

TESTIMONY OF STEVEN KELMAN,  
ALBERT J. WEATHERHEAD II AND RICHARD W. WEATHERHEAD PROFESSOR  
OF PUBLIC MANAGEMENT  
JOHN F. KENNEDY SCHOOL OF GOVERNMENT, HARVARD UNIVERSITY  
BEFORE A JOINT HEARING OF THE SENATE SUBCOMMITTEE ON  
OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE  
AND THE DISTRICT OF COLUMBIA AND THE HOUSE SUBCOMMITTEE ON  
CIVIL SERVICE AND AGENCY ORGANIZATION  
APRIL 8, 2003

Chairman Voinovich, Chairman Davis, Senator Durban, and Congressman Davis, thank you so much for the opportunity to testify before you today. As I stated when I testified before Senators Akaka and Voinovich on this issue last year, I would say, as a teacher and as a citizen, that you are acting in the best traditions of the U.S. Congress by your interest in creating a world-class federal workforce. This is an issue that will never get headlines or win you an election. But it's important. It's the right thing to do. This is what statesmanship is all about.

I also applaud the title of today's hearing, "offering solutions and delivering results." This emphasizes the constructive effort in which you are challenging all of us to engage. I must confess that it was extremely painful to be watching from Cambridge the

extreme partisanship that marred the discussion of workforce issues during consideration of the Homeland Security bill last year. Frankly, that partisanship did not reflect well on any of those who engaged in it. I hope that we can rededicate ourselves this year to working on workforce policies and a work environment in the federal government that will promote the other part of the title of today's hearing, delivering results. "Delivering results" is exactly the right focus for our efforts. While workforce policies and practices of course must show respect for the dignity and rights of all employees – and ignoring the needs of employees for decent wages and working conditions, and for challenging work, will hurt our efforts to recruit and retain good people -- we can never take our sights off the fact that the primary goal of these policies and practices must be to improve the performance of government in delivering results to the American people.

Broadly speaking, we should have two objectives in the strategic management of people in the federal government: (1) to hire as many talented, committed people as possible into government service, and (2) to create workplaces that will retain those people and motivate them to do their best on behalf of the public they serve. The federal government still has the potential to attract talented, enthusiastic young people. Just recently, we at the Kennedy School learned that 40 of our graduating Master of Public Policy students have applied and been accepted into the Presidential Management Internship program – out of 180 graduating students. I am also very pleased to report that one of my students accepted into the program, Amy Dain, received three communications from federal agencies within a week of hearing of her acceptance into the program from agencies interested in hiring her. Amy says: "The PMI recruitment effort has made me think about job opportunities that I would not have considered for

myself or known where to seek.” This is a big change from past years, and is a testimony to the increased interest in workforce issues that leaders such as you, Senator Voinovich, and Comptroller-General Walker have generated – and of the efforts of Director James and her team at OPM.

We have increased our own efforts at the Kennedy School to attract our graduates to federal service. We have a program that provides generous loan forgiveness (for all of a student’s loans, both undergraduate and graduate) to students who take jobs in government, along with a special loan forgiveness program for students who take PMI’s. For example, for a single student working in government with an annual income, and liquid assets (above a \$10,000 deductible for liquid assets), between \$32,000 and \$39,000 in a given year, the Kennedy School will repay 75% of the student’s loan payment for that year. Married students with an annual income, and liquid assets, of up to \$80,000 in a year are eligible for significant loan forgiveness. Harvard’s president, Larry Summers, has announced a new university-wide Presidential Scholars program that will provide \$14 million of university-provided financial assistance over the next three years for students in eight of Harvard’s graduate schools pursuing designated public service careers. We subsidize travel costs for some of our graduates working in government who come to the Kennedy School to recruit. And we host an annual career networking fair each year to allow our graduating students to meet with over 200 alumni working in the Washington metropolitan area.

Let me address briefly some of the legislative language you are considering today that deals with recruiting and retaining a good workforce. I support all the provisions in S.129 and commend Senator Voinovich and others for building on the successes achieved

last year in governmentwide workforce reforms. Of the provisions, I believe the most important is Section 101, calling for streamlined demonstration authority to try out new ways of managing people in government. Such experimentation is the best way to develop and test promising approaches, both in terms of recruitment/retention and of workplace design, that can improve the performance of government. The language in Section 101 also provides appropriate involvement for Congress in making decisions about whether demonstration programs become permanent. Furthermore, I believe the expanded flexibility for offering recruitment, relocation, and retention bonuses is an especially valuable provision.

I also support Section 302, which allows agencies to use non-federal service as a basis for a newly hired employee's leave accrual. This provision is important because it addresses one of the barriers to hiring people from the outside at mid-career into federal jobs. Making it easier and more accepted for government to hire people from outside government at mid-career levels is crucial if the government is to take advantage of a talent pool now increasingly available because of changes in the attitudes of young people towards careers. As has been documented in a number of contexts, young people today seldom expect to start with an employer at the entry level and stay in the same job for an entire career. If the government continues its traditional approach of hiring from the outside largely at entry and senior political levels only, we will lose access to many in today's generation who might like to spend some time doing public service as one stage, but one stage only, in a career with many different jobs. This also means that government needs to adapt so as to welcome people who may serve for a few years only, rather than an entire career. The reward for making these changes is dramatically to

expand the talent pool available to government, in career civil service rather than political positions, for some period of public service, even if not for an entire career.

Mid-career entry should become particularly appropriate for key jobs involved in the management of government contracts. For managing contracts effectively, one set of skills the government often needs is technical skills involving the work contractors are performing. An example involves management of information technology contracts. If these skills are not available in-house, then an appropriate strategy for government is to recruit people who have developed technical skills outside of government and promote them into program management jobs inside government.

There are still too few opportunities to enter federal service at a mid-career level from outside the government. One of my students graduating this June – a talented, enthusiastic former participant in Teach for America now looking to enter federal service – came to me recently to express frustration that a job as an intelligence research specialist at the FBI, in which he was interested, was limited to “current and former civilian federal employees.” I can assure you that the FBI, and our Nation, would have benefited from his ability to contribute. But he’s being denied the chance to do so. Also to encourage mid-career hiring, I strongly endorse the various measures suggested in the report of the Partnership for Public Service on mid-career hiring, particularly establishment of a mid-career version of the Presidential Management Intern program, which I would urge be made part of this bill.

I support the GOFEDS bill. In conversations with our students, loan burdens are one of the most-commonly presented reasons for taking more highly paid private-sector

jobs over lower-paid government jobs. GOFEDS is one important contribution to righting that imbalance.

Finally with regard to hiring the best talent, I would suggest two additional provisions for S.129. One is that the bill include a provision to amend 5 USC 201, which currently states that hiring and promotion decisions should be made based on the “knowledge, skills, and abilities” of candidates, by adding the word “accomplishments.” The current language was written at a time when we did not have the same focus on achieving results from government as we have developed over the last decade. An article last spring in my hometown paper, The Boston Globe, about how private firms scan the resumes of job applicants caught my attention. The basic point of the article was that in looking quickly at resumes to decide which candidates merit further attention, private-sector HR people emphasize evidence of accomplishments. The article quotes one HR professional as follows: “If you just list responsibilities of previous jobs, excluding accomplishments, an employment manager is likely to say, ‘So what,’ and move on to the next resume.”

By contrast, current statutory language in Title 5 fosters a bureaucratic, formulaic preoccupation with ticket-punching and time-serving – number of years of experience, formal job responsibilities, and formal courses of study. The addition of the word “accomplishments” to the statute is obviously not a panacea, but it sends a powerful signal that we care about results and that we want to hire and promote people with a similar passion.

Second, I would suggest S.129 include a provision expanding the scope of existing Outstanding Scholar hiring authority to extend to the GS-9 level, from its current

ceiling at the GS-7 level. Extending this program to the GS-9 level would allow the direct hire authority available for students with excellent academic grades to extend to graduates of master's degree programs, such as master's programs in public administration, public policy, public health, and international affairs. This Outstanding Scholar Program is important not only for the smart young people it makes it easier for the government to attract, but also for improving the image of the federal government as an employer at our nation's universities. The more outstanding students accept federal employment, the more attractive such employment becomes to other outstanding students considering job choices.

I am aware that the Merit Systems Protection Board, in a report they issued two years ago, argued that college grades were only a modestly good predictor of job performance. It is true that most studies show only modestly positive correlations between grades and job performance. But these studies do show a positive relationship, even when these are the only two factors taken into consideration. And the only study of the Outstanding Scholar Program in government the MSPB report discussed concluded, as MSPB itself notes, that employees hired through the Outstanding Scholar Program did better, in terms of awards and performance ratings, than those hired using the "rule of three" method. Nobody would suggest that grades be the only factor determining who gets hired for a job. In my view, the Outstanding Scholar criteria should be used not to make job selections with no further consideration of other criteria, but to generate a pool of good applicants who hiring managers may then choose based on other factors, including those with an even higher predictive ability for job performance. This opportunity, in my view, should be expanded.

Let me move to the other strategic goal I outlined earlier, creating workplaces that will retain talented people and motivate them to do their best on behalf of the public they serve. In this area, the battle will need to be waged primarily within the executive branch, indeed on the front lines of the federal workplace where the government either creates, or fails to create, high-performance workplaces that excite employees and produce results that serve the public. This was, of course, what you did, Senator Voinovich, in promoting total quality management as an alternative to bureaucratic government while you were Mayor of Cleveland. The Administration includes many competent managers and executives who take the strategic management of people seriously; I urge that workplace redesign efforts – away from bureaucracy and process, towards responsibility and results-orientation – be a priority in the management of federal agencies.

Even if we hire the best people – in fact, especially if we hire the best people – if we don't provide meaningful, challenging jobs, where employees feel they can make a difference, we will lose them. The surveys that The Brookings Institution, under Paul Light's direction, has done that show significant job dissatisfaction among young people serving as Presidential Management Interns should be a wakeup call that we have big problems in this area.

This is an area where we still have a very long way to go. Surely, there are many, many exciting and personally rewarding career government jobs. But, as a whole, federal workplaces are still too mired in bureaucracy, hierarchy, poor supervision, and a lack of orientation towards results. They do too little to provide employees a sense of responsibility and accomplishment, or to train them for high performance. Two Kennedy

School students have interviewed, for a paper they did, our own graduates two or three years into jobs in the federal government, compared with Harvard Business School students who had worked a similar period of time in Fortune 500 large corporations. One of their most dramatic findings was that those whose experience has been in corporations reported themselves as receiving far more mentoring and coaching from their immediate supervisors than did their counterparts in the federal government. Overall, there was a large level of dissatisfaction among the federal employees with the quality of their first-line supervision, compared with private-sector respondents.

Jobs that don't motivate and that don't inspire devotion to producing results discourage young people from joining government in the first place. And they let the public down by not producing the kind of excellent performance that people have a right to expect in exchange for their tax dollars.

Though most of these changes are beyond the reach of legislation, there are several roles for Congress. One would be to make clear in report language on the demonstration authority in S.129 that Congress intends to encourage agencies to use this authority to experiment with various techniques for reducing bureaucracy and empowering employees. Congress should also direct OPM to study and make recommendations on some of these issues. For example, I would urge you to direct OPM to do so with regard to improving first-line supervision in government. I would also urge that you request that OPM establish a Presidential Management Intern Advisory Council, consisting of PMI's and a subset of members of the President's Management Council, to provide ongoing recommendations from our talented young people in government to senior political officials about ideas for improving government jobs, as well as a

sounding board for reacting to ideas others have developed about improving job quality. And continued congressional support for use of performance measures in the management of government programs in the context of the Government Performance and Results Act – and not simply as a paper shuffling exercise – is a crucial feature of workforce management for results, even if it’s not normally put into a “workforce reform” box.

And, as I stated in testimony on this issue last year, we must never forget the Hippocratic injunction – “first, do no harm.” Probably one of the biggest sources of counterproductive agency practices that create excessive rules and hierarchy, and that discourage and demotivate federal employees, is the “management by scandal” that much current congressional oversight activity encourages. As elected officials, you need to remember that every time the pursuit of scandal creates more bureaucracy in government, you are diminishing the attractiveness of government service and hence the government’s ability to deliver results.

My student, Amy Dain, describes what she’s looking for in a federal job as follows:

I'm looking for a job where I will be able to learn; where I'll be challenged; where I'll find mentors who will show me the ropes, introduce me to decisionmakers, and open up doors and opportunities for me; where I'll be able to work in a team to seek solutions to complicated problems; where I'll be supported in taking risks; where I will have a sense of making a meaningful contribution to issues I find important and relevant; and where I'll find a warm community.

Let’s work towards a situation where she won’t be disappointed.