preparing for this. This will be an ongoing dialogue, and we will see where we can go from there.

I would like to thank all the witnesses again for your testimony. The hearing record will remain open for 15 days until the close of business on October 14 for the submission of statements and questions for the record.

This hearing is adjourned.

[Whereupon, at 11:51 a.m., the Subcommittee was adjourned.]

APPENDIX



September 29, 2016

Opening Statement of Senator James Lankford

Homeland Security and Governmental Affairs Subcommittee on Regulatory Affairs and Federal Management Hearing titled:

"Understanding the Millennial Perspective in Deciding to Pursue and Remain in Federal Employment"

Good morning and welcome to today's Subcommittee hearing, "Connecting with Millennials: Strategies for the Federal Government to Attract and Utilize Younger Workers." The federal government currently employs more than 2.5 million executive branch civilians; however, according to GAO - 600,000 federal employees will be eligible to retire by September of 2017 - that is a staggering 31 percent of the current workforce. Unfortunately, those under 35 years of age make up only 16 percent of government employees, meaning that in order to make up for anticipated retirements we must recruit and hire a new generation of federal employees

While the need for effective government recruitment is apparent, especially with the amount of anticipated retirements - it is particularly important to show younger applicants that a government career can be fulfilling and a worthwhile endeavor. Unfortunately, there are many obstacles we must overcome in order to attract the key demographic, millennials, into the federal workforce. When it comes to obstacles in hiring millennials into the federal workforce, the two problems I hear about most often are the lengthy and cumbersome hiring process, and the fact that many millennials believe government service is not a rewarding or fulfilling job.

According to some studies, the millennial generation is leery of federal service because of the rigidity of the General Schedule system, which often treats everyone the same regardless of skill level. They feel that job assignments and awards for achievement are arbitrary, and that incentives to excel are rare and recognition for exceeding expectations is non-existent. Whether or not this is true, it is perception that federal agencies must overcome or address in order to attract millennials into the workforce.

The federal hiring process is another obstacle we must address. The new generations of federal workers have grown up in a world where decisions are made quickly and efficiently. Recruiting and hiring in the private sector is accomplished in days and weeks and not months. On average it takes 100 days to fill an open position in the federal government. OPM's Acting Director has testified that she wants to bring that down to 60 days. We will never attract first rate workers that we seek if the current rate of hire continues to be 100 days, or of 60 days. We have to get to a faster process. Whether they are fork lift drivers at military facilities or analysts at the NSA, the brightest and the skilled will not wait 100 or 60 days. We need a faster process.

I frequently hear from Oklahomans about their attempts to work for the government, which they too often abandon when it takes three months or more to hear back about their *USAJobs* application. Workers should not be torn between providing for themselves and their families during a season-long application process, or taking a job in the private sector that hires more quickly. To recruit the best employees and attract the millennial generation to civil service, we must make the government a viable competitor with the private sector. This begins with seeking out and hiring the best employees in a timely fashion. And providing them with an atmosphere that maximizes their skills and rewards them based on expectations.

I look forward to talking with our witnesses today about ways to make the hiring process faster, to reward employees based on merit, and to engage the next generation in the fulfilling work of civil service. With that, I now recognize Ranking Member Heitkamp for her opening statement.

September 29, 2016
Opening Statement of Senator Heidi Heitkamp
Homeland Security and Governmental Affairs Subcommittee on Regulatory Affairs and Federal Management Hearing titled:
"Understanding the Millennial Perspective in Deciding to Pursue and Remain in Federal Employment"

As Prepared
Thank you Chairman Lankford.

I am so pleased that we are having this hearing today on *Understanding the Millennial Perspective in Deciding to Pursue and Remain in Federal Employment.*

I would first like to say that I can appreciate that millennials are by no means an easy generation to define.

In fact, I had a whole discussion with my legislative staff one morning about the difference between an older and a younger millennial! And, I'm still not sure we came to a consensus.

It is important to say that while I have been looking forward to this hearing on millennials for some time, I would like to emphasize that this is only the start of the conversation.

We are so fortunate to have OPM, DHS, NASA, and GAO testifying today about their perspectives on this generation in the federal workforce, but those perspectives are by no means the only ones. I look forward to continuing this conversation down the road and hearing additional viewpoints.

From countless articles, studies, and radio segments, millennials have become a frequent topic of discussion regarding our federal workforce. And this will only increase over the next 30 years as millennials will certainly need to make up a larger and larger percentage of the federal workforce.

Nearly a third of the federal workforce will be eligible to retire in 2019, and it is essential that the federal government be prepared to recruit and retain the top talent from this generation of workers as effectively as possible, and as soon as possible.

While I appreciate that both OPM and the federal agencies have made tremendous strides in their recruitment and retention efforts, I am looking forward to a spirited discussion today on how the following challenges affect the millennial generation: compensation and benefits, career growth within federal agencies, the job application process in the federal government, and the intersection between engagement, creativity, and workplace culture.

Most importantly, I feel it is important for the federal government to connect with the millennial generation in a way that speaks to their needs and their desire to pursue mission-oriented careers, while also demonstrating all that a career in the federal government has to offer.

I am looking forward to identifying better ways of recruiting and retaining millennials in the federal workforce, and how we can be most helpful to you all as the Subcommittee with jurisdiction over this area.

I look forward to hearing the witness' opening remarks and talking with them.

Statement for the Record
Senator Jon Tester

Subcommittee on Regulatory Affairs and Federal Management
United States Senate Committee on Homeland Security and Governmental Affairs

"Understanding the Millennial Perspective in Deciding to Pursue and Remain in Federal Employment"

September 29, 2016

"This is an important hearing for exploring how we are going to staff our federal workforce well into the future. Young people must see the civil service, as well as state and local service, as desirable career options that not only benefit themselves and their families, but also our communities, our states, and our country. As the process of hiring and retaining young job seekers continues to evolve in the private sector, so too does that process have to evolve in the federal government. I look forward to your testimony and your answers as to how federal government agencies are rising to meet the challenge of hiring the best and brightest young job seekers in America."

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

STATEMENT OF
MARK REINHOLD
ASSOCIATE DIRECTOR FOR EMPLOYEE SERVICES
AND CHIEF HUMAN CAPITAL OFFICER
U.S. OFFICE OF PERSONNEL MANAGEMENT

before the

SUBCOMMITTEE ON REGULATORY AFFAIRS AND FEDERAL MANAGMENT
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

on

"Understanding the Millennial Perspective in Deciding to Pursue and Remain in Federal Employment"

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September 29, 2016

Chairman Lankford, Ranking Member Heitkamp, and members of the Subcommittee, thank you for the opportunity to be here today to discuss the U.S. Office of Personnel Management's (OPM) role in helping agencies build and support the Federal workforce. As the Associate Director of Employee Services and Chief Human Capital Officer (CHCO) of OPM, I appreciate the opportunity to give you an overview of the efforts we are making to ensure Federal agencies have the workforce management guidance, tools, and support needed to build and sustain the talent they need to deliver on their important missions.

This Subcommittee has explored several important Federal workforce matters in a hearing and a roundtable held over the course of the past year. Last October, this Subcommittee held a hearing, titled "Improving Pay Flexibilities in the Federal Workforce," at which OPM testified about the various compensation authorities available to agencies in recruiting and retaining an effective Federal workforce. More recently, in April of this year, this Subcommittee held a roundtable titled "Improving the USAJOBS Website," which examined the USAJOBS website as the mechanism through which OPM enables Federal agencies to meet their statutory requirement to provide notice about available job opportunities being filled through the competitive examining process. Today's hearing builds on themes raised in the earlier hearing and roundtable.

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Associate Director for Employee Services and Chief Human Capital Officer
U.S. Office of Personnel Management

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As OPM has testified previously, each agency is responsible for strategically managing its workforce to deliver on its mission priorities and goals. This agency process includes strategic workforce planning to determine workforce needs and best align people to mission; strategic recruitment to identify sources of top talent; carrying out effective and efficient processes to hire the best talent; and attending to the needs and motivations of the workforce to create inclusive environments in which people are engaged and can excel at delivering on the mission. OPM understands that these responsibilities are varied and at times challenging, and we also recognize that the Federal system of employment is grounded in core statutory principles and ideals that, by design, make it different than many other employment sectors (e.g., providing hiring preference to veterans; ensuring fair and open competition so that every citizen who is interested in a Federal job has a fair opportunity to apply; providing protections from arbitrary action and favoritism). As such, we take continual actions to best assist and support agencies in building and sustaining the Federal workforce they need, in a way that is consistent with the core foundational precepts of our merit system of employment.

One way we support agencies is through administering the Federal Employee Viewpoint Survey (FEVS). Through the FEVS, we are able to examine and report on key drivers of employee engagement and satisfaction with important aspects related to the work, including an employee's job, pay, their organization, and their leadership. The data collected around these points help agency leadership see where they are doing well, and where they might need to improve on creating work environments that both support and engage a high-performing workforce, and establish a positive work culture and reputation that can serve as a strength in recruiting new talent into Federal service. Following this commitment and heightened focus on employee engagement and satisfaction over the past few years, for the second year in a row the Government-wide employee engagement and global satisfaction indices have risen by one percent, breaking the prior four-year decline. Many individual agencies and components realized even larger increases in levels of employee engagement and satisfaction.

OPM is continually encouraging agencies to support diversity and inclusion in the workplace and ensure that their recruitment reaches all segments of society. As the U.S. workforce continues to experience demographic shifts, Federal agencies must continue their focus on attracting diverse talent from all segments of society, including racial and ethnic minorities, people across age groups, individuals with disabilities, and gender. The Federal Government continues to be a leader in providing employment opportunities to minorities; as of 2015, minorities represented almost 36 percent of the Federal workforce, which is greater than the percentage of minorities within the U.S. Civilian Labor Force (33 percent). The Senior Executive Service also is more diverse than ever before, with women and minorities continuing to increase in representation. And the impact of the "Millennial" generation is being reflected in the demographics of the

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Federal workforce, as people under 35 represented about 44 percent of new hires[1] into Federal service in FY 2015, which notably, is higher than the percentage of people under age 35 in the overall U.S. Civilian Labor Force (about 36 percent in 2015). OPM remains committed to working with Federal departments and agencies to create and maintain comprehensive strategies to drive and integrate diversity and inclusion practices, with a particular focus on areas where underrepresentation may continue to exist.

OPM also is working with agencies to examine their existing programs to raise their awareness of the flexibilities and retention tools agencies already have at their disposal. These tools can come in the form of streamlined hiring authorities, compensation flexibilities for recruitment and retention, workplace flexibilities like telework and alternative work schedules, educational and development opportunities, and the development of clear, focused career paths for each employee. By engaging with employees in career development planning, agencies can benefit both their organizations and their employees by aligning employee career paths with agency missions. OPM and agencies are seeking to maximize opportunities for employees to grow and develop, whether through mentoring and coaching, the development of common training programs for areas of frequent need, or through rotational opportunities like the President's Management Council's Interagency Rotation Program that is run by OPM.

Through our own data analysis, partnership with agencies and stakeholders, and visibility into the overall human capital landscape, OPM continually works to advance sound policy solutions and encourage agency operational enhancements to address challenges within the parameters of the law. For example, to address challenges in the areas of recruiting and hiring, OPM, in partnership with OMB and the Presidential Personnel Office, has launched a Hiring Excellence Campaign as part of the President's Management Agenda. The Hiring Excellence Campaign enables OPM to reach Federal hiring managers and human resources professionals in headquarters and field locations nationwide. Through the Hiring Excellence Campaign, human resources staff and hiring managers are brought into better communication and collaboration in order to improve the hiring process and hiring outcomes. The Hiring Excellence Campaign, designed using extensive agency feedback and delivered to agency partners across Government, hits key areas in the hiring process where it is essential that hiring managers and human resources specialists collaborate.

Some of these key inflection points are: the upfront planning before a hiring need is identified through workforce, succession, and staff acquisition planning; the recruitment strategy that identifies the sources for recruitment, taking into account the skills required for the position, the skills on hand, and the skills gaps and imbalances; identifying and validating critical duties,

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1 Source: EHRI Statistical Data Mart - Includes civilian non-seasonal full time permanent appointments.

responsibilities, and competencies for the position and collaborating to determine the best way to assess these competencies in potential candidates; working together to develop a strong job opportunity announcement that attracts applicants to apply for a position; promote and discuss the strategic use of appropriate hiring authorities and flexibilities available to agencies when seeking candidates; and evaluating and selecting the best candidates as quickly and efficiently as possible.

The Hiring Excellence Campaign provides a variety of tools and resources for agency reference (www.opm.gov/hiringexcellence), such as a Hiring Toolkit, a set of mythbusters to debunk commonly held misconceptions about aspects of the hiring process, information about various hiring flexibilities, supplemental online training, and other guidance for both hiring managers and human resources professionals. To date, OPM has conducted 32 workshops across the nation; in-person workshops having been conducted from coast-to-coast, and virtual presentations are expanding on this reach. So far, the Hiring Excellence campaign has reached nearly 1,200 hiring managers and human resources professionals from over 25 agencies sharing best practices, tips, and techniques for improving Federal hiring. In addition, hiring excellence was the theme of OPM's recent Government-wide virtual Human Resources Conference, which drew more than 1,500 participants and enabled us to provide useful tools and information and further spread the word about the importance of human resources specialists and hiring managers working together to connect with the top talent we need across the Government.

OPM also recognizes that there are times when changes to existing systems are necessary in order to improve the hiring experience for both agencies and applicants. This is reflected in our recent work to enhance the USAJOBS website for the benefit of both the applicant and agencies. In 2015, jobseekers used USAJOBS to complete more than 1 billion job searches, and filed more than 22 million applications for agency job openings. Our progress in enhancing this website is yielding real dividends for jobseekers and agencies. On the hiring manager and human resources staff end, USAJOBS now has an Agency Talent Portal that provides tools to help agencies find and recruit talent. On the applicant side, USAJOBS offers a geographic map search feature to help job seekers locate jobs around the world in which they may be interested. OPM also updated the application process to help applicants work through a simple, five-step tracker to create an application package. In addition, a new "Profile Dashboard" now makes it easier for applicants to upload key documents, manage their preferences and save job searches, and monitor the status of applications as agencies provide updates. Our enhancements thus far are showing steady increases in user satisfaction, increasing from 72 percent to an all-time high of 79 percent over the past year, as well as significant improvements in other key areas such as a 24 percent reduction in help desk requests.

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We have also recently released a study on the progress of the Pathways Programs for Students and Recent Graduates that shows diversity has increased compared to pre-Pathways programs.[2] These programs recently celebrated their fourth anniversary and provide an opportunity for students and recent graduates to chart a career path in Federal service. Research tells us that students and recent graduates about to enter the workforce believe in public service and want to make a difference. The Federal Government needs to harness that innovative spirit and commitment to service, and that is exactly what our Student Internship and Recent Graduates Pathways Programs continue to do. With more Federal employees becoming eligible for retirement, these Pathways Programs, including the Presidential Management Fellows program, have become a great resource for agencies to help bolster our civil service ranks. Our data show that 35,364 Federal employees had been hired through the Pathways Programs by the end of Fiscal Year 2015, and 93 percent of those Pathways Programs participants who responded in a recent study OPM conducted either plan to remain at their current agencies or want to stay with the Federal Government in the immediate future.

Through the examples outlined above, as well as through the work OPM does every day, we are working diligently to assist the Federal Government in recruiting and retaining a workforce that is drawn from the American public it serves and fulfills the commitment each agency holds. Thank you again for having me here today, and I am happy to answer any questions you may have.

[2] https://www.opm.gov/policy-data-oversight/hiring-information/students-recent-graduates/reference-materials/report-on-special-study-of-the-pathways-programs.pdf

U.S. DEPARTMENT OF HOMELAND SECURITY
PREPARED TESTIMONY FOR
THE CHIEF HUMAN CAPITAL OFFICER
BEFORE THE
HOMELAND SECURITY & GOVERNMENTAL AFFAIRS
SUBCOMMITTEE ON REGULATORY AFFAIRS & FEDERAL MANAGEMENT

Chairman Lankford, Ranking Member Heitkamp, and Members of the Subcommittee, thank you for the opportunity to appear before you today to address recruitment and retention of Millennials in the Federal Government.

I am Angela Bailey, the Department of Homeland Security's (DHS) Chief Human Capital Officer. I joined DHS in January of this year as a career executive with nearly 35 years of federal service, including 30 years in human resources.

I am responsible for DHS's human capital program, which includes human resources policy, strategic workforce planning, recruitment and hiring, pay and leave, performance management, employee development, executive resources, labor relations, diversity and inclusion, and human resources operations for DHS Headquarters employees.

Earlier in the summer, I laid out a plan for DHS to begin a hiring initiative and I'd like to provide you with an update on that as well as address further questions about attracting and retaining millennials, competition for talent with the private sector, and ways to better retain our employees.

DHS recognizes that a diverse workforce includes millennials, many who are students and recent graduates, and who bring enthusiasm, talent and unique perspectives to the workplace. DHS offers hundreds of internship opportunities to students every year, in addition to opportunities for recent graduates and Presidential Management Fellows.

On July 26-27 of this year, the Department hosted the DHS Cyber and Tech Job Fair here in Washington, DC. We received over 14,000 applications to five DHS-wide job announcements, interacted with several thousand candidates, conducted approximately 840 interviews and made 326 tentative job offers during and immediately following the fair.

My team and I are working closely with human capital experts across DHS to attract top talent, hire them using the full range of existing hiring/recruiting authorities, improve the application process, and retain our best talent using all available retention tools.

The Secretary, Deputy Secretary and Under Secretary for Management's commitment and support of human capital initiatives have contributed to our ability to streamline hiring, expedite security clearances, and conduct a successful cyber and tech job fair, just to name a few.

ATTRACTING MILLENNIALS

In the Office of the Chief Human Capital Officer, I have a team dedicated to attracting talent to DHS by improving our employment brand and ensuring the development and implementation of Department-wide recruitment strategies. We work closely with recruiters and human capital leadership from across Components, and hold regular meetings with the Corporate Recruiting Council, which oversees the creation and monitoring of targeted recruitment plans for specific mission critical DHS occupations.

The Federal Government competes for talent with the private sector, which can sometimes offer higher salaries pay to people whose talents are in high demand. In certain fields, such as information technology and cybersecurity, DHS must also compete with other agencies for top talent as human capital flexibilities vary across the Federal Government. In our recruitment efforts, it is critical that DHS emphasize its compelling homeland security mission, which we know can be particularly important for millennials. Our mission presents employees with opportunities for professional and personal growth not available elsewhere.

DHS RECRUITING STRATEGIES

DHS recently issued the DHS Strategic Outreach and Recruitment (SOAR) Plan focused on recruiting a highly qualified and diverse workforce, and millennials are identified as a key demographic in our recruitment strategy. We are proud to say that our use of the Pathways Programs has increased every year since DHS entered the program in fiscal year 2013, and we look forward to seeing the results of our hiring event in December.

One of the ways DHS engages millennials is through initiatives such as the Cyber Student Volunteer Initiative, which provides students pursuing cybersecurity-related degrees with an opportunity to work with top DHS cybersecurity professionals. In addition, we leverage social media as well as traditional recruiting and outreach methods to ensure the broadest reach possible. Our recruiters attend thousands of career fairs each year, many on college and university campuses, as well as middle schools and high schools. Our mission is vital to the American public, and we believe starting outreach to younger students broadens their worldview and sparks an interest in working for DHS.

DIVERSITY AND MILLENNIALS AT DHS

I also wanted to share some statistics about diversity and millennials at DHS. Millennials (defined as those born after 1980 and currently under age 35) represent approximately 21 percent of our workforce at DHS, compared to 18.68 percent across the overall Federal Government. Millennials at DHS are more diverse than our already diverse overall workforce, with over 50 percent of millennials identifying as a member of a diverse racial or ethnic group, and 36 percent are women.

DHS employs millennials across multiple Departmental mission critical occupations, including more than 17,000 who are Transportation Security Officers at the Transportation Security Administration, almost 11,000 as Customs and Border Protection Officers and Border Patrol Agents at U.S. Customs and Border Protection and almost 300 as Emergency Management personnel at the Federal Emergency Management Agency.

If you look at the youngest group of millennials or those under age 30, they represent approximately 9 percent of our workforce at DHS, compared to 7 percent across the overall Federal Government. In assessing DHS's workforce who are under 30, 59 percent identify as a member of a diverse racial or ethnic group, and 42 percent are women.

IMPROVING THE HIRING PROCESS

DHS strives to improve the hiring process within the agency. To help address concerns with the Department's hiring process, DHS implemented a Hiring Reform Action plan in which one of its main goals is to improve communication with prospective employees. The plan outlines DHS's commitment to promote regular communication to applicants during five key points of the hiring process: 1) receipt of initial application, 2) minimum qualifications determination, 3) referral of application, 4) update on status of application, and 5) result of application.

Since my arrival at DHS, I have focused on hiring process improvement for all occupations. My team in the Office of the Chief Human Capital Officer has worked to gather all available hiring process data to assist Components in identifying barriers, reengineering steps, setting better operational targets, and identifying opportunities for additional automation. I am also focused on forging smart partnerships across DHS Components, lines of business, and federal agencies to ensure that DHS human resources personnel are aware of leading practices and can collaborate to achieve economies of scale.

We are hosting a hiring event in December that will allow us to take full advantage of the Pathways Programs hiring authorities to bring sought-after candidates into the

Department, including millennials. In addition, we will use existing direct hire authorities to expedite hiring in such areas as acquisition and information technology. We have already seen measurable improvements on usage of special hiring authorities across DHS and will plan to exercise existing flexibilities in future hiring efforts.

DHS is also committed to gathering and reviewing manager and application satisfaction survey results in an effort to continually improve the hiring process.

RETENTION STRATEGIES AND ESTABLISHING CAREER PATHS

Executives, supervisors and managers in DHS have a cadre of compensation and leave authorities for the purpose of recruiting and retaining a highly qualified and diverse workforce. For example, the DHS Deputy Under Secretary for Management recently established and promulgated a Retention Incentive Plan targeted particularly for cyber positions, which are a core occupation in which a large percentage are millennials. My office continues to be vigilant with regard to educating Component human capital leadership with various strategies for attracting and retaining quality talent using incentives that are within their grasp. The Department has revisited and updated its Recruitment, Relocation and Retention Incentive (3Rs) policies (as of August 2016) with an approach to extend the Component's delegated use of these pay incentive tools to possible limits not used before. Additionally, DHS works consistently with OPM to establish specialized, higher than normal pay rates when necessary. Establishing special salary rates also ensures that the Federal government's compensation programs are able to address existing or likely significant handicaps in recruiting or retaining well-qualified employees.

DHS clearly understands that millennials in the workplace are concerned about work/life balance. My office has equipped Component human capital leadership with non-monetary options such as telework and flexible work schedule policies. Together, my office and the Department's Office of the Chief Information Officer have collaborated and dealt with issues such as providing a robust information technology foundation through obtaining and maintaining up-to-date, state-of-the-art communication tools for the virtual sharing of documents and projects, instant messaging, and using video chat capabilities. This also includes securing hardware such as laptops, tablets, video cameras and smartphones.

Another retention strategy is to establish career paths for employees. For example, the Office of the Chief Financial Officer developed Career Path Guides to describe the steps for employees to take for their professional development, addressing five mission critical occupations – Budget Analyst, Accountant, Cost Analyst, Internal Control Analyst, and Resource Analyst. The Career Path Guides describe for employees what is required for them to advance in their professional series. The guides highlight the importance of stretch assignments, certifications and mentoring, training, and other developmental

activities. They are considered a pioneering effort with the potential to be used across the entire Federal Government.

The Federal Emergency Management Agency is also about to launch an innovative Career Path Tool for prospective and current employees. Employees will be able to look at functional career paths to see what opportunities for growth exist within the Agency. Employees will also be able to map out their own path, complete a self-assessment, seek input from raters, and learn what developmental opportunities exist within their Component. This tool will launch initially with 10 career paths and will expand another 10-15 in the coming year.

ENGAGING THE WORKFORCE

Employee engagement has been front and center at DHS, and we have been putting a great deal of thought and effort into building new approaches to support employee morale and engagement. We now have a Chief Learning and Engagement Officer in my organization who is spearheading these efforts.

Under Secretary for Management Russ Deyo chairs an Employee Engagement Steering Committee made up of senior executives from across DHS who collaborate on enterprise-wide solutions. As a group, they have agreed there are things we can do as a whole, but often, Component-specific solutions are the ones that impact employees on a more immediate basis. We have empowered Components to act, and have created a loop of accountability with them so that we know they are taking action, and we are assisting them in their efforts on an as needed basis.

We have enhanced communication so that all employees feel connected to one another's work and to the Department as a whole. Communications from DHS leadership via email and on the DHS intranet are affirmatively employee-centric; and new mechanisms like a Department-wide e-newsletter and targeted distribution lists enable us to better reach out to relevant audiences. Several Components have established "ideation platforms," providing employees a technology-enabled mechanism for providing feedback and input.

We have also increased leadership accountability, awareness, and empowerment related to employee engagement. Secretary Johnson and Deputy Secretary Mayorkas have been very clear in their expectations that employee engagement and morale are issues that all leaders at DHS must own. They also traveled across the country meeting employees in sixteen cities, holding town hall meetings, meet-and-greets, and "undercover boss" experiences in order to thank employees for their service and hear their feedback.

We have also provided toolkits for our executives, supervisors and managers. These included a guide for conducting great town hall meetings, an innovation toolkit, a guide

for conducting stay interviews, as well as a behavioral interview guide provided to hiring managers that included questions to ascertain whether an SES applicant has a leadership style that fosters engagement. A leadership resources website houses all of these resources and regular communications to Senior Executive Service (SES) members and managers point to the site.

In addition, for the first time, DHS is integrating an element in SES performance appraisals that specifically addresses how well they are creating a culture of employee engagement.

OPM recently released the 2016 annual Federal Employee Viewpoint Survey results, and this data reflects the impact of our efforts. Employee engagement at DHS, after six straight years of decline, went up three whole percentage points – from 53 percent in 2015 to 56 percent this year. This is regarded by OPM as statistically significant, and compares favorably to the one percent increase across the entire U.S. government. The increased morale at DHS was the result of some very hard work, and we hope these improved results are the beginning of a new, upward trend.

INSTILLING A CULTURE OF INNOVATION AND CREATIVITY

Innovation is already occurring throughout DHS. Employees at the Department go to great lengths to find ways to enhance the way they work and deliver the mission. DHS senior leadership is committed to undertaking a number of initiatives to encourage innovation. Some examples of DHS innovation programs are the DHS Innovation Network's Idea Storm, Science and Technology's FED TALKS, Transportation Security Administration's IdeaFactory, and U.S. Secret Service's Spark!.

DHS Innovation Network's Idea Storm

The DHS Innovation Network was brought together in July 2015 to participate in an Idea Storm designed to help DHS identify and prioritize key innovation challenges, identify a desired future state, and develop potential solutions. Idea Storm connected stakeholders from throughout DHS and allowed them to collectively agree upon, refine and plan for potential solutions to support innovation at DHS. As a result of this experience, the Network took steps to create an Innovation Toolkit, provide recommendations to support innovation at the enterprise level to the Employee Engagement Steering Committee, and took Idea Storm solutions back to their respective offices and Components to explore implementation.

Science and Technology's FED TALKS

In the spring of 2015, Science and Technology launched FED TALKS, a new way to reward creativity and forward thinking in the spirit of healthy competition. The program called for out-of-the-box thinking on Science and Technology's mission or improving the Directorate's internal operations and processes. One goal of the program was to foster a

culture of innovation and creativity. A second goal was to support a collaborative environment for idea sharing. The program was open to all Science and Technology federal employees. In less than a month, Science and Technology staff accessed the site more than 4,000 times, proving that not only does Science and Technology have great ideas but also staff are supportive of making their teammates' ideas a reality. Science and Technology highlighted the winning FED TALKS at their Under Secretary's Awards Ceremony.

Transportation Security Administration IdeaFactory
The Transportation Security Administration launched IdeaFactory in April 2007, a secure Web-based tool that allows employees the opportunity to submit ideas, provide comments on how to improve concepts, and rate ideas that should be recommended for implementation. IdeaFactory promotes innovation by allowing the Transportation Security Administration to engage employees and ensure that every member of its large, geographically dispersed workforce has a voice in how the agency and its operations evolve. It also collects constant input and perspectives on improvements to keep the agency flexible and effectively mitigate security threats; disseminates information about new and existing programs, initiatives and policies to front-line employees; and provides a forum for communication.

Today, the site has grown in popularity and approximately 12,000 employees visit IdeaFactory every month. The Transportation Security Administration has also enabled other federal entities by sharing the technology to enhance the way they do business. Furthermore, private and public groups have recognized the Transportation Security Administration citing IdeaFactory as a game-changing innovation.

U.S. Secret Service's Spark!
SPARK! is an innovative and interactive web-based communication platform that the U.S. Secret Service launched in October 2015. SPARK! is a tool for facilitating a two-way dialogue between Special Agents; Uniformed Division Officers; Administrative, Professional and Technical employees; and leadership. It is a crowdsourcing communications platform that allows frontline employees to submit their ideas, suggestions and recommendations for improving the Secret Service. Success is evidenced by the 71 percent participation and 20 initiatives U.S. Secret Service has implemented in the first five months.

IMPROVING PERCEPTIONS

DHS implemented a branding statement in fiscal year 2016 that expands upon the Department's mission of, "With honor and integrity, we will safeguard the American people, our homeland, and our values." The statement is placed on DHS job opportunity announcements and viewable by the public on USAJOBS. In addition, DHS Components, such as U.S. Customs and Border Protection, developed a video called,

Border Patrol – Protecting the Homeland and a diversity statement: *CBP encourages women, minorities, and veterans to apply for an exciting career with U.S. Customs and Border Protection* that U.S. Customs and Border Protection places on their announcements to further address the negative public perception of federal workers.

DHS Branding Statement
DHS is calling on those who want to help protect American interests and secure our Nation. DHS Components work collectively to prevent terrorism; secure borders and our transportation systems; protect the President and other dignitaries; enforce and administer immigration laws; safeguard cyberspace; and ensure resilience to disasters. We achieve these vital missions through a diverse workforce spanning hundreds of occupations. Make an impact; join DHS.

CONCLUSION

Again, I want to thank you for giving me the opportunity to speak about the recruitment and retention of millennials in the Federal Government. DHS will continue to recruit top millennial talent as we recognize the mission need to incorporate the latest generational cohort into our workforce.

HOLD FOR RELEASE
UNTIL PRESENTED
BY WITNESS
Sept. 29, 2016

Statement of
Lauren Leo
Assistant Administrator
Office of Human Capital Management
National Aeronautics and Space Administration

before the

Subcommittee on Regulatory Affairs and Federal Management
Committee on Homeland Security and Governmental Reform
U.S. Senate

Chairman Lankford, Ranking Member Heitkamp, and members of the Subcommittee, thank you for the opportunity to testify before you today about NASA's efforts to recruit and retain millennials as part of the Federal workforce.

In my role as Assistant Administrator for NASA's Office of Human Capital Management, I'm regularly approached with questions about why NASA is ranked as the Best Place to Work in the Federal Government (Large Agency). Today, I'd like to share with you what makes NASA such a great place to work, as well as what we have learned along the way about employee engagement, leadership development and incentivizing innovation – all topics of importance to our younger workers who are often described as the millennial generation.

Research shows that millennials generally expect to work for multiple organizations throughout their career; they care about having a positive work experience; they value learning and development; and they want to work for an organization that makes a positive impact on society. These are foundational elements of our approach to employee engagement at NASA. The potential to work on NASA's exciting mission attracts a wide variety of prospective employees, including those from the millennial generation. We strive to create an environment at NASA in which all employees feel valued and have opportunities to contribute to the NASA mission. This requires understanding and respecting the different styles, values, and expectations of everyone in our workforce.

NASA is the world leader in space exploration and cutting-edge science missions, and our work contributes directly to the economic vitality of our great Nation. My job is to care for and support the Agency's most valuable asset – currently a community of about 17,500 civil servants, including students, and 40,000 contractors located at nine NASA Centers and one Federally Funded Research Center who make up the NASA workforce. This includes brilliant rocket scientists, innovative engineers, dedicated support and administrative personnel and every employee and contractor that makes up a community that is often referred to as "the NASA family." I work for an Agency that inspires, challenges and empowers our employees daily to carry out missions that benefit humankind here on Earth.

Last year, for example, the entire world watched as New Horizons sent back the first close-up images of Pluto, and we continued to make new discoveries about Mars that will help inform human missions there. Most recently, we successfully launched OSIRIS-REx to an asteroid, and NASA's Juno spacecraft arrived

at Jupiter. Earlier this year, the world watched as American Astronaut Scott Kelly returned home from the International Space Station after 12 months of working off the Earth for the Earth. His year in space will pay scientific and medical dividends for years to come, helping pave the way for future astronauts to travel to Mars and beyond. We are still operating the International Space Station and working with commercial partners in developing our next fleet of vehicles to launch astronauts from U.S. soil to this amazing on-orbit laboratory. Concurrently, we are developing the next generation systems to extend human presence farther into the solar system, first to the area near the moon and then on to Mars. We are in the critical phases of completing the James Webb Space Telescope, our next Mars rover, the Solar Probe Plus mission, and several key Earth science missions. In aeronautics, we are embarking on new efforts in hybrid electric propulsion, low sonic boom demonstrations and traffic management systems for unmanned aerial systems. Our space technology work continues to attack the key challenges we face in taking humans farther away from our home planet and enabling the new technologies to gain better science. None of this would be possible without the combined effort of NASA's multi-generational workforce.

NASA is always looking for ways to attract the best and brightest workers, irrelevant of their generation or career stage. Millennials are a part of our workforce, and therefore, this hearing today is important in trying to understand what attracts and retains those workers. While NASA is indeed on the best places to work in the Federal Government, we know that we cannot rest on our laurels. Therefore, the remainder of my testimony will provide an overview of NASA's employee engagement and development programs, including our efforts to attract and retain millennial workers.

A Look at the Numbers

NASA currently has more than 4,100 employees under the age of 40[1], comprising 23 percent of our workforce, and that number will continue to grow in the coming years as more millennials enter the workforce. NASA's attrition rate for employees under 40 years old is 2.8 percent, which is lower than NASA's overall attrition rate of 4.7 percent.

In the 2015 Federal Employee Viewpoint Survey (FEVS), 80 percent of millennials said that they felt engaged at NASA. In fact, the 2015 FEVS results show that millennials at NASA have a higher positive response rate than non-millennials in global satisfaction, as well as in the Engagement, Innovation, and Inclusion indices and the questions used to calculate the Best Places to Work score. We believe our high engagement scores among millennials is reflective of intentional focus on creating a positive work environment in which employees feel included, valued, and connected to a purpose bigger than themselves.

Reaching Millennials

NASA uses multiple methods to reach prospective millennial employees. This includes more traditional methods such as the NASA website, USAJobs postings, and partnering with colleges and universities, as well as newer methods such as social media. Traditional outreach channels, such as USAJobs, employee referrals, or working with a NASA affiliate are still our largest source of new hires. We also have built relationships with a number of colleges and universities across the country and are beginning to harness more digital methods to reach the next generation, such as social media and virtual recruitment events. Currently, NASA has active social media accounts on over a dozen platforms including Facebook, Twitter, LinkedIn, Snapchat, Flicker, and more. Our Facebook page alone has more than 17 million

[1] NASA included statistics for employees age 40 because those age brackets match those used in the annual Federal Employee Viewpoint Survey.

followers and we are growing the social platforms that are more closely linked with millennial followers, such as Instagram and Snapchat.

Through these various platforms, prospective employees can follow NASA's various missions, learn about NASA's accomplishments, and engage with the Agency before ever stepping foot on a NASA facility. In fact, we encourage our employees to share their NASA stories through a variety of means, including social media, inviting the public to learn about NASA's mission related accomplishments and NASA as an employer. One of our most powerful recruitment tools is the enthusiasm of our employees. We recently began running employer-brand focused campaigns over social media that highlight real employees doing real work to help the public at large – including millennials – better understand what makes a job at NASA truly unique.

We have also learned that different hiring authorities produce candidate pools with different characteristics. For example the Federal Pathways hiring authority targets individuals who are still in college or who have graduated within the past two years. The Pathways program is an important part of our talent pipeline for hiring the future leaders of the Agency. NASA is also now a recognized Employer of National Service and is beginning to use the Returned Peace Corps and Americorps/VISTA Volunteers hiring authority. Both of these authorities tend to generate a higher percentage of millennial hires.

The NASA Employee Experience

Once NASA hires an individual, our goal is to provide that employee with a positive work experience from onboarding up until that employee chooses to leave the Agency -- whether after a couple of years or a full career. First and foremost, this demonstrates that we value and care about the human experience our employees have with the organization. Second, for those employees who do choose to leave the Agency, it leaves a lasting positive impression and may influence their decision to return at some point in the future with the new skills and knowledge they have gained from experience elsewhere such as in the civil space industry.

We engage all new hires in a robust onboarding program that provides for a smooth transition into the NASA Family, from administrative in-processing, to learning about the Agency and its mission, meeting with Center leadership, and providing meaningful work. Always seeking to continually improve, we are looking at how we can add to the onboarding experience so that new hires can connect across geographic boundaries and learn from each other as a cohort.

We recently conducted a survey of new hires at NASA, and we learned that, like previous generations, millennials seek work-life balance and are attracted to organizations that will not only let them gain experience in their chosen field, but also offer flexible work schedules, telework, and competitive sick and annual leave. NASA is at the forefront of introducing new ways to work and has successfully introduced a "Work From Anywhere" program that hinges on the notion that work is what you do, not where you go. With the appropriate policies in place to ensure productivity while away from their NASA facility, NASA empowers its employees to telework whenever possible, letting the work drive where the job gets accomplished and moving away from the mindset that you must be "in the office" to get work done. NASA has also introduced a suite of Virtual Collaboration Tools to give our employees a more seamless experience working in a distributed work environment and to provide access to development resources, wherever they are.

To help engage and build the skills of our early career hires, we provide meaningful work assignments where they can put their knowledge into practice. For example, employees working on the Commercial Supersonics Technology project at the Glenn Research Center in Ohio gain experience in system and sub-system analysis and modeling and propulsion system development and testing. Those working on the

Orion project at Kennedy Space Center in Florida gain experience in contamination control, development of new window scanning methods to look for defects, and safety engineering expertise. Employees at the Marshall Space Flight Center in Alabama work on launch vehicles to gain experience in structural design and analysis, propulsion analysis, structural testing, systems engineering, software development, and pyrotechnics for rocket boosters.

Not only does NASA provide hands-on work for employees, we encourage innovation. As outlined earlier in my testimony, NASA's missions constantly push the boundaries of what humans believe is possible. In doing so, we challenge our employees to push the boundaries within their current job assignments to find better ways to do their work, suggest improved or streamlined processes, and identify better business practices. We also encourage employees to look for possible areas of transformational innovation and discuss those possibilities with their supervisors.

As we continue to build a workforce that is deeply connected to our mission, NASA is constantly exploring new incentive models to recognize and reward our employees for their achievements. This process starts simply by asking our employees to tell us what kinds of rewards they find most meaningful. While monetary awards are always nice to receive, we have found that recognizing an employee's creativity and allowing that creativity to be incorporated into one of our exciting missions is an amazing incentive for employees, especially for millennials.

We have introduced new programs such as annual Innovation Awards and we signed a Memorandum of Understanding with our unions through the Labor Management Forum on defined styles of innovation. For example, we developed two innovation awards, the Lean Forward; Fail Smart Award and the Champion of Innovation Award. These awards recognize, encourage, and celebrate the spirit of innovative behavior that 1) propels individuals to lean forward, in spite of risk, and consequently learn from the experience, and 2) is demonstrated by supervisors/managers who build a culture of appropriate risk taking and who support and encourage creative and innovative behaviors from their employees. One very unique feature of the award selection process is that the NASA workforce ultimately selects the winner in each category. Additionally, NASA has introduced its first-ever Agency-wide Innovation Day which will take place on November 1, 2016 This event is being organized and led by our early career leadership development program cohort and will have a virtual component to connect Centers, publicize innovation tools, and promote and celebrate the Agency's commitment to innovation.

Employee/Supervisory Development

The health of our workforce is a top priority for NASA leadership. Our leadership pays attention to FEVS data and other indicators to monitor the state of the Agency and to develop strategies for continually improving employee engagement, connection and effectiveness. NASA continues to invest in a number of leadership development programs and activities across the Agency -- from early career to executive -- that are designed to better equip current and future Agency leaders to carry out our mission. Through these and other programs, we offer participants mentoring, shadowing, and coaching opportunities as well as the opportunity to develop lasting relationships with their peers across the Agency. These programs are regularly used by senior leaders in the Agency as idea generators and think tanks. In addition, these sorts of programs are particularly important to millennials who are eager to advance their careers, often in an expeditious manner.

Our on-demand, just-in-time supervisory training and more formal, yearlong leadership development programs focus not only on practical human resource topics such as performance management, but also on creating an environment in which employees feel included, valued and recognized for their contributions to the mission. For example, we recently launched an online supervisory curriculum that

contains thousands of resources for supervisors ranging from books to 2-3 minute videos. All of the resources are cataloged and arranged by topic to help users navigate directly to items on a specific topic.

NASA also places intentional focus on training our supervisors. Supervisors are the touch point with every employee, and they play a unique role in creating a positive work environment that supports employee connection, satisfaction, and engagement, ultimately yielding increased productivity, delivery on the mission, and general employee happiness. NASA has recently placed an intentional focus on first-line supervisory development. For example, the LASER (Leveraging Agency Supervisory Excellence and Resilience) program aims to develop a community of current supervisors who have a full understanding of the Agency's vision and mission areas. This program looks at supervision as something that can be learned and done well, like other technical or professional disciplines. Built and designed by model NASA supervisors, the program is geared toward helping individual supervisors address their unique growth and development needs within the complex discipline of supervision through face-to-face week-long development sessions, mentoring sessions with senior leaders, coaching, hands-on experiences, and peer teaching.

Conclusion

In conclusion, NASA recognizes the tremendous value and impact that our millennial workforce provides, and we will continue to look at ways to better engage and develop them. Every day our employees – no matter their age or generation -- work together to overcome the huge challenges of exploring space and improving life on Earth. This is a workforce that is dedicated to ushering in the future of our Nation, including developing new technologies with the goal of one day landing on Mars. When you are surrounded by these amazing people who somehow manage to make the impossible possible, it is hard not to be inspired and to not want to be part of the team.

Mr. Chairman, thank you again for the opportunity to appear before you today to share the story of NASA's workforce. I would be pleased to answer any questions you may have.

United States Government Accountability Office

Testimony

Before the Subcommittee on Regulatory Affairs and Federal Management, Committee on Homeland Security and Governmental Affairs, U.S. Senate

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FEDERAL WORKFORCE

Lessons Learned for Engaging Millennials and Other Age Groups

Statement of Robert Goldenkoff, Director,
Strategic Issues

GAO-16-880T

GAO Highlights

Highlights of GAO-16-880T, a testimony before the Subcommittee on Regulatory Affairs and Federal Management, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

GAO's prior work found that skills gaps in government-wide fields such as cybersecurity are threatening the ability of agencies to carry out their missions. At the same time, government-wide trends in federal workforce retirement threaten to aggravate the problem. To help ensure agencies have the capacity to address complex national challenges, agencies need to be competitive for top talent, including those in the millennial generation.

This testimony examines (1) recent employment trends of millennials in the federal workforce and how they compare to other employee cohorts; (2) trends in engagement levels of millennials versus other employee groups; and (3) the drivers of federal employee engagement and the key lessons learned for building a culture of engagement.

This statement is based on GAO's 2015 review of the trends and drivers of government-wide employee engagement and our larger body of work on federal human capital, issued primarily between January 2014 and September 2016, and is updated with more recent information. Millennials are commonly considered as those born between the early 1980s and 2000. However, for the purposes of this statement GAO is including all employees 39 years old and younger as millennials in order to provide a consistent definition across datasets.

GAO is not making any new recommendations in this testimony. We have previously made recommendations to the Office of Personnel Management (OPM) to improve engagement government-wide, which OPM has implemented.

View GAO-16-880T. For more information, contact Robert Goldenkoff at (202) 512-2757 or goldenkoffr@gao.gov.

September 29, 2016

FEDERAL WORKFORCE

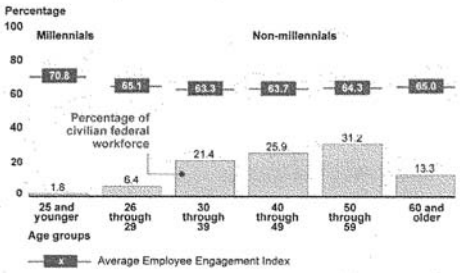
Lessons Learned for Engaging Millennials and Other Age Groups

What GAO Found

Employees 39 years of age and younger represented approximately 45 percent of the United States employed civilian labor force and about 30 percent of the civilian federal workforce in fiscal year 2014. This group includes the millennial generation. The percent of millennials within the federal workforce varies by agency and agencies that have high rates of retirement eligibility also tend to have low percentages of millennials in the workforce.

In 2015, millennial employees in the federal government had an estimated Employee Engagement Index (EEI) score of 63.8 – as derived from the Office of Personnel Management's Federal Employee Viewpoint Survey – which is less than one percentage point lower than non-millennials. Engagement is usually defined as the sense of purpose and commitment employees feel towards their employer and its mission. As shown in the figure below, millennial subgroups had both the highest and lowest EEI scores among all age groups in 2015—employees 25 and younger had the highest EEI score (70.8), while employees 30 to 39 years old had the lowest EEI score (63.3).

Estimated EEI Scores by Age Groups (2015) and Relative Size of Age Group within the Civilian Federal Workforce (Fiscal Year 2014)



Sources: GAO analysis of data from the Office of Personnel Management (OPM) Enterprise Human Resources Integration Statistical Data Mart and the OPM Federal Employee Viewpoint Survey | GAO-16-880T

Note: The EEI estimates shown in this figure have sampling variability of no more than plus or minus 1.6 percentage points at the 95 percent level of confidence.

Key drivers of engagement can help agencies develop a culture of engagement. GAO's regression analysis identified six practices as key drivers of the EEI, which were similar for both millennials and non-millennials: (1) constructive performance conversations, (2) career development and training, (3) work-life balance, (4) inclusive work environment, (5) employee involvement, and (6) communication from management. As GAO found in a 2015 report on employee engagement, building a culture of engagement involves effective management strategies such as leadership involvement, strong interpersonal skills of supervisors, and thoughtful use of data.

Chairman Lankford, Ranking Member Heitkamp, and Members of the Subcommittee:

Thank you for the opportunity to be here today to discuss recruiting and retaining millennials in the federal government. As you know, federal agencies are facing critical human capital management challenges. In our prior work we noted how skills gaps in such government-wide fields as cybersecurity, acquisition management, and telecommunications, as well as in such agency-specific positions as nurses and physicians, are jeopardizing the ability of agencies to cost-effectively carry out their missions.[1] At the same time, trends in retirement eligibility threaten to aggravate the problem of skills gaps. Across government, almost a third of permanent career employees on-board as of September 30, 2014, will be eligible to retire by 2019.[2]

The importance of a top-notch federal workforce cannot be overstated. The nation continues to face new and more complex social, economic, and security challenges, and all of these issues will need to be addressed in an environment of a large and long-term fiscal imbalance that will put resource constraints on most agencies. Moreover, as we have pointed out in our High-Risk Series and other reports for Congress, some federal agencies continue to face ongoing performance and accountability problems at a time when taxpayers have come to expect—and need—higher levels responsiveness by public programs and officials.[3]

To help ensure agencies have the capacity to address these challenges, it will be important for them to recruit and retain employees able to thrive in organizations that are flatter, results-oriented, and externally focused, and that collaborate with other governmental entities as well as with the private sector to achieve desired outcomes. In short, agencies need to be

[1] GAO, *Federal Workforce: OPM and Agencies Need to Strengthen Efforts to Identify and Close Mission-Critical Skills Gaps*, GAO-15-223 (Washington, D.C.: Jan. 30, 2015).

[2] GAO, *Human Capital: Update on Strategic Management Challenges for the 21st Century*, GAO-15-619T (Washington, D.C.: May 20, 2015).

[3] GAO, *High-Risk Series: An Update*, GAO-15-290 (Washington, D.C.: Feb. 11, 2015).

competitive in the labor market for top talent, including millennials.[4] Based on our work and that of other organizations, this means going beyond merely attracting and hiring quality candidates; rather, it calls for a robust talent management strategy that covers the full life-cycle of federal employment and includes such key components as:

- data-driven workforce and succession planning;
- active recruiting;
- effective on-boarding programs;
- results-oriented training and development;
- meaningful performance management;
- comparable pay and benefits; and
- a culture of employee engagement.

In my remarks today, I will focus on this last component: employee engagement. A growing body of research on both private- and public-sector organizations has found that increased levels of engagement—generally defined as the sense of purpose and commitment employees feel toward their employer and its mission—can lead to better organizational performance.[5] Specifically, I will discuss (1) recent employment trends of millennials in the federal workforce and how they compare to other employee cohorts; (2) trends in engagement levels of millennials versus other employee groups; and (3) the drivers of federal employee engagement based on our 2015 report and key lessons

[4] Millennials are commonly considered as those born between the early 1980s and 2000. However, for this statement, unless otherwise noted and discussed below with our methodology, we are using a broad definition of millennials that includes all individuals 39 years old and younger in the federal workforce.

[5] Office of Personnel Management, *2014 Federal Employee Viewpoint Survey Results: Employees Influencing Change: Government-wide Management Report* (Washington, D.C.: 2014).

learned for building a culture of engagement to help strengthen agencies' recruitment and retention efforts.[6]

My statement is based on our review of the trends and drivers of government-wide employee engagement conducted between 2014 and 2015 and our larger body of work on federal human capital management issued primarily between January 2014 and September 2016 and is updated with more recent information as appropriate. For example, to update the trends and drivers of employee engagement we analyzed 2015 results from the Federal Employees Viewpoint Survey (FEVS).[7] To update the federal civilian employment trend information, we analyzed fiscal year 2014 data from the Office of Personnel Management's (OPM) Enterprise Human Resources Integration (EHRI) Statistical Data Mart.[8]

To provide consistent breakouts by age for both engagement and employment trend data, we used age groups established by OPM in the FEVS. These 6 groups are: 25 years old and younger, 26 to 29 years old, 30 to 39 years old, 40 to 49 years old, 50 to 59 years old, and 60 years old and older. In defining the millennial generation for purposes of this statement we chose to group results from employees in 3 age groups: 25 years old and younger, 26 to 29 years old, and 30 to 39 years old. Therefore, our definition of millennial is much broader than the typical definition but we believe the value of consistency across our analysis outweighs the disadvantages of including 30 to 39 year olds as millennials.

[6] GAO, *Federal Workforce: Additional Analysis and Sharing of Promising Practices Could Improve Employee Engagement and Performance*, GAO-15-585 (Washington, D.C.: July 14, 2015). In that report we made recommendations to OPM in its roles to support agencies' efforts to improve employee engagement and performance by analyzing the drivers of engagement for agencies, expand its efforts to share leading practices in improving engagement. OPM implemented these recommendations.

[7] The FEVS provides a snapshot of employees' perceptions about how effectively agencies manage their workforce. The FEVS is based on a sample of full- and part-time, permanent, non-seasonal employees of departments and large, small, and independent agencies.

[8] EHRI (formerly Central Personnel Data File–CPDF) is the primary government-wide source for information on federal employees. The EHRI data we analyzed cover executive branch civilian employees, and do not cover the U.S. Postal Service, legislative or judicial branch employees, or intelligence agencies. EHRI data include full- and part-time, permanent and non-permanent, and blue and white collar employees.

For our 2015 report on employee engagement we reviewed documents and interviewed officials from three case study agencies. To select these agencies, we considered the agencies that had the highest average sustained Employee Engagement Index (EEI) scores, most improved overall EEI scores, and most improved leadership component scores in the EEI from 2010 to 2014. We selected the National Credit Union Administration (NCUA), the Federal Trade Commission (FTC), and the Department of Education (Education) to ensure that we included agencies that had high scores in one or more of the three metrics we identified and that we included at least one Chief Financial Officers Act of 1990 (CFO Act) agency.[9]

Detailed descriptions of the scope and methodology can be found in the original reports cited throughout this statement. The work that this statement is based on was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit 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 audit objectives.

Background

Compared to the U.S. employed civilian labor force, the federal government's workforce is made up of fewer millennials. In 2014, people 39 years old and younger represented 44.8 percent of the U.S. employed civilian labor force and 29.6 percent of the total civilian federal government workforce (see figure 1). The differences were greatest for the youngest portion of millennials.

[9] The CFO Act agencies are the executive branch agencies listed at section 901(b) of title 31, United States Code. The agencies covered by the CFO Act, as amended, are generally the largest federal agencies and account for over 98 percent of the federal workforce.

Figure 1: Federal Workforce Contains Fewer Employees 29 Years Old and Younger and More Employees 50 to 59 Years Old than the U.S. Employed Civilian Labor Force Overall for 2014

	Millennials (39 and younger)[a]			Non-millennials (40 and older)		
				Generation X, Baby Boomers, and Silent Generation		
	25 and younger	26 through 29	30 through 39	40 through 49	50 through 59	60 and older
Percentage of United States employed civilian labor force	12.6[b]	10.8[c]	21.4	21.7	21.3	12.2
Percentage of United States federal workforce[d]	1.8	6.4	21.4	25.9	31.2	13.3

Sources: GAO analysis of data from the Office of Personnel Management Enterprise Human Resources Integration Statistical Data Mart and from the Bureau of Labor Statistics Household Data, Annual Averages. | GAO-16-880T

[a]We are defining the millennial generation to include all employees 39 and younger for purposes of this statement.

[b]As age groups do not correspond across data sets, this percent represents people ages 16 to 24 in the U.S. employed civilian labor force.

[c]As above, this percent represents people ages 25 to 29 in the U.S. employed civilian labor force.

[d]Percent of federal workforce includes employees with non-permanent and permanent appointments.

The increase of the number of millennials of working age has coincided with several events in the federal government—such as hiring freezes, sequestration, furloughs and a 3-year freeze on statutory annual pay adjustments from 2011 to 2013—that OPM and others contend negatively affected federal employee morale and limited opportunities for new employees to join the federal government. According to results from OPM's Federal Employee Viewpoint Survey (FEVS), government-wide levels of employee engagement declined from an estimated 67 percent in 2011, to an estimated 63 percent in 2014, and increased to 64 percent in 2015, as measured by a score OPM derived from the FEVS beginning in 2010—the Employee Engagement Index (EEI).[10]

OPM has conducted the FEVS—a survey that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies—every year since

[10] OPM's Employee Engagement Index (EEI) is based on the average percentage of respondents that answer positively to each index item. We recreated OPM's EEI for each individual based on the percentage of index questions for which the individual responded positively. Our version of the EEI is substantively equivalent to the OPM measure, but allows for regression analysis to control for multiple factors in analysis.

2010.[11] The EEI is composed of 15 FEVS questions covering the following areas:

- Leaders lead, which surveys employees' perceptions of the integrity of leadership, as well as employees' perception of leadership behaviors such as communication and workforce motivation.[12]
- Supervisors, which surveys employees' perceptions of the interpersonal relationship between worker and supervisor, including trust, respect, and support.[13]
- Intrinsic work experience, which surveys employees' feelings of motivation and competency relating to their role in the workplace.

According to OPM, the EEI does not directly measure employee engagement. Instead it covers the conditions that lead to employee engagement. Specifically, OPM noted that organizational conditions lead to feelings of engagement, which in turn lead to engagement behaviors, such as discretionary effort, and then to optimum organizational performance.

Engaged employees are more than simply satisfied with their jobs. According to employee engagement literature, engaged employees

- take pride in their work,
- are passionate about and energized by what they do,
- are committed to the organization, the mission, and their job, and
- are more likely to put forth extra effort to get the job done.

[11] From 2002 to 2008, OPM administered the survey biennially.

[12] The leaders lead component includes questions about (1) senior leaders—department or agency heads and their immediate leadership team, responsible for directing policies and priorities and typically members of the senior executive service or equivalent (career or political), and (2) managers—those in management positions who typically supervise one or more supervisors.

[13] The supervisors component includes questions about first-line supervisors who are typically responsible for employees' performance appraisals but do not supervise other supervisors.

Demographic Shifts and Evolving Nature of Federal Work May Challenge Agencies' Capacity to Meet Their Mission

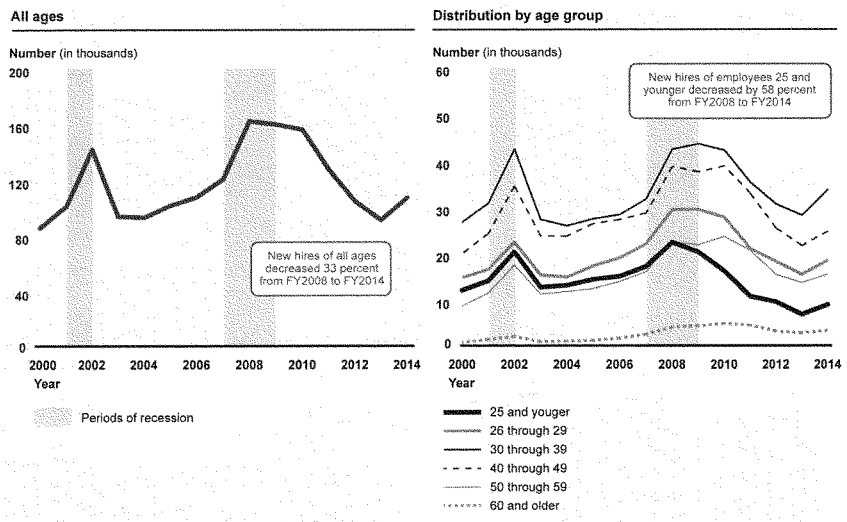
In 2014, we reported that in the face of limited budgets, some agencies had reduced hiring.[14] The Budget Control Act of 2011 established a 10-year cap on discretionary spending through 2021, but many agencies had experienced flat or declining budgets for several years prior. During that time, employment data show the following trends:

From fiscal years 2008 to 2014, the total number of new federal employees hired decreased by 33 percent, from approximately 164,000 to 110,000 employees per fiscal year.

- Employees 25 years old and younger have experienced the largest decrease with 58 percent fewer hired in 2014 than in 2008 (see figure 2).

[14] GAO, *Human Capital: Strategies to Help Agencies Meet Their Missions in an Era of Highly Constrained Resources*, GAO-14-168 (Washington, D.C.: May 7, 2014).

Figure 2: Number of New Hires in the Federal Workforce for All Ages and by Age Group, Fiscal Year 2000-2014



Source: GAO analysis of data from the Office of Personnel Management Enterprise Human Resources Integration Statistical Data Mart. | GAO-16-880T

Note: Includes new hires with non-permanent and permanent appointments. Recessions in figure are as defined by the National Bureau of Economic Research.

- For the entire millennial cohort (39 years old and younger), the decrease in hiring is similar to that of the non-millennial cohort (decreases of 34 and 32 percent, respectively).
- Compared to non-millennials, a greater percentage of millennials have non-permanent positions in the federal government than non-millennials. Examples of non-permanent positions include appointments that are term-limited or temporary such as park rangers or interns. In fiscal year 2014, 42 percent of employees 25 years old and younger and 15 percent of employees 26 to 29 years old held non-permanent positions. Across all age groups, 7 percent of

employees in the federal government were in non-permanent positions.

Turnover Decreased Across All Age Groups since Fiscal Year 2000, Although Millennials Had Slightly Higher Attrition Rates

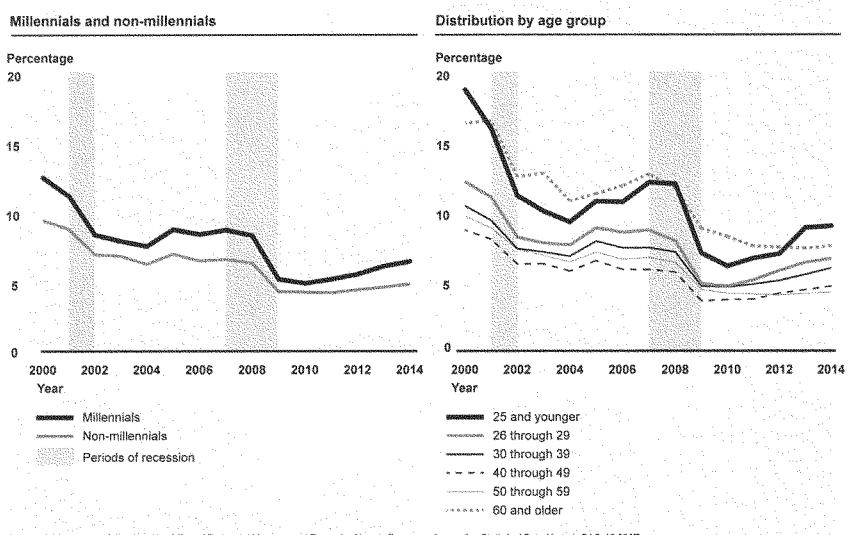
Attrition rates for all age groups were much higher in the early 2000s than they were in fiscal year 2014.

- For example, in fiscal year 2000, when millennials were just entering the workforce, 19 percent of permanent career employees 25 years and younger with 5 years or less of federal service resigned or separated, compared to 9.3 percent in fiscal year 2014 (see figure 3). Two economic recessions have occurred since 2000 (in 2001 and from 2007 to 2009) and may have contributed to declining attrition rates.

In the federal government millennial attrition rates are slightly higher than other age groups, even when controlling for tenure.

- In fiscal year 2014, 9.3 percent of millennials 25 years old and younger who held permanent career positions for 5 years or less resigned or separated from the federal government. Fewer millennials 26 to 29 years old and 30 to 39 years old with 5 years or less of federal service left the government, with 7.0 percent and 6.3 percent, respectively, resigning or separating in fiscal year 2014.
- Non-millennial permanent career employees (age 40 and older) with 5 years or less of federal service had an attrition rate of 5.1 percent in fiscal year 2014, not including retirements.

Figure 3: Percent Permanent Career Employee Resignations and Separations by Age Group for Employees with 5 Years of Federal Service or Less, Fiscal Year 2000-2014



Source: GAO analysis of data from the Office of Personnel Management Enterprise Human Resources Integration Statistical Data Mart. | GAO-16-880T

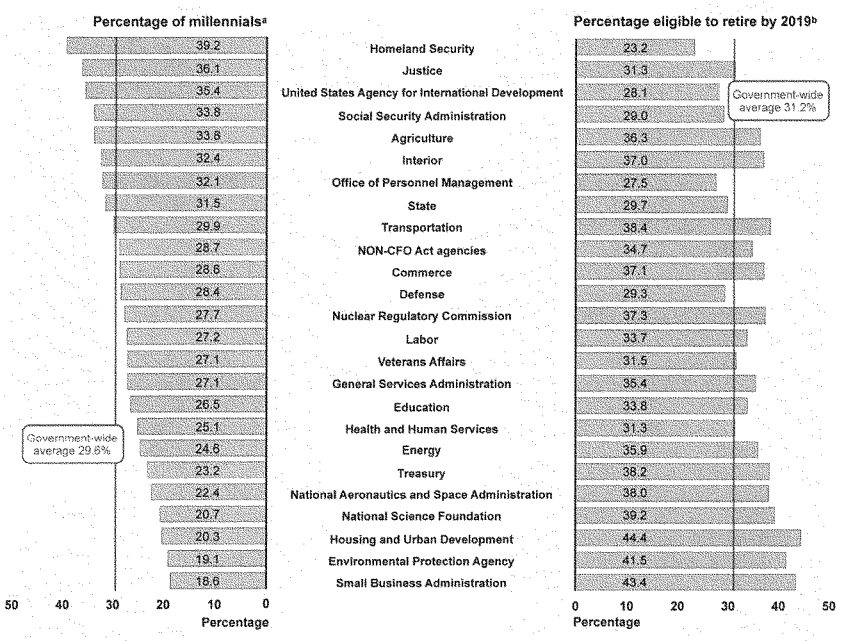
Note: Recessions in figure are as defined by the National Bureau of Economic Research.

While many factors affect when a person actually retires, in 2015, we reported that across the government, 31 percent of the career permanent career employees on board as of September 2014 would be eligible to retire by September 2019.[15] About 23 percent of Department of Homeland Security staff on board as of September 2014 will be eligible to retire in 2019, while more than 43 percent will be eligible to retire at both

[15] GAO-15-619T. To calculate retirement eligibility for the next 5 years, we computed the date at which the employee would be eligible for voluntary retirement at an unreduced annuity, using age at hire, years of service, birth date, and retirement plan coverage.

the Department of Housing and Urban Development and the Small Business Administration (see figure 4). Certain occupations—such as air traffic controllers, customs and border protection agents, and those involved in implementing government programs—will also have particularly high retirement-eligibility rates by 2019.

Figure 4: Percent of Millennials in Fiscal Year 2014 and Percent Eligible to Retire by 2019, by Agency



Source: GAO analysis of data from the Office of Personnel Management Enterprise Human Resources Integration Statistical Data Mart. | GAO-16-880T

[a]Percentage of millennials includes employees with non-permanent and permanent appointments.

[b]Percentage eligible to retire by 2019 is based on permanent career employees on board as of September 2014.

As retirements of federal employees continue, some agencies with few millennials may face future gaps in leadership, expertise, and critical skills because millennials represent the next generation of workers.

As with retirement eligibility, the percent of millennials in the workforce varies by agency. Millennials (39 years old and younger) make up more than 30 percent of the workforce at 8 of the 24 CFO Act agencies but less than a quarter at 7 agencies (see figure 4 above). Agencies that have high rates of retirement eligibility, such as the Environmental Protection Agency, also tend to have low percentages of millennials in the workforce. Actual retirement rates began to decline at the end of 2007 with the recession to 3.3 percent in 2008, 2.5 percent in 2009, and 2.7 percent in 2010, before increasing again to 3.5 percent in 2014.

The large percentage of federal employees eligible for retirement creates both an opportunity and a challenge for federal agencies. On the one hand, as shown in our prior work, if accompanied with appropriate strategic and workforce planning, it allows agencies to realign their workforce with needed skills and leadership levels to better meet their existing and any newly emerging mission requirements.[16] On the other hand, it means that agencies will need succession planning efforts as well as effective sources and methods for recruiting and retaining candidates in order to avoid a brain-drain and mission-critical skills gaps.

We have found that leading organizations go beyond a succession planning approach that focuses on simply replacing individuals. Instead, leading organizations engage in broad, integrated succession planning and management efforts that focus on strengthening both current and future organizational capacity. To do this, it will be important for agencies to use workforce analytics to drive their decisions, as well as use available flexibilities from Congress and OPM to acquire, develop, motivate, and retain talent as needed.

[16] GAO, *Human Capital: Selected Agencies Have Opportunities to Enhance Existing Succession Planning and Management Efforts*, GAO-05-585 (Washington, D.C.: June 30, 2005).

Millennials Have Greater Representation in Certain Mission-Critical Occupations with Skills Gaps Compared to Proportion in the Workforce

Mission-critical skills gaps within specific federal agencies as well as across the federal workforce pose a high risk to the nation because they impede the government from cost-effectively serving the public and achieving results. OPM and the Chief Human Capital Officer (CHCO) Council established an interagency working group and identified skills gaps in six government-wide, mission-critical areas: information technology/cybersecurity specialist, contract specialist/acquisition, economist, human resource specialist, auditor, and specialists in the science, technology, engineering, and mathematics (STEM) functional community.

With one exception, millennials 39 years old and younger represent a greater percentage of employees in selected job series associated with these mission-critical occupations compared to their proportion in the workforce as a whole. Millennials represent 29.6 percent of the federal government workforce across all occupations in fiscal year 2014 (see table 1). Millennials' percentages in the economist, auditor, and contract specialist job series are all greater than the government-wide average for all occupations, by as much as almost 10 percentage points. However, for human resources specialists, only 24.7 percent of the occupation is made up of millennials.

Table 1: Select OPM- and CHCO Council-Identified Mission-Critical Occupations with Skill Gaps by Age Group, Fiscal Year 2014

	Millennials (39 years old and younger)	Non-millennials (40 years old and older)
All federal occupations	29.6%	70.4%
Economist	39.5	60.5
Human Resources Specialist	24.7	75.3
Auditor	39.2	60.8
Contract Specialist	34.0	66.0

Source: GAO analysis of data from the Office of Personnel Management Enterprise Human Resources Integration Statistical Data Mart | GAO-16-880T

Today's federal jobs require more advanced skills, often at higher grade levels than federal jobs 30 years ago. In 2014, we found that employees working in professional (e.g., doctors and scientists) or administrative positions (e.g., financial and program managers), which often require

specialized knowledge and advanced skills and degrees grew from 56 percent of the federal civilian workforce in 2004 to 62 percent in 2012.[17] Also, from 2004 to 2012, permanent career employees with a master's or professional degree saw a 55.7 percent increase.

A lower percentage of millennial employees 29 years old and younger in the federal government have advanced degrees than older millennials (30 to 39 years old) or non-millennials.[18] In fiscal year 2014, 2.1 percent of permanent career millennials 25 years old and younger had advanced degrees, compared to 12.3 percent of 26 to 29 year olds and 21.8 percent of 30 to 39 year olds. One reason for these differences could be that younger millennials have not had the time to obtain a more advanced degree. Non-millennial permanent career employees were similar to older millennial employees in that 21.9 percent had advanced degrees.

Millennial Engagement Scores Are Similar to Other Age Groups

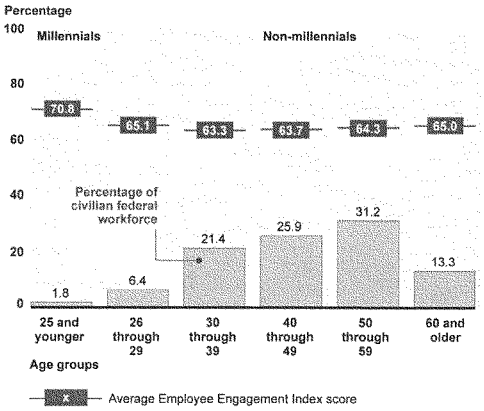
Government-wide the estimated engagement level across all age groups was 64 percent and engagement levels were similar between millennials and other age groups. Millennial EEI scores were 0.4 percentage points lower than non-millennials in 2015, at 63.8 and 64.2 respectively. Key findings from our analysis include the following:

- Millennials 25 years old and younger had the highest estimated EEI score across all age groups and were 7.6 percentage points higher than the age group with the lowest score, the 30 to 39 age group. However, employees age 25 and younger are a relatively small portion of the federal workforce, comprising only 1.8 percent in fiscal year 2014. In comparison, employees 30 to 39 years old comprised 21.4 percent of the federal workforce in fiscal year 2014 (see figure 5).

[17] GAO, *Federal Workforce: Recent Trends in Federal Civilian Employment and Compensation*, GAO-14-215 (Washington, D.C.: Jan. 29, 2014).

[18] Education data in EHRI is collected at the time of appointment and is not routinely updated.

Figure 5: Estimated Employee Engagement Index (EEI) Scores by Age Group, 2015, and Relative Size of Age Groups within Civilian Federal Workforce, Fiscal Year 2014

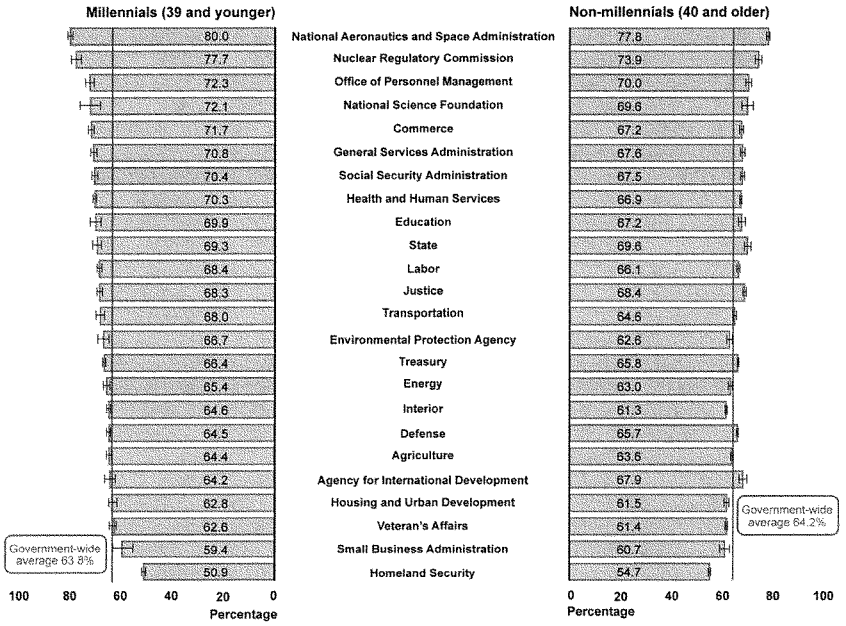


Sources: GAO analysis of data from the Office of Personnel Management (OPM) Enterprise Human Resources Integration Statistical Data Mart and the OPM Federal Employee Viewpoint Survey | GAO-16-880T

Note: The EEI estimates shown in this figure have sampling variability of no more than plus or minus 1.6 percentage points at the 95 percent level of confidence.

- Engagement scores of millennials vary across agency but were statistically higher than engagement scores of non-millennials at 14 of 24 CFO Act agencies in 2015. Engagement scores for millennials were statistically lower than those of non-millennials at 3 agencies, the U.S. Agency for International Development, Department of Defense, and Department of Homeland Security (DHS). There was no statistically significant difference between the engagement scores of millennials and non-millennials at the 7 remaining agencies (Department of Agriculture, Department of Housing and Urban Development, Department of Justice, Department of State, Department of Treasury, the National Science Foundation, and the Small Business Administration) (see figure 6).

Figure 6: Estimated Employee Engagement Index (EEI) Scores by Age Group and Agency, 2015



Source: GAO analysis of the Office of Personnel Management Federal Employee Viewpoint Survey. | GAO-16-880T

- The difference between EEI scores for millennials and non-millennials was highest at the Department of Commerce, where millennial EEI scores were approximately 5 percentage points higher than engagement scores for non-millennials.

- The range between the agencies with the highest and lowest engagement scores was approximately 29 percentage points for millennials and approximately 23 percentage points for non-millennials. The National Aeronautics and Space Administration had the highest EEI scores, with millennials scoring approximately 16 percentage points higher than the government-wide average and non-millennials scoring approximately 14 percentage points higher.
- DHS had the lowest engagement scores for both age groups—millennials scored approximately 13 percentage points lower than the government-wide average and non-millennials scored approximately 10 percentage points lower. Despite low EEI scores for millennials, as shown above in figure 4, DHS has the highest percentage (39.2 percent) of employees 39 years old and younger in their workforce, compared to other CFO Act agencies.

Millennials Ranked Supervisors Higher than Non-Millennials, But Scored Lower in Intrinsic Work Experience

Among all employees, millennials had similar perceptions of leaders as non-millennials, but, as shown in table 2, employees' perceptions of leaders consistently received the lowest score of the three components that comprise the EEI. Millennials had better perceptions of their supervisors than non-millennials and the supervisors component saw the highest scores in the EEI across all age groups in 2015. For the intrinsic work experience component, however, non-millennials had higher scores than millennials by more than three percentage points.[19]

[19] The differences between millennial and non-millennial EEI scores for the supervisors and intrinsic work experience components are statistically significant at a 95 percent confidence level.

Table 2: Millennials Had Higher Supervisor Engagement Component Scores than Non-Millennials in 2015, But Lower Scores in the Intrinsic Work Experience Component

	Millennials (39 years old and younger)	Non-millennials (40 years old and older)
Overall employee engagement index	63.8	64.2
EEI Components		
Leaders lead	50.8	50.8
Supervisors	72.8	70.8
Intrinsic work experience	66.8	70.0

Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2015 | GAO-16-880T

As we have shown in the analysis above, the employee-supervisor relationship is an important aspect of employee engagement. FEVS questions on the supervisors component focus on the interpersonal relationship between worker and supervisor and concern supervisors' support for employee development, employees' respect, trust, and confidence in their supervisor, and employee perceptions of an immediate supervisor's performance.[20] This is consistent with U.S. Merit Systems Protection Board (MSPB) research, which suggests that first-line supervisors are key to employee engagement and organizational performance.[21]

Questions on intrinsic work experience reflect employees' feelings of motivation and competency related to their role in the workplace, such as their sense of accomplishment and their perception of utilization of their skills.

[20]FEVS defines supervisor as first-line supervisors typically responsible for employees' performance appraisals and leave approval. This individual does not supervise other supervisors.

[21]U.S. Merit Systems Protection Board, *A Call to Action: Improving First-Level Supervision of Federal Employees* (Washington, D.C.: May, 2010).

Lessons Learned for Driving Engagement Could Help Improve Recruitment and Retention

Overall we found that the drivers of engagement were similar for millennials and non-millennials. What matters most in improving engagement levels across all age groups is valuing employees—that is, an authentic focus on their performance, career development, and inclusion and involvement in decisions affecting their work. The key is identifying what practices to implement and how to implement them, which can and should come from multiple sources—FEVS and other data sources, other agencies, and OPM.

Performance Conversations Are the Strongest Drivers of EEI Levels

Of the various topics covered by the FEVS that we analyzed, we identified six that had the strongest association with higher EEI levels compared to others for both millennials and non-millennials, as described in figure 7. We used regression analysis to test which selected FEVS questions best predicted levels of employee engagement as measured by the GAO-calculated EEI, after controlling for other factors such as employee characteristics and agency.

Figure 7: Strongest Drivers of the Employee Engagement Index for Millennials and Non-Millennials, 2015

Driver of engagement		FEVS question
	Constructive performance conversations	My supervisor provides me with constructive suggestions to improve my job performance.
	Career development and training	I am given a real opportunity to improve my skills in my organization.
	Work-life balance	My supervisor supports my need to balance work and other life issues.
	Inclusive work environment	Supervisors work well with employees of different backgrounds.
	Employee involvement	How satisfied are you with your involvement in decisions that affect your work?
memo	Communication from management	How satisfied are you with the information you receive from management on what's going on in your organization?

Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2015.
| GAO-16-880T

Notes: Results are based on a linear multiple regression analysis of all FEVS respondents that controlled for 18 potential driver questions, individual level demographic characteristics, and 37 distinct agencies. To set a practical threshold for significance when defining drivers for this discussion, we defined as drivers those FEVS questions for which each positive increase in response was associated with an average 3 percentage point or greater increase in the EEI. Other questions included in our model were statistically significant predictors of engagement, but implied a relatively smaller impact on engagement scores. Results were similar when we ran the regression model separately for millennials and non-millennials, except that one driver variable for millennials did quite attain our practical threshold. This driver, employee satisfaction with information from management on decisions that affect work, was still statistically higher than other potential driver variables for millennials.

Constructive performance conversations. We found that having constructive performance conversations was the strongest driver of the EEI government-wide. For the question "My supervisor provides me with constructive suggestions to improve my job performance," we found that, controlling for other factors, someone who answered "strongly agree" on that FEVS question would have on average an engagement score that

was more than 20 percentage points higher, compared to someone who answered "strongly disagree" on the 5-point response scale.[22]

As we found in our March 2003 report on performance management, candid and constructive feedback helps individuals maximize their contribution and potential for realizing the goals and objectives of an organization.[23] At the Department of Education (Education), one case study agency from our 2015 report on employee engagement, the Office of the Chief Information Officer (OCIO) implemented a process to help ensure that constructive performance conversations regularly occur. In addition to department-wide requirements for supervisors to hold two performance conversations a year, OCIO officials said that they require all supervisors to offer OCIO employees optional quarterly conversations. These quarterly performance conversations are guided by a set of specific topics that supervisors and employees developed together to ensure that employees receive consistent and regular constructive feedback and coaching.

Career development and training. Our analysis found that career development and training was the second strongest driver government-wide. For the question, "I am given a real opportunity to improve my skills in my organization," we found that, controlling for other factors, someone who answered "strongly agree" to that question would have on average an engagement score that was approximately 15 percentage points higher than someone who answered "strongly disagree."

As we found in 2004, the essential aim of training and development programs is to assist an agency in achieving its mission and goals by improving individual and, ultimately, organizational performance.[24] At the National Credit Union Administration (NCUA), another case study agency from our 2015 report on employee engagement, officials said the agency focused on providing training for employees throughout their careers. For

[22] The five-point scale generally consisted of strongly disagree to strongly agree or very dissatisfied to very satisfied.

[23] GAO, *Results-Oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success*, GAO-03-488 (Washington, D.C.: Mar. 14, 2003).

[24] GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, GAO-04-546G (Washington, D.C.: March 2004).

example, NCUA requires each employee to develop an individual development plan. For employees new to credit union examining—a majority of employees—NCUA has a standardized 18-month training program that combines classroom and practical work. New examiners must complete a core set of courses and may also choose additional elective courses. NCUA officials said that they are constantly assessing formal and informal training for entry-level employees to identify areas to improve the curriculum and instruction. For more experienced examiners, NCUA provides continuing training and development, according to these officials.

Remaining drivers. For the remaining 4 drivers, we found that government-wide, controlling for other factors, someone who answered "strongly agree" to those questions would have on average an engagement score that was between 10 and 14 percentage points higher than someone who answered "strongly disagree." Those four drivers are work-life balance ("My supervisor supports my need to balance work and other life issues"), inclusive work environment ("Supervisors work well with employees of different backgrounds"), employee involvement ("How satisfied are you with your involvement in decisions that affect your work"), and communication from management ("How satisfied are you with the information you receive from management on what's going on in your organization"). Examples of how the three case study agencies from our 2015 report implemented practices consistent with these drivers include the following:

- **Work-life balance.** Federal Trade Commission (FTC) officials implemented an outreach strategy to inform staff about child and elder care resources after learning that employees were not aware of the services or did not know that they qualified for these services. Officials said employee knowledge of and agency commitment to these kinds of programs enhances supervisor support for work-life balance. Similarly, to support work-life balance, as part of its engagED initiative, Education revised telework policies, provided training for managers and employees on the new polices and on working in a telework environment, and improved infrastructure to make telework as effective as time spent in the office, according to Education officials.

- **Inclusive work environment.** The FTC established an agency-wide Diversity Council to develop comprehensive strategies to promote understanding and opportunity throughout FTC. FTC officials said that employees of all levels were interested in forming such a council. This

included employees who experienced diversity issues firsthand as well as managers who could address those issues. The goal of FTC's Diversity Council—composed of representatives from each bureau and office—is to engage employees and supervisors across the agency, make recommendations for improving diversity, and foster the professional development of all agency employees, according to these officials.

- **Employee involvement.** Education's Office of General Counsel (OGC) has a permanent employee-driven Workforce Improvement Team (WIT) that grew out of an office-wide meeting with employees at all levels to involve employees in the discussions about the FEVS results. As a result of this group's work, Education's OGC management introduced additional training and professional development opportunities and improved employee on-boarding through a new handbook and mentoring program. Education's OGC officials said that the staff-driven WIT has created feelings of stronger ownership, engagement, and influence in office decision making. Education's OGC officials said that OGC's management seeks feedback from staff, including from the WIT, to evaluate the effectiveness of improvement efforts. These officials said that this strengthens two-way communication, which improves employee engagement and organizational performance.

- **Communication from management.** NCUA officials told us that the head of the agency and its senior leaders communicate with line employees (who are mostly in the field) through quarterly webinar meetings. The meetings are scheduled to accommodate the field employees' frequent travel schedule and generally start with any "hot topics" and continue with discussion of agency efforts to meet mission goals. The agency head takes questions in advance and during the webinar and, when needed, participants research and share responses with agency employees. According to NCUA officials, these regular, substantive conversations demonstrate top leadership's commitment and respect for all employees as valued business partners.

These key drivers can help agencies develop a culture of engagement as agencies embed them into the fabric of everyday management practices, rather than simply reacting to the results of the most recent FEVS. Importantly, these six practices were generally the consistent drivers of higher EEI levels when we analyzed them government-wide and by age groups, and were the same drivers of engagement identified in our prior analysis of the 2014 EEI. Because these six practices are the strongest

drivers of the EEI, this suggests they could be the starting points for all agencies seeking to improve engagement.

Lessons Learned for Improving Employee Engagement

In our 2015 report we identified three key lessons for improving employee engagement, each of which is described in greater detail below.

Use Effective Management Practices to Build a Culture of Engagement

Our three case study agencies in our 2015 report on employee engagement attributed their high or increasing levels of engagement to overall effective management practices more so than to efforts specifically aimed at improving engagement levels. Officials at these agencies said they pay attention to employee engagement scores, but also focus on overall positive organizational health and culture and on how their agency implements change efforts. Some of the practices agencies cited parallel those we identified in 2003 as key to successful organizational transformation, including top leadership involvement, consistency, creating a line of sight linking individual results to organizational performance, and employee outreach.[25]

Top leadership involvement. Officials from all three of our case study agencies said that top agency leaders were directly involved in organizational improvement efforts. We have previously reported top leadership that is clearly and personally leading the change presents stability and provides an identifiable source for employees to rally around and helps the process/efforts stay the course.[26] For example, Education officials said Education's Chief Information Officer is directly involved in efforts to address FEVS scores—including being directly involved in the data analysis, reviewing Education's Office of the Chief Information Officer (OCIO) action plans developed by each of his subordinate directors, overseeing implementation of strategies, and assessing their effectiveness.

Consistency. Officials at Education's OCIO said it is important to ensure that policies are applied consistently, which is the goal of that office's

[25]GAO, *Highlights of a GAO Forum: Mergers and Transformations: Lessons Learned for a Department of Homeland Security and Other Federal Agencies*, GAO-03-293SP (Washington, D.C.: Nov. 14, 2002).

[26]GAO-03-293SP.

Speaking with One Voice initiative. The biweekly management meetings to discuss and clarify the implementation of department policies (e.g., telework, resources, and employee bonuses) were instituted after conversations with employees revealed that policies were inconsistently applied. As a result of the initiative, Education's OCIO officials said employees know that senior leaders are paying attention to how policies affect employees and are accountable for ensuring appropriate implementation.

Line of sight. FTC officials emphasized the importance of creating a line of sight between the agency's mission and the work of each employee. As we have previously reported, successful organizations create a "line of sight" showing how team, unit, and individual performance can contribute to overall organizational results.[27] FTC officials said that the agency lists every employee that contributed to a case in the pleadings, from the attorneys and paralegals to the information technology specialists who provided computer support. Importantly, FTC officials said they recognize how mission support functions, such as excellent human resources customer service contribute to the agency mission.

Employee outreach. According to officials at all three case study agencies, they all reach out to employees and their labor union representatives, if applicable, to obtain insight into their FEVS scores or to inform other improvement efforts. Our 2003 report found that employee involvement strengthens the improvement process by including frontline perspectives and experiences.[28] By participating in improvement task teams, employees have additional opportunities to share their experiences and shape policies and procedures as they are being developed and implemented.[29] For example, in 2012, while NCUA's EEI score was above the government-wide level, FEVS questions about awards, performance appraisals, and merit-based promotions were its lowest scoring categories. NCUA officials said they contracted with an external facilitator to conduct workshops and webinar-based feedback sessions with employees to gain insight into their FEVS results and

[27]GAO-03-293SP.

[28]GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, GAO-03-669 (Washington, D.C.: July 2, 2003).

[29]GAO-03-669.

identify root causes influencing the survey scores. These officials said that using external facilitators offered employees confidentiality and created an environment that encouraged open conversations. Based on these feedback sessions, NCUA created an internal employee-driven committee to inform revisions to the awards, performance appraisals, and merit-based promotion process, and developed recommendations for NCUA's management to implement these changes. Most of the committee's recommendations were implemented.

Supplemental Data Sources Enable Agencies to Pinpoint Efforts

According to officials at our case study agencies in our 2015 report on employee engagement, while the EEI provides a useful barometer for engagement, other indicators can provide officials with further insight into reasons for engagement levels and areas for improvement. Other data such as turnover rates and equal employment opportunity (EEO) complaints—which are likely already collected by federal agencies—can provide additional insight and strategies for improving employee engagement. Notably, MSPB found that there is a statistically significant correlation between higher levels of employee engagement and fewer EEO complaints.[30] Officials in the three case study agencies said that they pay attention to their FEVS scores, but other sources of data can provide explanatory or agency-specific information valuable to developing improvement strategies.

Effects of Engagement Efforts Occur Over Multiple Years

Officials at case study agencies for our 2015 report on employee engagement told us that they take a multi-year, multi-prong approach to improving engagement and do not base engagement efforts solely on the survey cycle or focus their attention on year to year changes in the EEI. Some case study agency officials said a single survey cycle does not provide enough time to implement changes and see results because real change usually takes more than 1 year. The FEVS cycle begins around May and agencies receive results in September or October. It may be late-winter or early-spring before an agency will have designed an action plan. By the time the next survey cycle begins, agencies may still be interpreting results and developing and implementing their action plans.

Moreover, according to case study agency and other officials we interviewed for the 2015 report, the annual survey cycle does not allow

[30]U.S. Merit Systems Protection Board, *The Power of Federal Employee Engagement* (Washington, D.C.: September 2008).

enough time for employees' perceptions to change before the next cycle begins.[31] For example, an Education official said that it took a few years to see the effects of engagement-related actions. Members of the Chief Human Capital Officers Council and National Council on Federal Labor-Management Relations joint working group on employee engagement said that the effects of initiatives implemented to improve engagement, will not be reflected in the EEI scores for at least a couple of years, which makes evaluating their effectiveness challenging.

Instead of focusing exclusively on FEVS and EEI scores, the case study agencies we examined took a longer term approach to their engagement efforts. For example, according to officials, Education established engagED, a long-term cultural change initiative aimed at building a more innovative, collaborative and results-oriented agency, and creating a more engaged workforce. Key components included quarterly all-staff meetings with the Secretary to discuss various topics; a "lunches with leaders" program that allowed agency employees to discuss key topics with senior agency leaders; and periodic leadership summits where agency leaders participate in developmental activities identified by staff and focused on teams, individual leadership, and problem resolution.

In conclusion, more than simply a goal in its own right, higher levels of engagement can enhance an agency's "brand" to job seekers, reduce turnover, and most importantly, improve organizational performance. Moreover, while our analysis and the experience of our case study agencies suggests that developing a culture of engagement does not necessarily require expensive programs or technology, it does necessitate effective management strategies such as leadership involvement, strong interpersonal skills on the part of supervisors, and thoughtful use of data. The starting point is valuing employees, focusing on their performance and career development, and ensuring their inclusion in decisions affecting their work. These engagement efforts, combined with other components of a robust talent management strategy covering the full life-cycle of federal employment, provide an ample tool kit that should position agencies to be competitive in the labor market for top talent.

[31] Similarly, we found in our work on organizational transformations that change efforts can take as much as 5 to 7 years. GAO-03-293SP.

This completes my prepared remarks. I would be happy to answer any questions the Subcommittee may have.

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Statement of

Anthony M. Reardon
National President

National Treasury Employees Union

Subcommittee on Regulatory Affairs and Federal Management

Senate Committee on Homeland Security and Governmental Affairs

"Understanding the Millennial Perspective in Deciding to Pursue and Remain in Federal Employment"

September 28, 2016

Chairman Lankford, Ranking Member Heitkamp and members of the Subcommittee, thank you for the opportunity to share the views of the 150,000 federal employees represented by NTEU at dozens of federal agencies. As President of NTEU, I welcome a conversation of how best to grow and strengthen the federal workforce.

AGENCY FUNDING

In recent years owing to a lack of funding, many federal agencies have been unable to hire new employees to replace departing workers, frequently instituting hiring freezes. Not only do hiring freezes create more of a work burden on the existing, smaller number of employees, which can impact work production, individuals interested in a career with the federal government have simply not experienced a large number of available positions to apply for. During the recent economic downturn, many high school and college graduates were unable to find federal positions of interest to apply for, as agencies were unable to fund existing job vacancies. In addition to not hiring, by not replacing employees who leave, agencies have also had significantly less opportunities for job advancement and promotions, which while negatively impacting all employees, can easily frustrate young workers seeking job advancement.

Lack of funding has also led many agencies to forgo student loan repayments, which is of high interest to recent graduates. NTEU believes agency use of student loan programs is a key recruitment and retention tool that needs to be dramatically expanded. In a similar vein, NTEU recommends enactment of paid parental leave, which based upon its rapid integration in private sector America, is an employee benefit that many workers, including younger workers, are demanding. NTEU is proud to support Senator Schatz's (D-HI) and Representative Maloney's (D-NY) paid parental leave legislation for federal employees (S. 2033 and H.R. 532).

While NTEU strongly supports attracting and cultivating the next generation of federal workers, and applauds the Subcommittee for its interest in bolstering the civil service, we also recognize that the federal government as an equal opportunity employer must stand ready and be positioned to hire workers of all ages.

PAY

As you are aware, beginning in 2011 and continuing for three straight years, federal employees were subjected to a pay freeze. In both 2014 and 2015, federal employees received reduced across-the-board pay increases of 1%, and last year federal workers received a 1.3% pay increase on average, all of which were below the amount called for under the law, causing federal pay to be outpaced by private-sector wage increases. Using Department of Labor data, private sector wages have increased 10.6 % over the last six years while federal wages have increased by a total of 3.3%.

Human resource consultancies are emphasizing a renewed employer focus on both recruitment and retention, with higher pay and more bonuses being provided to employees. Federal agencies must be able to respond to a healthier national economy and overall job market, and to ongoing pay trends in the private sector, in order to ensure a skilled, professional workforce to administer our nation's laws and federal programs. NTEU has worked to focus attention on the need for agencies to be able to properly compensate their workforces, and has partnered with Senators Schatz (D-HI) and Cardin (D-MD), and Representative Gerry Connolly (D-VA), on legislation--S. 2699 in the Senate and H.R. 4585 in the House-- to provide a 5.3% across-the-board pay raise for calendar year 2017. Millennials, who are interested in public service, are similar to other workers in that they too will seek adequate pay, promotions, and career development opportunities from their employers.

EXISTING PAY & PERSONNEL AUTHORITIES

Under Title 5, agencies are provided with a substantial variety of human resource (HR) flexibilities and authorities, which includes pay and hiring. By intent, the federal personnel system is substantially decentralized, giving agencies full authority to determine what pay authorities and flexibilities to utilize. It is simply a myth that current statute, and the General Schedule, prevent agencies from responding to a changing recruitment and retention environment, rather many of the existing HR tools are simply not in place or used sufficiently or correctly. Current law provides agencies with pay-setting flexibilities that are designed to respond to an agency's need for specialized talent and highly-technical skills, and to situations where staffing shortages develop due to an inability to recruit or retain workers.

As I testified on behalf of NTEU members at the Subcommittee's hearing last October on pay flexibilities, we strongly ask that you help ensure that agencies actually utilize the HR tools they have been given—such as offering retention and recruitment bonuses to address staffing shortages they may be experiencing. In a similar manner, we urge a focus on assisting agencies with reviewing and implementing administrative changes to their hiring processes. It is not statute that is causing delays in hiring of candidates, but rather an outdated, non-applicant-centered, and non-sequenced hiring process that needs to be re-aligned and streamlined. A faster hiring process would greatly assist in successfully seeing millennials join the federal workforce, rather than continuing to lose them to the private-sector as they become frustrated and disheartened by a seemingly never-ending hiring process.

As an example, in Fiscal Year (FY) 2014 Congress funded approximately 2,000 new Customs and Border Protection Officer (CBPO) positions to help address current U.S. Customs and Border Protection (CBP) staffing shortages, which remain lower than what is in fact stipulated in CBP's own Workforce Staffing Model that shows a need to hire 2,107 additional CBPOs through FY 2017 in order to adequately staff all ports of entry. However, despite congressional action to fund 2,000 CBPO positions for an agency tasked with key homeland and border security priorities, and at a time when many agencies are under hiring freezes, CBP has not completed the hiring for these positions, with interested candidates for posted positions facing a long-drawn out process that can easily become a barrier to entry.

NTEU would strongly caution the Subcommittee against the enactment of hiring provisions that would allow federal positions to be filled with a lack of public notice and without regard to appropriate deference to veterans' preference. These well-established merit principles have benefited both the nation and our civil service. Notably, public notice for federal jobs is what has ensured a non-partisan civil service, as well as a diverse workforce that truly reflects the American people. The need to hire the next generation of federal employees does not require abandoning key principles, but rather argues for them to be preserved. Likewise, those calling for the overhaul of title 5 and our civil service laws should not try to use millennials as the reason for replacing the General Schedule or the classification system —which they have been promoting since the 1980s, long before any of today's millennials were born.

CONCLUSION

Mr. Chairman and Ranking Member Heitkamp, in closing, I want to commend you for your efforts to enhance the federal workforce, particularly at a time when federal employees have faced many challenges—from pay stagnation to agency funding woes. NTEU stands ready to work with the new President and Congress to improve the working conditions of all federal employees, including millennials. NTEU believes proper agency funding, adequate pay raises, and a streamlined hiring process will sustain the entire civil service and well serve the American people.

Post-Hearing Questions for the Record
Submitted to Mark Reinhold
Associate Director for Employee Services and Chief Human Capital Officer
U.S. Office of Personnel Management
From Senator Heidi Heitkamp

"Understanding the Millennial Perspective in Deciding to Pursue and Remain in Federal Employment"
September 29, 2016

Subcommittee on Regulatory Affairs and Federal Management
United States Senate Committee on Homeland Security and Governmental Affairs

1) **It comes as no secret that even as the national economy has added millions of jobs over the past several years, local, state, and federal government agencies have shed jobs, frozen salaries, and furloughed employees. One could see certainly appreciate why this perception of the federal workforce might deter a millennial from a career in public service.**
   - **What would you suggest as the single most important thing the federal government can do as a whole to improve this seemingly negative perception?**

The Federal government needs to harness the innovative spirit and commitment to service held by so many of our country's top talent. Today's job seekers are motivated to seek careers that allow them to serve others. Many agencies are promoting their missions and opportunities to "make a difference," rather than emphasizing the prospect of a 30-plus year Federal career with a single employer. Agencies have realized they need to amplify and tailor their recruiting messages to encourage applicants to consider a Federal career.

The Federal government's most valuable asset is its people. Federal employees who are satisfied and engaged in their jobs are excellent representatives for the Federal workforce in their communities and are some of the best recruiting tools we can have in developing a workforce of the future. As noted in my testimony, OPM, through the Federal Employee Viewpoint Survey (FEVS), measures key drivers of employee engagement and satisfaction. Through this measurement, OPM is able to work with agencies to understand what they are doing well and to pinpoint areas of improvement. Across government, Federal leaders have demonstrated a commitment to driving improvements in employee engagement, as is evident by the fact that the FEVS employee engagement index improved in 2014 and 2015, following several years of steady decline. On a government-wide basis employee engagement has increased two percentage

points since 2014; of the 642 government bureaus (one level below department/agency), 401 (62 percent) increased their employee engagement score by one percentage point or more and 123 (19 percent) increased by 6 percentage points or more.

2) **To ensure that our federal government remains as effective as possible, it is crucial for us to attract and retain talented individuals of all ages.**
   - **What are the best things agencies are doing right now to address recruitment and retention?**
   - **What are the worst things agencies are doing right now to address recruitment and retention?**

Through the Hiring Excellence Campaign, facilitated workshops and research conducted by the USAJOBS Program Management Office, agencies have acknowledged the importance of strategic recruitment and tailored messaging to identify and target individuals for Federal jobs that match their interests and skills. Agencies cannot continue to subscribe to the notion that recruitment means posting a Job Opportunity Announcement (JOA) on USAJOBS and hoping for the best. To adapt, for example, some agencies have increased utilization of social media to broaden their communication channels, expand their reach, and interact more directly with diverse audiences. With the support of OPM, USAJOBS is able to serve over 11 million users searching over 40,000 jobs each year, resulting in over 22 million applications. USAJOBS leverages user research to inform design designs and the development of strategic recruitment tools for our agency partners. Through user research, USAJOBS.gov continues to evolve into a user friendly career portal that provides applicants with a more robust introduction into the Federal hiring process and acts as a resource for career exploration. In 2016, USAJOBS delivered: (1) a mobile-friendly responsive site replacing the apps, (2) a revised application process consisting of 5 steps reducing the number of incomplete applications submitted to agencies, (3) a help center improving the structure and findability of help content through plain language, resulting in a decreased number of helpdesk support requests, (4) an updated Profile dashboard making it easier for applicants to see what is happening with their application(s), saved jobs, and saved searches -- which increases the number of complete profiles through completion indicators and personalized tips, and (5) the redesign of the Landing Page which makes it easier for users to understand the federal hiring process through clear calls-to action to create a profile or sign in to enhance the user experience. OPM and USAJOBS are transparent in the need to improve the end-to-end Federal hiring process. In order to encourage and create sustainable change, USAJOBS works with policy makers and agencies to provide relevant tools and resources to support job seekers in their quest for employment, to provide tools such as the Agency Talent Portal to help agencies find and recruit talent, and to measure recruitment and hiring effectiveness.

In addition, as OPM emphasized through its Hiring Excellence Campaign that provided in-person and online training in 2016 to Federal HR staff and supervisors, Federal agencies need to take advantage of existing programs and retention tools at their disposal. These tools can come in the form of streamlined hiring authorities (for use in appropriate circumstances), compensation flexibilities for recruitment and retention, workplace flexibilities like telework and alternative work schedules, educational and development opportunities, the development of clear, focused career paths for each employee, and providing assistance to Federal employees through agency participation in the Federal student loan repayment program. OPM has also partnered with the

Department of Education to reach out via social media to share guidance about the Public Service Loan Forgiveness Program, under which the remainder of Federal student loan debt an individual holds could be forgiven in ten years by making 120 on-time payments while remaining employed in public service. Further information is available at StudentAid.gov/publicservice. Agencies should also examine their outreach efforts in order to ensure they are not reliant on single track platforms, but are instead reaching a diverse array of candidates. This can include increased efforts to work with affinity groups, to reach new audiences through high schools, community colleges, colleges and universities, and community-based organizations. Finally, agencies should work to make sure their JOAs capture the dynamic array of responsibilities in the variety of jobs each agency has to fill.

In November, we jointly released a memo with the White House Office of Management and Budget that builds on OPM's Hiring Excellence efforts and asks agencies to engage in actions consistent with the following seven proven practices for improving hiring outcomes:

1. Supervisors/Hiring Managers are actively involved in every appropriate step of the hiring process.
2. HR specialists have expertise to meet the needs of their customers to consult and advise Supervisors/Hiring Managers through the process.
3. Data is used to inform workforce planning and strategic recruitment, and relevant hiring authorities are fully leveraged, as appropriate.
4. Outreach efforts to diverse communities to create applicant pools from all segments of society.
5. JOAs are clear, concise, and captivating.
6. Subject Matter Experts help HR assess applicant qualifications.
7. Agencies use effective assessment tools to evaluate job applicants.

Also included in the memo are real-world examples of how agencies are driving forward innovative efforts to improve hiring.

3) A lot has been written about the difficulties of Federal agencies doing adequate succession planning in an age where continuing resolutions, furloughs, shutdowns, sequestration and pay freezes have become the new normal.

- **How can agencies do all that is expected of them with these looming uncertainties impeding recruitment?**

Agencies must always be mindful of the need to anticipate and be agile in responding to new, unpredictable challenges. In addition to developing strategies to quantify the real-world impact of actions such as those noted in the question, agencies should examine what has worked for them in the past several years and incorporate these strengths into their succession planning.

Succession planning is a process for which an environment is established and sustained to ensure the continuity of knowledge and leadership capability within an agency. Specifically, agencies must support an environment of continuous learning and development to ensure that they employ versatile staff who are capable of addressing organizational requirements during austere times.

A means for achieving these outcomes includes a blended approach that uses various means to be successful, two of which are: recruiting new talent and/or developing current talent.

Agencies must continuously identify the personnel and skills needed to achieve organizational goals; therefore, despite the fiscal environment, agencies should possess information regarding their organizational needs that includes a prioritization of the imperative positions and skills that must be recruited for and/or developed. This strong planning can position agencies to have all of the necessary requirements established so that they are able to take action upon the availability of funds. Agencies must make sure they recognize and use the tools they have at their fingertips to build their workforce. For example, agencies should make full use of the Presidential Management Fellows (PMF) Program, a flagship leadership development program at the entry level for advanced degree candidates. Through the PMF Program, agencies can help new leaders develop talent and skills in fast-paced environments through rotations.

Another option is to review their staff composition to begin cross-training staff to ensure a cross-pollination of skills and abilities within their organization. This can better position agencies to have a cadre of staff capable of completing work requirements in the face of a variety of external factors.

4) **I notice that while you define millennials as those born after 1981, or who are currently between the ages of 18 and 35, the Federal Employee Viewpoint Survey uses age intervals of 29 and under and 30-39 to capture this particular segment of the population, meaning a number of folks are being included in these categories that are not necessarily millennials.**
   - **While I can appreciate that this will always be a moving target based on someone's current age, I wonder if there are ways of making sure all generations are reflected in the Federal Employee Viewpoint Survey through additional data?**
     - **Perhaps, people could submit their age by their birth years to be more exact?**

To help maintain participant confidentiality, only summarized age categories are ever provided on reports and in publicly available datasets. The FEVS is a confidential survey, not anonymous, and some personnel data, including the age ranges noted in the question, is used to perform the statistical weighting procedures to correct non-response bias.

All generations are, however, reflected in the FEVS. Millennials are defined as those adults born in 1981 or after. In order for us to properly calculate participants' generation, we no longer collect age category on the survey itself. Instead, we calculate age category and generation from a person's birth year found in the eHRI-SDM personnel database maintained by OPM.

- **It would be helpful to see the differences in response from those who are classified as Baby Boomers versus those that are classified as Millennials, etc.**

If you or your staff would like to see a specific detailed breakdown, OPM would be happy to work with you to provide this.

- **I have seen so many different articles and studies on millennials, and a number of different methodologies used throughout each. It would be incredibly helpful**

if we could streamline who exactly is a millennial so that everyone is operating from the same perspective—at least in the federal workforce.

- **Since OPM classifies millennials as those between the ages of 18 and 35, is there a way of making sure all federal agencies are operating from that same understanding?**

OPM defines millennials or Generation Y as those adults born in 1981 or later. While OPM is not able to control how other agencies or other parties define millennials or Generation Y for their purposes, data OPM has collected and analyzed contains clear definitions that are expressly explained and spelled out in publications like the FEVS.

5) **Internships are an incredibly important way of attracting top talent to the federal workforce and keeping it when it is possible for those interns to move into full-time jobs at federal agencies. Perhaps, one of the most valuable things about an internship, is that employers have significant time to spend developing skills, cultivating a relationship, and ultimately having a thorough understanding of whether someone would make a good hire or not. We should be doing all that we can to encourage those millennials who are interested in federal service to take advantage of internship opportunities, as that could be a direct pipeline into a career in public service.**
   - **OPM recently found that 35,000 people came through the Pathways Programs between FY 2013 and FY 2014.**
     - **How many of those 35,000 were interns?**

In a press release on August 23, 2016, OPM stated, "Since the inception of Pathways in 2012 through Fiscal Year 2015, 35,364 Federal employees have been hired through these programs." For FY2013 and FY2014, according to eHRI-SDM data, 27,217 individuals were hired into Pathways Programs. The three Pathways Programs include the Internship Program, the Presidential Management Fellow Program, and the Recent Graduates Program. 21,817 of these individuals were hired through the Internship Program.

- **What percentage of Pathways interns were actually hired**?

For FY2013 and FY2014, 21,817 individuals were hired through the Internship Program.

- **What percent of all entry-level hires are coming through internships?**

OPM does not maintain data on all internship programs available government-wide. OPM supports and collects data on the Pathways Programs. However, the Pathways Programs are not the exclusive means by which an individual can do an internship in the Federal government. Agencies, including agencies operating outside of title 5, can have individual internship programs that are agency-specific. Agencies can also choose to work with student volunteers under 5 U.S.C. 3111, outside of the Pathways Programs. Finally, the definition of "entry-level" is open for interpretation and is not uniform to all situations.

- **What is OPM doing to help facilitate this?**

Through the Internship Program in the Pathways Programs, which are primarily administered by each agency, OPM has provided a course to Federal service for students and recent graduates. OPM's outreach teams continue to conduct in-person and virtual outreach activities to educate students from all segments of society about the internship opportunities under the Pathways Programs. Through our Hiring Excellence Campaign, we conducted 34 in-person workshops in 22 cities, reaching nearly 1,500 hiring managers and human resources professionals from over 45 agencies to share best practices, tips, and techniques for improving Federal hiring and information on the various hiring flexibilities, including the Pathways Programs. Through our Hiring Excellence Campaign, we have reached over 1,700 participants through Virtual Human Resources Training Conferences, focused on assisting the Federal government in attracting diverse, talented applicants and hiring highly-qualified candidates. Separately, we have also conducted 259 outreach events (in person and virtual) and expanded and strengthened relationships with over 319 colleges and universities nationwide, which included 126 separate cyber schools and 193 other schools. Through our outreach efforts, over 10,000 people have been briefed, and through our virtual outreach, 15,610 job seekers have been briefed.

- **Is it possible to develop a database of interns across government who are eligible to be hired noncompetitively?**
    - **What is the status of this initiative?**

Individuals who complete an internship through the Internship Program in the Pathways Programs are eligible to be converted noncompetitively, and typically fulfill this conversion at the agency where they completed their internship. If an agency finds it is unable to offer permanent employment at the end of the internship, the agency and intern can network with other agencies in the Executive branch to find placement in a permanent position.

In the past year, OPM rolled out a pilot through USAJOBS with over 750 users across our customer agencies, which allows resumes uploaded to the website to be searchable in a practice called "resume mining." The purpose of resume mining is to offer agencies a recruitment tool to search for existing talent in the USAJOBS database that matches agencies' needs. Recruiters can proactively find resumes and invite job seekers to apply to JOAs or attend job fairs. Those job seekers who choose to apply do so through the usual hiring process rules for the JOAs. Individuals who have completed an internship with a Federal agency should highlight this experience on their resume to make themselves more attractive and easier to find by those using resume mining.

There are additional authorities that make it possible to complete internships with the Federal government that are not administered by OPM, but are instead authorized for a specific agency or agencies. The Federal government may also accept volunteer work from students under 5 USC 3111. This volunteer work is not reported to OPM and is managed by individual agencies.

6) **I was very pleased to hear about the Hiring Excellence Campaign that OPM is currently conducting. I believe that strong communication and education from OPM are integral for federal agencies' understanding of the recruitment and retention process as a whole, as well as the best ways to utilize pay and non-pay**

hiring flexibilities effectively for all generations. It is phenomenal that OPM has already conducted 32 workshops across the country, and I am curious to hear about the feedback you are receiving.

- **To what extent does your campaign specifically address the hiring of millennials?**

The Hiring Excellence Campaign encourages human resources specialists and hiring managers to better communicate about the candidates agencies are seeking and how to best address these needs. The Hiring Excellence Campaign is intended to provide general strategies on a number of tactics that can improve hiring outcomes, such as strategic recruitment efforts. The tools provided in the Hiring Excellence Campaign are available for agencies in building a workforce that best reflects the country they serve, to include millennials. OPM also works individually with agencies in order to help them address problem areas they identify, which includes supporting effective succession planning efforts at each agency.

- **What issues have federal managers and human resources specialists raised as challenges to recruiting and retaining millennial employees?**

The challenges faced by Federal agencies in recruiting and retaining millennials tend to be agency-specific. Each agency is responsible for defining their own mission and for recruiting and developing their own workforce.

- **Is the Pathways program discussed as part of the campaign?**

Yes. The Pathways Programs are covered as part of the Hiring Excellence Campaign along with other hiring and compensation tools available to agencies.

Post-Hearing Questions for the Record
Submitted to Mark Reinhold
Associate Director for Employee Services and Chief Human Capital Officer
U.S. Office of Personnel Management
From Senator John Tester

"Understanding the Millennial Perspective in Deciding to Pursue and Remain in Federal Employment"
September 29, 2016

Subcommittee on Regulatory Affairs and Federal Management
United States Senate Committee on Homeland Security and Governmental Affairs

We keep hearing that that hiring delays occur because of a faulty USA Jobs website that does not quickly facilitate the application process and provides inadequate feedback for the candidates. But there are other issues that delay the hiring process, including how each agency's human resources department manages candidates' applications.

1) **Across federal agencies, to what degree is OPM seeing that internal agencies are the primary cause for delays in hiring?**

Research was conducted around the end-to-end Federal hiring process, including mapping the experiences of users, and of Federal HR specialists and hiring managers. The research identified application status notifications as a pain point for both stakeholder groups. The challenge that has emerged is identifying the role of USAJOBS, agency partners, Talent Acquisition Systems, and users in this process. While USAJOBS is the career portal, USAJOBS is not the party updating statuses but rather the platform in which agencies communicate this information via the Talent Acquisition Systems interface with USAJOBS. In order to improve the feedback loops between agencies and users, changes need to be made to the hiring process. USAJOBS is conducting additional research and design sessions with stakeholders to identify the pain points and create solutions. The application process was similarly identified as a pain point for applicants and as a result, further user experience research was conducted and the revised application process designed and deployed. We are constantly working to improve the user experience, and we are committed to continuing to evolve USAJOBS.gov from a job board to a career site.

Through the Hiring Excellence Campaign, OPM is working with agencies to help them identify internal processes that prove challenging for them in onboarding talent. While each agency can have specific concerns about the hiring process that is unique to them, one of the greatest challenges agencies face is making sure there is clear communication between hiring managers and human resources offices. Through the Hiring Excellence Campaign, OPM is optimistic that we have made progress in addressing this need.

2) **How much of agency delays in hiring has to do with resource allocation? Are HR departments understaffed across the federal government?**

OPM is working in partnership with the Chief Human Capital Officers' Council on a government-wide effort to close HR skills gaps and to conduct a root cause analysis that will allow us and our Federal partners to better understand the current state of resources and capabilities related to human resources operations in Federal agencies. The outcome of that process will confirm whether resource allocations, and/or another issue, are causing the challenges within HR management.

3) **Does OPM keep track of how long it takes for candidates to go through the Delegated Examining Unit (DEU) process across federal agencies? If so, would OPM be able to provide my office with specific examples from across federal agencies?**

OPM tracks the average number of days per hire for "all job opportunity announcements posted on USAJOBS." This number could include merit promotion or other hiring authorities outside of delegated examining. We are able to provide time-to-hire (T2H) charts, but the charts do not delineate between DEU hires and other hires.

OPM is in the process of developing a dashboard within the USASTAFFING platform that would enable agencies to measure and track the different hiring authorities. This would only be available to USASTAFFING customers, but could set a framework for those agencies with other backend systems.

Post-Hearing Questions for the Record
Submitted to Angela Bailey
Chief Human Capital Officer
U.S. Department of Homeland Security
From Senator Heidi Heitkamp

"Understanding the Millennial Perspective in Deciding to Pursue and Remain in Federal Employment"
September 29, 2016

Subcommittee on Regulatory Affairs and Federal Management
United States Senate Committee on Homeland Security and Governmental Affairs

1) It comes as no secret that even as the national economy has added millions of jobs over the past several years, local, state, and federal government agencies have shed jobs, frozen salaries, and furloughed employees. One could see certainly appreciate why this perception of the federal workforce might deter a millennial from a career in public service.

- What would you suggest as the single most important thing the federal government can do as a whole to improve this seemingly negative perception?

Response: To improve the perception of public service careers, the U.S. Government as individual agencies and as a whole, including DHS, should shine a brighter light on how our workforce serves important missions for the American people. DHS develops its recruitment strategy by focusing on mission critical occupations (MCO), such as those in aviation and border security, emergency response, and cybersecurity; and by presenting a unified image of DHS to the public and prospective employees.

The following are just a few examples of how DHS seeks to inspire careers in public service. DHS created a very powerful video used for recruiting and in new employee orientations across the Department that compellingly illustrates the DHS missions. We continue to showcase DHS through increased use of social media and other means familiar to millennial populations. In addition, our recruiters attend thousands of career fairs each year, many on college and university campuses, as well as middle schools and high schools. These colleges and universities include Minority Serving Institutions, Historically Black Colleges and Universities, and Tribal Colleges and Universities. Through our Unity of Effort, we continue to look for ways to ensure Americans understand what DHS is as an organization, while still honoring the individual brands and legacy of the Components that comprise the Department. Additionally, Secretary Johnson reinstituted the Secretary's Awards as a means of recognizing and honoring the extraordinary work of the men and women of the Department. The Secretary's Awards ceremony was broadcast on social media as a way to further honor and share the outstanding accomplishments of DHS employees.

2) To ensure that our federal government remains as effective as possible, it is crucial for us to attract and retain talented individuals of all ages.
   - What are the best things agencies are doing right now to address recruitment and retention?

Response: DHS has found that we are able to continue to recruit a qualified, diverse workforce for hard-to-fill positions and to address their changing skill-set by developing targeted recruitment plans that align with their strategic and workforce plans.

DHS is making full use of hiring authorities such as the Veterans Recruitment Appointment, 30% or More Disabled Veterans, and Schedule A which have allowed federal agencies to increase the representation of Veterans and Individuals with Disabilities all while meeting statutory mandates. DHS has an exemplary record of hiring veterans and people with disabilities.

A recent example of a successful recruitment practice for DHS was the first-ever DHS Cyber and Tech Job Fair here in Washington, DC, on July 27-28 of this year. This two-day event generated more than 14,000 applicants, 2,500 walk-in candidates, and 842 onsite interviews. As a result, the Department made more than 400 prospective job offers. Of this number, over 120 candidates became new employees within sixty days. We thank Congress for new legal authorities in support of our cyber recruitment and retention efforts. DHS is maximizing its use of these authorities to build our cyber work force. We also thank the Office of Personnel Management for granting DHS the authority to hire 1,000 cyber professionals this calendar year.
Regarding retention, DHS executives, supervisors and managers utilize a myriad of compensation and leave authorities for the purpose of recruiting and retaining a highly qualified and diverse workforce. The Office of the Chief Human Capital Officer (OCHCO) continues to be vigilant with regard to educating Component human capital leadership and hiring managers with various strategies for attracting and retaining quality talent using incentives that are within their grasp.

DHS clearly understands that work/life balance is an important issue with our employees, including millennials. OCHCO has equipped Component human capital leadership with non-monetary options such as telework and flexible work schedule policies, and providing the technology to support these flexibilities.

DHS also prioritizes workforce training as a continuous and consistent investment in employee development. In addition, DHS establishes clear career paths for employees. These paths provide employees clear direction on what is required for them to advance in their professional series.

Also, as a recruitment and retention incentive, DHS uses the Student Loan Repayment Program as a powerful tool to attract, recruit and retain highly skilled talent by assisting with the repayment of college loans. Employees may also take advantage of the Public Service Loan Forgiveness Program. Under this tax-free program, federal employees may qualify for forgiveness of the remaining balance due on certain student loans.

- What are the worst things agencies are doing right now to address recruitment and retention?

Response: For DHS, it was not strategically focusing recruitment efforts on mission critical occupations (MCO). To rectify this, DHS recently issued the DHS Strategic Outreach and Recruitment (SOAR) Plan focusing on recruiting a highly qualified workforce, maintaining investment in the development of the workforce and diverse workforce for our MCOs. The SOAR identifies demographic groups to recruit, such as Veterans and people with disabilities, which are priorities for DHS. By strategically identifying and focusing our efforts, we are able to recruit more efficiently and effectively to get top talent to join DHS.

3) A lot has been written about the difficulties of Federal agencies doing adequate succession planning in an age where continuing resolutions, furloughs, shutdowns, sequestration and pay freezes have become the new normal.

- How can agencies do all that is expected of them with these looming uncertainties impeding recruitment?

Response: We are adept at being agile and tenacious with regard to maintaining a recruiting presence in times of fiscal uncertainty. Many colleges and universities, military bases and non-profits allow recruiters to set up booths or conduct information sessions at low or no cost. For example, our DHS Components share resources and recruiting costs where possible by jointly participating in recruiting events where one Component pays the registration fee and the other attends for free. This allows for greater participation during austere times.

4) As you may know, I have been very focused on improving staffing on the Northern Border, and recognize how difficult it is to recruit folks to remote locations like Portal and Pembina North Dakota. I recently introduced my *Flexible HIRE Act* to address some of these challenges, and I look forward to advancing it in the future. GAO has noted that Customs and Border Protection (CBP) agents will have particularly high retirement eligibility rates by 2019. OPM has noted, however, that the Border Patrol Enforcement series is one of the top ten occupations for millennials.

- What is DHS doing to recruit locally in regions with high vacancy rates such as remote locations along the Northern Border?

Response: U.S. Customs and Border Protection (CBP) is aggressively conducting recruitment events in remote Northern Border locations that experience high vacancy rates. Specifically, for CBP frontline positions, such as Customs and Border Protection Officers and Border Patrol Agents, CBP is conducting recruitment activities in the following states: Alaska, Idaho, Maine, Minnesota, Michigan, Montana, New Hampshire, New York, North Dakota, Ohio, Pennsylvania, Vermont, and Washington. The following recruitment activities were performed across the above mentioned states:

- Conducted 785 recruitment events, 43 of which were held in North Dakota, to include job fairs, outreach at conferences and schools, and online recruitment through job board postings.
- Utilized social media platforms including Facebook and Twitter to promote CBP job opportunities.

CBP plans to conduct the following recruitment activities along the Northern Border:

- Schedule hiring hubs in Grand Forks and Minot, North Dakota, and in Portland, Maine. Hiring hubs streamline CBP's existing hiring process by expediting the pre-employment, structured interviews, polygraphs, suitability adjudication for provisional clearances, and entry on duty steps of the hiring process. Applicants who process through a hiring hub will experience a more than 60 percent time savings when compared to the traditional hiring process.
- Execute an Online Job Boards-Plan to post job opportunities on Indeed.com, Glassdoor.com, Monster.com, ZipRecruiter.com, and LinkedIn.com.

    - How has recruiting at DHS evolved to meet the interests of potential applicants within these regions?

Response: CBP has expanded its recruitment activities to reach potential applicants in remote and hard-to-fill locations. In addition to the efforts described in the previous response, CBP field recruiters have expanded their outreach at colleges and universities, have ensured active representation at military installation transitional events, and have showcased color guard presentations at sporting events, which have been aired on local and national television and certain social media platforms. By advertising job opportunities across major public venues, CBP will be able to spread brand awareness and reach a broader audience. To capitalize on the rapid growth of social media, CBP plans to leverage federal best practices in social media recruiting, including a multi-month pilot partnership with LinkedIn, the popular professional social network site. CBP seeks to attract high-quality applicants through targeted job advertising using LinkedIn tools to bridge existing staffing gaps.

- We continually hear about high failure rates for the polygraph exam with regards to entry-level CBP positions.
    - What is CBP's explanation for these high failure rates and what are the plans to address this issue?
    -

Response: Applicants for law enforcement positions in CBP are required to undergo a Tier V background investigation, previously known as a Single Scope Background Investigation (SSBI), and must submit to a polygraph examination as required by the Anti-Border Corruption Act of 2010 (ABCA) (Public Law 111-376). The results of the polygraph examination, in conjunction with information gathered as part of the background investigation process, are used to assess an applicant's overall suitability and/or eligibility to hold a law enforcement position with CBP. The pre-employment

polygraph examination and information obtained during this part of the process are integral parts of the entire background investigation process.

In analyzing the data, since implementation of the ABCA, approximately 75percent of the applicants subjected to the pre-employment polygraph made admissions regarding derogatory information which is used during the adjudication of the applicant's background. Approximately 54 percent of information developed during the polygraph examination involves the applicant's illegal use of narcotics, drugs, or other controlled substances. Criminal or dishonest conduct information accounts for approximately 23 percent of information collected during the polygraph. In many instances, the applicant failed to disclose this information on the security forms or when initially asked questions about illegal drugs or serious crimes during the polygraph examination.

CBP's Office of Professional Responsibility (OPR) , Credibility Assessment Division continues to analyze the polygraph program for greater effectiveness and efficiencies in the process.

It is apparent there is a greater need to educate applicants at the earliest point in the hiring process about the need to be truthful and fully forthcoming when completing their e-QIP/SF-86 and when responding to questions during the polygraph examination.

OPR has been exploring ways to better prepare applicants for the background investigation and polygraph process through an education campaign. CBP/OPR is developing information sheets, to include Frequently Asked Questions (FAQ) that will be made available to applicants prior to the start of the background investigation process to assist them with the submission of their forms. The information is designed to encourage applicants to be up-front and truthful with their responses throughout the process.

OPR/CAD has created a polygraph video that is located on the CBP.gov website regarding the polygraph process which includes information on what to expect and how to prepare. This video has been viewed/played 15,604 times between January 1, and November 8, 2016.

OPR/CAD is developing another short 60 second video that will be embedded in an email sent to applicants when they initially receive the link for the e-QIP/SF-86.

OPR has drafted a script that can be used by recruiters after an applicant successfully passes the structured interview portion of the hiring process to once again stress the importance of being truthful and fully forthcoming in all steps of the process.

- What is DHS doing in terms of succession planning to address the high number of CBP agents who will be eligible for retirement by 2019?

Response: Currently, there are 387 CBP Officers and Border Patrol Agents who will attain mandatory retirement age through 2019. Additionally, due to higher than average Border Patrol agent attrition rates in Fiscal Year (FY) 2015 and FY 2016, many individuals slated for mandatory retirement in 2019 have already left CBP frontline positions, which has therefore decreased the number of people who will retire from these positions in the immediate future. Accordingly, CBP no longer anticipates a spike in retirements this year due to mandatory retirements. However, CBP is focused on maintaining a consistent and strong recruitment presence and applicant pipeline at all times. CBP is looking for ways to recalibrate hiring and recruitment efforts. CBP is placing tremendous emphasis on managing frontline hiring needs through the National Frontline Recruitment Command by enhancing marketing, branding, and outreach at both the national and local levels, and working to more effectively manage "surge" hiring.

- Because millennials are clearly interested in these occupations, would it not make sense to focus some CBP recruiting efforts on the millennial generation in particular?

Response: CBP is actively working to appeal to our nation's best talent, including millennials. CBP is establishing a Special Emphasis Recruitment Team (SERT) to reach out to diverse groups, recognizing that millennials can include veterans, current college students, and members of affinity groups. The goal is for the SERT to utilize this recruitment strategy to effectively recruit the most highly qualified candidates, which will make CBP an employer of choice for those with an interest in law enforcement and criminal justice. CBP is developing a digital media strategy to provide a road map for conducting recruitment and marketing activities in a digital environment that will target the best talent through the use of social media platforms. As increasing numbers of millennials join the workforce, CBP seeks to continuously refine its brand to attract top candidates into applying to CBP's frontline positions.

5) Millennials are often branded as thinking differently about traditional career paths—particularly when that means spending 30-40 years in the same field.

- Do you think millennials can still be recruited effectively into the federal government even if they do not plan to stay for an extended period of time?
- What can we do to encourage millennials to come back to the federal government even after they have left for the private sector?

Response: CBP research indicates that millennials are driven by the following: 1) sense of purpose and dedication to the mission; 2) benefits; 3) viable career progression; 4) work-life balance; 5) training opportunities; and, 6) positive working environments. CBP believes that it can recruit millennials into, or *back into*, the federal workforce given the large size of the Agency and the wide range of career paths for its agents and officers. CBP will focus on messaging the following: 1) Your job at CBP protects the nation's borders; 2) CBP offers a detailed career progression plan; 3) CBP fosters employee engagement and a collaborative environment; 4) CBP has federal benefits and offers

competitive salaries; 5) CBP offers training opportunities; and 6) CBP offers flexible work schedules to prioritize work-life balance.

6) Your written testimony highlights the Department's Strategic Outreach and Recruitment (SOAR) Plan, mentioning that DHS "recruiters attend thousands of career fairs each year, many on college and university campuses, as well as middle schools and high schools."

- Do those outreach efforts seek to recruit candidates solely for the Department, or for all subcomponent agencies?

Response: The Department and its Components coordinate those outreach efforts to recruit candidates. The Department collaborates with DHS components and lines of businesses to ensure partnerships and to provide successful practices to increase outreach efforts. We will continue to host virtual and/or in-person hiring events together to give an opportunity for candidates to seek functional career paths throughout DHS components. For instance, we are hosting a DHS Pathfinder Hiring Event in December that will allow us to take advantage of the Pathways Program's hiring authorities to hire students and recent graduates. This is just one way we coordinate outreach efforts across the DHS components.

- How does DHS determine where recruiters conduct outreach?

Response: Our Components strategically recruit where their needs are and, in particular, to address our mission critical occupations: along the southern and northern borders, near our ports of entry, airports and other land borders. However, our recruiters are active all year long and in many locations across the country. Because our offices are spread throughout the nation, we attend events such as college and university career fairs, virtual recruitment events, and hiring events on military bases.

Post-Hearing Questions for the Record
Submitted to Lauren Leo
Assistant Administrator, Office of Human Capital Management
National Aeronautics and Space Administration
From Senator Heidi Heitkamp

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QUESTION 1: It comes as no secret that even as the national economy has added millions of jobs over the past several years, local, state, and federal government agencies have shed jobs, frozen salaries, and furloughed employees. One could see certainly appreciate why this perception of the federal workforce might deter a millennial from a career in public service.

a. What would you suggest as the single most important thing the federal government can do as a whole to improve this seemingly negative perception?

ANSWER 1a: While NASA cannot speak for the Administration as a whole in terms of recruitment and retention efforts, in general, we believe that having stable and timely appropriations sends a message to current and future employees that there is inherent employment stability within the Federal Government. Further, NASA believes there is value in Government officials continuing to emphasize publicly the value of the Federal workforce and of Federal service in order to reinforce the many advantages of a Federal Government career. Each agency has a great story to tell and thus it is important for agencies to tell their stories publicly, while also utilizing engagement activities that help employees see their individual connection to an agency's mission. As a way of emphasizing that a Federal career at NASA is rewarding, we recently launched a digital campaign via social media channels comprising short videos that aim to harness existing sentiment about why employees love working at the Agency. These videos help showcase our employees' strong connections to the NASA mission.

QUESTION 2: To ensure that our federal government remains as effective as possible, it is crucial for us to attract and retain talented individuals of all ages.

a. What are the best things agencies are doing right now to address recruitment and retention?

ANSWER 2a: While NASA cannot speak for the Administration as a whole in terms of recruitment and retention efforts, at NASA we are addressing both recruitment and retention through the use of digital tools and employee engagement. To address retention, NASA has developed a positive work culture with a high level of employee engagement through deliberate and proactive initiatives. Our employees believe in the importance of the mission and are heavily engaged in their work. They come to NASA because they want to do the work that we do, not because it's just a job. As a result of our high levels of employee engagement, NASA

has been awarded the "Best Place to Work" in the Federal Government (Large Agencies) for the last four consecutive years by the Partnership for Public Service.

To address recruitment, NASA is developing strategies to utilize digital tools like social media to attract and engage with diverse talent pools. Concurrently, we are running outreach campaigns on social media, like our recent #NASAProud campaign, to showcase what it is like to work at NASA, and to highlight real employees talking about their experiences working at NASA.

QUESTION 2b: What are the worst things agencies are doing right now to address recruitment and retention?

ANSWER 2b: While NASA cannot speak for the Administration as a whole, NASA is seeking to improve recruitment and retention by using diverse platforms to reach potential candidates in ways that are meaningful to them. For instance, we are currently developing a digital and social media outreach approach to recruiting that includes tailoring outreach messages to different audiences. Further, we are expanding our use of virtual collaboration tools so employees can more easily work with each other regardless of geographic location.

QUESTION 3: A lot has been written about the difficulties of Federal agencies doing adequate succession planning in an age where continuing resolutions, furloughs, shutdowns, sequestration and pay freezes have become the new normal.

a. How can agencies do all that is expected of them with these looming uncertainties impeding recruitment?

ANSWER 3a: While NASA cannot speak for the Administration as a whole, NASA is proud of our recruitment strategy. NASA continues to have one of the highest average lengths of service in the Federal government, and employees typically do not depart when they become eligible to retire. We see that fact as a strength at the Agency, and an indication of the high level of engagement that employees have with the Agency and our missions. However, in order to ensure we have an adequate internal pipeline, we have established a workforce goal to have at least 50 percent of our new hires be GS-11 or below. We believe working toward this goal will help us with succession planning and provide long-term opportunities for development and growth within the Agency for the next generation of talent.

QUESTION 4: I am encouraged to see that supervisor training is such a key component of leadership development at NASA. During previous hearings, I have often voiced my support of supervisor training programs, and have been working on legislation for quite some time in this area. I am pleased to see that you have programs spanning from early career to the executive level in this field. You mentioned NASA's "on-demand," "just-in-time," and more formal leadership development programs in your testimony.

a. Can you go into more detail about these individual programs?

ANSWER 4a:

1. NASA Foundations of Influence, Relationships, Success, and Teamwork (FIRST) - Designed for GS11/12s, the primary objective of this program is to provide foundational leadership skills and self and agency awareness.
2. Mid-Level Leader Program (MLLP) – Designed for GS13/14s, the primary objective of this program is to build higher-level leadership skills, enhance awareness and relationships, and broaden and expand agency awareness.
3. Leveraging Agency Supervisory Excellence and Resilience (LASER) – Designed for first-line supervisors, the primary objective of this program is enhancing effectiveness by seeing supervision as a discipline and fostering productive, engaging environments.
4. SES Candidate Development Program (CDP) – Designed for GS15s, the primary objective of this program is developing the executive leaderships skills needed to serve in the Senior Executive Service.

QUESTION 4b: How are supervisors utilizing the online curriculum you mentioned?

ANSWER 4b: The supervisor curriculum is available to all employees on our internal human resources portal. Supervisors utilize this resource for on demand, as needed learning on topics ranging from performance management to employee engagement. The curriculum consists of books, webinars, instructor-led courses, and short videos.

QUESTION 4c: What is the feedback you get from both employees and their supervisors on these programs?

ANSWER 4c: Feedback on our programs is overwhelmingly positive. We are consistently evolving content and delivery to make relevant and quick adjustments based on feedback and needs.

QUESTION 4d: Can you tell me more about your technical track for supervisors at NASA?

ANSWER 4d: We treat supervision as a discipline that can be learned and done well. The LASER program and supervisor curriculum described above serve as our technical supervisory training for employees who are, or are interested in becoming, supervisors.

QUESTION 4e: Do you think a government-wide expansion of supervisor training programs would make a difference in employee engagement?

ANSWER 4e: We have experienced high-degrees of success at NASA through our investment in supervisory training. Both supervisors and their employees describe higher levels of engagement through participation in our program.

QUESTION 5: Effective recruitment is essential if we are going to attract the top talent into the federal government. I particularly enjoyed your comment saying that one of your "most powerful recruitment tools is the enthusiasm of [your] employees."

a. Can you tell me more about the employer-brand focused campaigns you all conduct over social media?

ANSWER 5a: NASA has been working on enhancing its overall employer brand, and one way we are doing that is through digital outreach. We have been developing digital campaigns to more clearly communicate NASA's Employer Value Proposition (EVP) and ultimately improve NASA's overall recruitment capability. Through our campaigns we aim to:

- amplify NASA's employer value proposition through social media;
- drive digital communications strategies to attract top talent to the agency;
- communicate the importance of working at NASA; and
- explore new ways to promote and display NASA's current employment opportunities.

QUESTION 5b-5b(i): How long have you been using these campaigns?

i. How many candidates reference them in their interviews?

ANSWER 5b-5b(i): To date, NASA's Office of Human Capital Management (OHCM) has launched two social media campaigns. In March 2015, OHCM launched a campaign during Women's History Month about Women in STEM (Science, Technology, Engineering and Mathematics). The campaign used strategic efforts to recruit more women of working age in STEM fields and spread awareness about STEM careers to working women. Our second campaign, which launched in September 2016, aims to harness existing employee sentiment about why they love working at NASA (#NASAProud) and emphasizes NASA's overall brand and what makes NASA a unique agency. While we are still collecting data on the impact of our employer brand campaigns on candidate applications, we do know that our social media engagement has increased tremendously.

QUESTION 5c-5c(i): NASA now utilizes additional hiring flexibilities for Returned Peace Corps and Americorps/VISTA volunteers?

i. Has interest in NASA careers improved in these volunteer areas since you began utilizing this flexibility?

ANSWER 5c-5c(i): NASA has been investigating available federal hiring authorities and how we might be able to use hiring authorities that other agencies have had success with in order to improve our recruiting capability and meet our mission needs. Different hiring authorities, such as Returned Peace Corps Volunteers (RPCV) and AmeriCorps VISTA give us access to different pools of candidates. Leveraging these hiring authorities has enabled NASA to access more diverse and skilled candidate populations. In the last year, we have hired 11 RPCV's.

QUESTION 5d-5d(i): How many current employees does NASA have who came in through the Pathways program?

i. Would it be useful if NASA had a broader sense of current interns in the federal government when going through the hiring process?

ANSWER 5d-5d(i): At NASA, there are currently over 1,120 employees who were originally hired as Pathways interns. We welcome applicants from other Federal Government agencies who are interested in applying to NASA.

QUESTION 6: You mentioned that NASA employs more than 4,100 employees under the age of 40, making up about 23 percent of your workforce. You also note that about 80 percent of millennials said they feel engaged at NASA, according to the 2015 Federal Employee Viewpoint Survey.

a. What is NASA doing differently than other federal agencies to engage younger workers?

ANSWER 6a: NASA's long history of developing leaders at all levels provides many opportunities for early career employees, regardless of age, to feel connected to people and the mission. NASA focuses on providing meaningful, hands-on work to all employees as well as opportunities for continued personal/professional growth. Our focus on innovation and creating productive environments supports our employee's ability to contribute to the mission in non-traditional ways. In recent years, NASA has increased its online, social media presence for recruitment; has well supported and robust Employee Resources Groups that honor and celebrate the vast diversity among our workforce; and our push to leverage virtual collaboration and forward-learning Work from Anywhere (telework) programs allow for greater flexibility, connection, and mission contribution that is not geographically dependent. This coming year we will increase our efforts to support early career employees creating a more consistent "NASA experience" through our onboarding and orientation efforts.

QUESTION 6b-6b(i): What are some innovative practices or strategies your agency uses to recruit and retain millennial talent?

i. To what extent do you think these strategies can be expanded government-wide?

ANSWER 6b-6b(i): NASA is developing a digital recruitment strategy to reach candidates in new and innovative ways. We recognize that millennials communicate much more frequently over digital channels and social media.

Some of our strategies include the following.

- We have increased our use of virtual career fair software to have interactive, multi-media information sessions with universities and professional associations about internships and jobs at NASA.
- We have run employer brand campaigns over social media, including via social media channels popular with millennials, such as Snapchat and Instagram, which specifically highlight why NASA is a unique place to work. One of our campaigns was recently featured in an industry publication - http://www.prnewsonline.com/instagram-stories-today
- We use data analytics to determine engagement indicators and motivations for millennials (from FEVS, new hire surveys, etc.) and leveraging those in recruiting campaigns.

Our strategies could be used by other Agencies if they are interested in these approaches.

QUESTION 7: According to the Government Accountability Office, it looks like 38% of NASA's workforce will be eligible to retire by 2019.

a. What sort of succession planning has NASA done to be ready for this potential shift in its workforce?

ANSWER 7a: NASA promotes continuous succession planning activity at the Agency, organizational, and individual supervisory levels. Our Agency strategic workforce planning efforts address near and long-term workforce needs and alignment of mission and people. We are currently working on a Succession Planning Guide for Managers for the purposes of providing an on-going planning process to anticipate position vacancies and develop a pool of candidates to fill vacancies upon need. The focus is on identifying and developing talent to ensure an adequate, and diverse supply of prepared leaders in the organization.

QUESTION 7b: To what extent is your training of employees in alignment with your agency's succession planning?

ANSWER 7b: Our focus on having leadership training and development for employees at all levels within the agency helps ensure we have a dedicated pipeline of leaders ready to serve.

Post-Hearing Questions for the Record
Submitted to Robert Goldenkoff
Director, Strategic Issues
U.S. Government Accountability Office
From Senator Heidi Heitkamp

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1) **It comes as no secret that even as the national economy has added millions of jobs over the past several years, local, state, and federal government agencies have shed jobs, frozen salaries, and furloughed employees. One could see certainly appreciate why this perception of the federal workforce might deter a millennial from a career in public service.**
    - **What would you suggest as the single most important thing the federal government can do as a whole to improve this seemingly negative perception?**

Federal agencies need to be seen as an employer of choice. One way of doing this, as noted in my statement, is by strengthening employee engagement levels. We found that the six key drivers of employee engagement were similar for millennials and non-millennials, and include:[1]

- Constructive performance conversations,
- Career development and training,
- Work-life balance,
- Inclusive work environment,
- Employee involvement, and
- Communication from management.

2) **To ensure that our federal government remains as effective as possible, it is crucial for us to attract and retain talented individuals of all ages.**
    - **What are the best things agencies are doing right now to address recruitment and retention?**
    - **What are the worst things agencies are doing right now to address recruitment and retention?**

[1] GAO, *Federal Workforce: Lessons Learned for Engaging Millennials and Other Age Groups*, GAO-16-880T (Washington, D.C.: Sept. 29, 2016).

To ensure agencies have the talent they need to meet their vital missions, federal agencies must have a hiring process that is simultaneously applicant friendly, sufficiently flexible to meet agency needs, and consistent with statutory requirements, such as hiring on the basis of merit. In our 2016 work we identified a number of strategies agencies were using to improve the effectiveness of their recruitment and hiring efforts. Specifically, agency officials said they did the following[2]:

- Instituted formalized recruitment meetings with human resources staff and hiring managers to discuss recruitment strategy.
- Used specialized experience statements—an explicit description provided in the job announcement—to help ensure a better fit between the applicant and the position.
- Actively recruited, particularly among preference groups such as veterans, to direct qualified applicants to the job announcement.
- Used global job announcements when possible to reduce duplication of effort and to share quality applicant lists.
- Included subject matter experts in the assessment process to filter out applicants who are not qualified.

We have also noted that it is important for agencies to evaluate their hiring efforts and seek more effective approaches as needed, otherwise they risk not having the right people, with the right skills necessary to meet their missions.

However, as noted in my statement, simply attracting and hiring quality candidates is not enough. Agencies need a robust talent management strategy that covers the full life cycle of federal employment, such as effective on-boarding programs and results-oriented training and development.

With respect to practices that should be avoided, in 2008 we found a number of problems and challenges that hampered recruitment and hiring in the federal government, including:[3]

- passive recruitment strategies.
- poor and insufficient workforce planning,
- unclear job vacancy announcements,
- time-consuming and paperwork-intensive manual processes,
- imprecise candidate assessment tools, and
- ineffective use of existing hiring flexibilities.

3) A lot has been written about the difficulties of Federal agencies doing adequate succession planning in an age where continuing resolutions, furloughs, shutdowns, sequestration and pay freezes have become the new normal.

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[2] GAO, *Federal Hiring: OPM Needs to Improve Management and Oversight Authorities*, GAO-16-521 (Washington, D.C.: August 2, 2016).

[3] GAO, *Human Capital: Transforming Federal Recruiting and Hiring Efforts*, GAO-08-762T (Washington, D.C.: May 8, 2008).

- **How can agencies do all that is expected of them with these looming uncertainties impeding recruitment?**

An agency's ability to achieve performance goals and weather turbulent times depends in part on the extent to which it has the characteristics of a high-performing organization namely: managing people strategically; having a clear, well-articulated mission; using partnerships strategically; and focusing on the needs of clients and customers.

Focusing on workforce planning strategies can also help. In May 2014 we found that some agencies' human capital capacity had been excluded from program deliberations. As a result, agency decisions have not been fully informed by important data on whether the agency has the necessary skills, how it will obtain these skills, how long the skills will be needed, and how much it will cost to meet program goals.[4]

In the face of constrained resources agencies must prioritize their human capital investments. Our 2014 report also found opportunities for agencies to collaborate on common, government-wide workforce issues, including sharing successful strategic workforce planning strategies. Agencies can use a variety of models to conduct workforce planning, but all of the models generally share common steps including examining future issues that may affect the agency's ability to attain its strategic goals, determining skills needed to meet those goals, selecting and implementing human capital strategies to address issues and skills gaps, and evaluating the success of human capital strategies.

We also found examples of agencies that had taken actions to improve the capacity of their human capital functions and role within agency decision-making. For example, we found agencies had:

- shared forecasts of workforce attrition, data on emerging skills gaps and cost estimates for addressing them through recruiting and retention efforts, and similar data with program officials;
- developed strong relationships with other functional areas to elevate the role of the human capital function across the agency. Anticipated the needs of other agency decision-makers and provided valuable workforce information, demonstrating their value and elevating human capital to a trusted advisory role in the agency, and
- incorporated workforce planning data into program management decision making. For example, department-level human capital staff worked with program-level officials on how to obtain, use, and interpret workforce data. Department-level human capital staff also conducted periodic trend analysis on workforce information for each program division and presented the findings on workforce risks and potential mitigation strategies.

4) In your testimony, you note that there was a shift in the total of new federal employees hired between the years of 2008 and 2014. Specifically, you note that those employees who were 25-years-old and younger have experienced the largest decrease in hiring

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[4] GAO, *Human Capital: Strategies to Help Agencies Meet Their Missions in an Era of Highly Constrained Resources*, GAO-14-168 (Washington, D.C.: May 7, 2014).

since 2008, amounting to a total decrease of 58% for that age group. This number is higher than I would have expected.

- **Aside from decisions to pursue graduate school at an earlier age, what other factors do you think account for this difference in hiring for this age group?**
- **I also noticed that this same age group seems to have higher attrition rates than other millennial groups, with 9.3% of them resigning or separating from the government with less than 5-years of service in 2014.**
  - **Why do you think that is?**
  - **What can we be doing differently to reach this particular age group of millennials?**

We have not done work that provides additional insight into the attrition patterns of this segment of the millennial cohort. We have been asked to analyze the opportunities and barriers to recruiting and retaining millennials by the Subcommittee that we expect to start next year.

However, the higher levels of education required by many federal positions compared to the private sector could be a contributing factor to the decline in federal employees 25-years-old and younger. In our January 2014 report we found employees with a master's or professional degree represented the largest increases in new federal employees, while employees with a high school diploma, associate's degree, or some college represented the smallest increases in federal employees.[5] Understanding which agencies have been responsible for driving recent hiring trends might also explain the level of education or experience required. For example, in our prior work, we found Veterans Affairs was among the top agencies responsible for nearly all of the civilian workforce hires between 2004 and 2012. VA officials said nearly all of their hiring had been for medical and health-related services at the Veterans Health Administration.

5) **I find it interesting that while millennials have strong representation in a number of mission critical fields in the federal government, they do not seem to have it in human resources. With nearly a third of the federal workforce eligible to retire in 2019, it worries me that we do not have more millennials interested in a field that is so essential to smooth transitions in the workforce.**
   - **How can we improve millennial interest in HR positions in the future?**
   - **What can agencies be doing to recruit more effectively in fields like HR?**

We have not done work that provides additional insight into why the millennial cohort is less represented in the federal human resources field. We will analyze this as part of the work for the Subcommittee that we expect to start early next year.

However, OPM and the Chief Human Capital Officer's Council Working Group identified human resources as a critical skills gap and closing these skills gaps was identified as a Cross-Agency Priority goal. As part of the efforts to close this skills gap, OPM expanded its HR University, which provides free and some fee-based online resources training and professional development materials to HR officials across government. Recent HR University topics have

[5] GAO, *Federal Workforce, Recent Trends in Federal Civilian Employment and Compensation*. GAO-14-215 (Washington, D.C.: January 29, 2014).

included training and leadership development, hiring reform, and addressing and resolving poor performance. According to OPM officials, the training sessions often feature officials from other agencies to discuss how they have implemented the broader human capital initiatives. In our May 2014 report, OPM officials told us that OPM is also partnering with the Chief Learning Officers (CLO) Council to enhance HR University's on-demand learning platform to create enterprise learning solutions to save money and increase access to training across government. According to OPM, this partnership will create sessions on mandatory training, employee onboarding, and management and leadership development.

6) **You noted that "what matters most in improving engagement levels across all age groups is valuing employees." I don't think you could have said this any better—this is something that is essential for workers of all generations in our federal workforce. You cite constructive performance conversations and career development and training as some of the topics that have a higher association with employee engagement levels.**
    - **Why do you think that is?**
    - **In your opinion, what agencies are struggling the most in these areas? What agencies are performing the most strongly in these areas?**
    - **Effective management is also a critical piece of improving the engagement of an agency—a point you make in your testimony.**
        - **What role does effective supervisor training have to play in this equation?**

One reason why constructive performance conversations and support for career development and training are strongly associated with higher engagement levels could be because they explicitly signal to employees that their agency values their contributions and are willing to invest in them.

In 2015 we also found that how agencies went about implementing the drivers of engagement were as important as the actions themselves. Agency officials identified four specific practices that contributed to high levels of employee engagement:

- Top leadership involvement: leadership that is clearly and personally leading the change presents stability and provides an identifiable source for employees to rally around and helps the process/efforts stay the course.
- Consistency: ensuring that policies are applied consistently so employees know that senior leaders are paying attention to how policies affect employees and are accountable for ensuring appropriate implementation.
- Line of sight: successful organizations create a "line of sight" showing how team, unit, and individual performance can contribute to overall organizational results.
- Employee outreach: employee involvement strengthens the improvement process by including frontline perspectives and experiences.

Agencies can use the Federal Employee Viewpoint Survey (FEVS), and other agency data points—like exit interviews—to understand how respondents feel about agency management effectiveness. Specifically, the 2015 government-wide FEVS scores show that millennials and other generational cohorts reported the lowest levels of satisfaction with the leadership component of employee engagement, while the cohorts similarly reported the highest levels satisfaction with the supervisor component of employee engagement.

Supervisors and managers have important roles to play as well. In our 2015 report we found that having top leaders clearly and personally involved in organizational improvement efforts and leading change was important to demonstrating to employee that the efforts were authentic.[6] Similarly, our 2002 work on transforming agencies, we found that senior leaders are the key to organizational change—they must set the direction, pace, and tone, and provide a clear, consistent rationale that brings everyone together behind a single mission. First line supervisors also play a critical role in improving employee engagement—notably three of the six key drivers of engagement reference the positive influence of supervisors.[7]

7) **Your testimony states "that leading organizations go beyond a succession planning approach that focuses on simply replacing individuals. Instead, leading organizations engage in broad, integrated succession planning and management efforts that focus on strengthening both current and future organizational capacity."**
   - **What else can Congress do to foster and enable this type of strategic planning?**
   - **Is there any evidence that additional resources are needed to compel agencies to do such long-term planning?**

Congress has an important role to play in enabling long-term strategic planning and, more broadly, in strengthening both current and future organizational capacity. To date, Congress has provided agencies with various authorities and flexibilities to manage the federal workforce and make the federal government a more attractive employer. Further, oversight hearings held by the House and Senate focusing on federal human capital management challenges have been important for ensuring that OPM and agencies continue to make progress in acquiring, developing, and retaining employees with the skills needed to carry out the government's vital work. Continued congressional attention to improving the government's human capital policies and procedures will be essential going forward.

While we have not studied the resources needed to compel agencies to do long-term planning directly, on the basis of our prior work on strategic workforce planning and other leading human capital practices, we believe agencies can conduct more robust long-term planning with minimal additional resources, if any. These practices include, for example, involving top management, employees and key stakeholders in strategic and workforce planning efforts; determining the critical skills and competencies needed to achieve current and future program results; develop strategies that are tailored to address gaps in number, deployment, and alignment of human capital approaches.[8]

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[6] GAO, *Federal Workforce, Additional Analysis and Sharing of Promising Practices Could Improve Employee Engagement and Performance.* GAO-15-585 (Washington, D.C.: July 14, 2015).

[77] GAO, *Highlights of a Forum: Mergers and Transformations: Lessons Learned for a Department of Homeland Security and other Federal Agencies.* GAO-05-2935SP (Washington, D.C.: Nov. 14, 2002).

[8] GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning* GAO-04-39. (Washington, D.C.: Dec. 11, 2003).

It will also be important for agencies to ensure workforces are aligned with their mission needs more broadly. We have previously reported that a fundamental review of major program and policy areas can also serve the vital function of updating the federal government's programs and priorities to meet current and future challenges.[9] Further, agency planning and Congressional oversight should also consider whether opportunities to take action exist in areas where federal programs or activities are fragmented, overlapping, or duplicative.[10]

[9] GAO, *21st Century Challenges: Reexamining the Base of the Federal Government*, GAO-05-325SP (Washington, D.C.: February 2005).

[10] GAO, *2016 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-16-375SP (Washington, D.C.: Apr. 13, 2016).