



PARTNERSHIP FOR PUBLIC SERVICE

Testimony of

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Before the

**Subcommittee on Civil Service and Agency Organization
Committee on Government Reform
House of Representatives**

on

First Year on the Job: Chief Human Capital Officers

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Chairwoman Davis and Congressman Davis, thank you very much for the opportunity to appear before your Subcommittee today. I am Kevin Simpson, Executive Vice-President and General Counsel of the Partnership for Public Service, a non-partisan, nonprofit organization dedicated to revitalizing the federal civil service. I appreciate your invitation to discuss the challenges facing the federal workforce today and to offer the Partnership's perspectives on the fledgling institution of the Chief Human Capital Officers.

In the fall of 2001, one of the Partnership's first legislative initiatives was to advocate for the creation of a Chief Human Capital Officer in all 24 CFO Act agencies. From our perspective, the creation of such a position was needed to accelerate the growing sophistication and professionalization of the federal HR function – similar to what the creation of Chief Financial Officers and Chief Information Officers had accomplished in the 90s.

Since the position was created, the Partnership has had numerous opportunities to work closely with many of the Chief Human Capital Officers, with the community of federal HR directors, with OPM Director Kay Coles James and her team, and with the Executive Director of the CHCO Council, Mike Dovilla. We applaud the achievements of the CHCOs to date and we are especially heartened by the continued commitment to effective congressional oversight that this hearing represents.

In our work with federal government agencies, we have noted many positive developments in connection with the CHCOs and the CHCO Council. The level of discourse about human capital management issues in the federal space has improved. Agency managers are being integrated more tightly into the discussion. There is greater collaboration among agencies and more energy around issues of strategic planning. People are asking the right questions and, perhaps not coincidentally, NASA became the first agency to “go to green” on the human capital management scorecard followed by Labor. OPM Director James has consistently championed the successes of these two agencies, and encouraged others to model their best practices. Most importantly, I can report to you that the CHCO community feels well-supported by this committee and its staff.

As the Subcommittee crafts its oversight role going forward, it is important to remember that these positions were designed with three goals in mind: (i) to ensure that considerations about human capital and workforce management have an opportunity to influence agency strategic planning at the highest levels; (ii) to create clear accountability within agencies for the responsibilities of workforce planning, leadership development and strategic recruiting; and (iii) the development of metrics to gauge the progress of agencies on workforce management issues. The Partnership would like to suggest to this Subcommittee ways that it can ensure that the CHCOs continue to evolve to fulfill their original promise.

On the first issue – strategic human capital planning – CHCOs have been assigned the important role of setting workforce development strategy and assessing future needs based on the agency’s mission. Simply planning to hire more people to staff new homeland security responsibilities, for example, is not sufficient. CHCOs should be responsible for identifying the talent needs that exist now as well as those that will predictably arise in the future given attrition rates and other factors. Once the needs have been identified, proactive strategies can be developed to meet those needs.

Questions that should be asked by the Subcommittee and answered by the CHCO community include the following: Will existing recruitment techniques really suffice to attract the skills, quality and talent needed to meet agency challenges? Will agencies have to step up the effectiveness of their recruitment and, if so, how? Are current resources adequate to meet federal workforce challenges? How will current employees be impacted? What are agencies doing to further develop and train the existing workforces?

I commend to your attention the Partnership’s recent report on bioterrorism, which outlined the serious workforce challenges being faced by those agencies charged with defending our country from bioterrorism. In summary, we can’t get the people we need and we can’t keep the people we got. The other major finding of the report was that workforce planning was deficient. In the face of increasing difficulties in recruiting the technical expertise they needed, agencies did not necessarily have plans to overcome these difficulties. This Subcommittee should look for the CHCOs to be more proactive in

responding to workforce challenges, especially where the data is showing a downward trend. The CHCO Council, in particular, is very well-situated to coordinate a strategic response across agencies in situations like these when several agencies are all pursuing similar talent pools.

The second goal was to institute clear lines of accountability for agencies on the crucial responsibilities of human resources management – things like leadership development and maintaining high levels of employee commitment and dedication. The vesting of this accountability in the office of the CHCO has helped to integrate HR into the broader management functions of government agencies. More work remains to be done, however, to ensure that the HR community in each agency aligns itself with the goals of the CHCO and feels it is part of the overall solutions being pursued by the CHCO.

The third goal was to develop a series of metrics that gauge progress on human capital goals. If you measure it, it can change. This is an explicit charge of the CHCO legislation and central to the effectiveness of your own congressional oversight. CHCOs should be able to explain to Congress which measures they regularly track and how that information is used to shape agency policy, planning and results. The question of how agencies plan to deal with anticipated attrition over the next few years is one to which Congress should pay especially close attention.

The committee should be alive to the facts that government-wide metrics can be extraordinarily useful in driving change. The CHCO Act specifically charges OPM with

developing metrics to assess agency HR management. Last year, the Partnership and the Institute for the Study of Public Policy Implementation at American University published the first-ever Best Places to Work in the Federal Government rankings, which were developed based on a government-wide survey administered by the Office of Personnel Management. For the first time, employee satisfaction could be compared across government and we have been gratified by the response from the federal HR community. Some agencies now feature the Best Places logo on their websites as a recruiting aid that reflects their relatively high levels of employee satisfaction. Other agencies have resolved to improve their rankings score as one measure of their progress toward their strategic goals. This is only one example, but being able to compare agencies on certain key metrics can be an extremely powerful tool.

In our view, this administration's Presidential Management Agenda and the accompanying balanced scorecard have already laid the groundwork for the HR metrics that should be adopted by the government. Having established this important conceptual framework, the priority for the next year should be to safeguard the consistency of these benchmarks and to ensure that their interpretation is consistent and transparent to the agencies that have to live by them.

The other crucial aspect of the CHCO legislation was the creation of the CHCO Council, which represented a profound congressional commitment to a collaborative and coordinated approach to cross-cutting workforce issues across government agencies and to a community where best practices could be shared. To date, the CHCO Council has

begun to fulfill that promise by taking the lead on developing solutions to the problems of the need for transformation of the hr function, recruiting and performance management. The CHCO for Education, for example, has done some great work on leadership development. Several other Subcommittees have been constituted to develop recommended solutions and important work is being done in this space. This progress, however, could be undermined by the changes in agency leadership that invariably accompany a presidential transition, regardless of who is elected.

When the CHCO legislation was first being debated, there was considerable discussion about whether CHCOs should be political appointees or career employees. While career employees offered continuity and stability, the countervailing consideration was that political appointees would have a greater ability to argue for the importance of human capital considerations at the highest levels. Ultimately, Congress left it up to each agency to decide the matter and the result has been that some CHCOs are career employees while others are political. We believe the current structure is working well and would not advocate changing it at this point, but clearly the limited tenure of some political appointees may threaten to derail much of the significant work being done right now by the CHCO Council.

The Partnership would make two suggestions in this regard. First, this Subcommittee might consider asking the CHCO Council to develop a point of view on the continuity issue and to offer its own recommended solutions. It would be instructive, for example, whether agencies with career deputy CHCOs are able to manage transition activities more

successfully. Second, it may be appropriate to review the staffing resources available to the Director of OPM for the CHCO Council. The Executive Director of the Council, for example, could benefit from dedicated staff that would allow him to expand his coordinating function. The Committee might also examine whether newly-appointed CHCOs are receiving consistent guidance and orientation about how to fulfill the responsibilities of their position. I would also humbly suggest that good government groups such as the Partnership have a considerable interest in this issue that could be leveraged to support the CHCO Council's planning and transition efforts.

In closing, the Partnership would suggest that this Subcommittee reflect on the role that CHCOs will play over the coming years. Both the legislation creating the Department of Homeland Security and the recently-enacted DOD personnel reforms granted agencies broad new flexibilities and authorities in the hope of improving the government's ability to recruit and retain the talent and skills that it desperately needs. I suspect the trend will continue as more agencies seek greater latitude to innovate to meet their challenges. I would urge the members of this Subcommittee to think of the Chief Human Capital Officers as indispensable agents of change who are equipped with the authority and the expertise to ensure that these new authorities are deployed efficiently, strategically and to maximum effect. There is no doubt in my mind that the creation of the CHCOs was an important precondition to the broader transformations that will be necessary to improve the government's ability to deliver results. Congress has signaled the seriousness of its intent by demanding accountability, measures of progress and increased collaboration.

You have the ingredients to drive organizational change on an incredibly large scale and you, and the CHCOs, have our support in that enterprise.