



PARTNERSHIP FOR PUBLIC SERVICE

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Implications of Leadership Vacancies on the Mission and Morale”**

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Chairman McCaul, Ranking Member Thompson, and members of the subcommittee, thank you for the opportunity to appear before you today. I am Max Stier, President and CEO of the Partnership for Public Service, a nonpartisan, nonprofit organization dedicated to revitalizing the federal civil service and to transforming the way the federal government works. It is an honor to be here today to discuss an issue of critical importance: the impact of leadership vacancies at the Department of Homeland Security (DHS) on employee morale and ultimately the mission of the agency.

I have had the pleasure of testifying before this committee in the past about the workforce challenges facing the department. Those challenges remain and we reiterate the recommendations we have previously made around strengthening leadership, improving management and holding agency leaders accountable. I hope in my testimony today to offer some insight into the impact that leadership vacancies have on management and morale, and suggest actions leaders at DHS can take to improve employee engagement and ways in which Congress can support these efforts.

Leadership Vacancies

For a number of years, DHS has been plagued by high turnover in key leadership positions and many positions remain vacant or with leaders designated in an “acting” position for several months or even years. The consequences are a lack of sustained leadership attention to management issues at the agency, a diminished ability to drive change and a sense among employees that the organization in which they are working is not a priority.

The Partnership has been tracking a number of key leadership positions across all Cabinet agencies, and has found that among those positions we are tracking, DHS has one of the highest leadership vacancies (defined as positions that are unfilled or filled by an individual serving in an acting capacity) across government. In the course of our research, a few positions stood out because of the length of time it has taken to fill them. At the Transportation Security Administration (TSA), for example, it took more than 500 days since the beginning of first Obama administration before an Administrator for Transportation Security was confirmed in June 2010.

One especially egregious example is the Customs and Border Protection Agency. Since President Obama took office in 2009, five people have filled in as Commissioner of CBP – one as a political appointee from the Bush administration and four in an acting capacity or as a recess appointment – but the agency has not had a Senate-confirmed commissioner. This agency is charged with a critical role in securing our national borders, protecting the homeland and managing a workforce of over 60,000 people; it is inconceivable to me that the current administration would not move quickly and decisively to secure Senate confirmation of a permanent commissioner for CBP.

In addition, there has been significant turnover in other critical leadership positions. In 2012 alone, three separate individuals served as the Under Secretary for Intelligence and Analysis. A look at the DHS leadership organizational chart in just the last week reveals a startling number of positions that are either vacant or being filled by leaders in an acting capacity, including the Secretary and Deputy Secretary, Under Secretary for National Protection and Programs, Under Secretary for Science and Technology, Under Secretary for Intelligence and Analysis, Director of U.S. Immigration and Customs Enforcement, DHS chief financial officer and inspector general – among others. These vacancies at the top have a domino effect on the rest of the agency. For example, the Under Secretary for Management

is currently serving as the Acting Deputy Secretary, causing the Under Secretary for Management position to be filled by someone in an acting role.

The history of chronic and lengthy vacancies at the department, and the high number of critical positions without a Senate-confirmed leader today, raise important questions about the preparation, or lack of preparation, that the current administration devoted to second-term planning. The Partnership for Public Service has done extensive research on presidential transitions and transition planning. Transitions to a new administration are usually subject to thoughtful, comprehensive planning, and the selection of key personnel to serve the new president is a high priority that requires time and resources. In contrast, transitions from a first to a second term are usually an afterthought. A second term should be treated as an opportunity to hit “reset,” reevaluate objectives, and rethink the talent the administration has and the talent it needs. Vacancies in a second term are inevitable, and some may even be desirable – but the failure to prepare for them and to identify successors well in advance is both unfortunate and short-sighted.

Further, these vacancies send a discouraging signal to employees that the organizations in which they serve are not a priority. No matter how effectively an individual may be leading the workforce as an acting agency head – and the department has had some outstanding individuals serve in acting capacities, including the current acting secretary and acting deputy secretary – there is no substitute for stable, sustained leadership. The Partnership believes that frequent turnover or lengthy vacancies in senior political positions diminish needed focus on employee satisfaction and performance issues and are likely contributing factors to low morale at DHS today.

Morale at DHS Today

The Partnership for Public Service, with support from Deloitte and the Hay Group, produce the annual *Best Places to Work in the Federal Government*[®] rankings. The rankings are based on the results of the Federal Employee Viewpoint Survey (FEVS) administered by the Office of Personnel Management and provide a detailed view of employee satisfaction and commitment across federal agencies and subcomponents. Employee satisfaction and commitment are two necessary ingredients in developing high-performing organizations and attracting top talent. The rankings are also an important tool for congressional oversight and for ensuring that employee satisfaction is a top priority for government managers and leaders. They provide a mechanism for holding agency leaders accountable for the health of their organizations, serve as an early warning sign for agencies in trouble, offer a roadmap for improvement and give job seekers insights into how federal employees view their agencies.

The Partnership will be releasing the 2013 *Best Places* rankings on December 18, so we do not have the latest numbers to share with you today. We can, however, share some general trends we are observing and also point to some specific responses from the 2013 Federal Employee Viewpoint Survey, which was released on November 8, 2013.

Highlights from the 2012 Best Places rankings

DHS consistently ranks among the lowest scoring agencies in *Best Places to Work*, with the DHS employee satisfaction score in decline for two years (2010-2012). The overall index score in 2012 was 5.7 points lower than it was in 2010. This mirrors government-wide trends, but DHS has declined by a greater amount than the federal government overall during that same period. Of particular note, DHS

has very low scores for effective leadership compared to other large agencies. For example, in the 2012 rankings, DHS ranked 19 out of 19 large agencies – dead last – in effective leadership categories related to empowerment, fairness and senior leaders. This is troubling because effective leadership is consistently found to be the number one driver of employee satisfaction across government and at DHS.

Also concerning is the fact that in the 2012 rankings DHS ranked last – 18 out of 18 large agencies – among employees under 40 as well as employees over 40. This indicates that DHS may have difficulty recruiting the next generation of talent and also retaining mid-level and senior leaders.

Several of DHS's subcomponents, including the Office of the Undersecretary of Science and Technology Policy (ranked 292 out of 292), Intelligence and Analysis (ranked 290 out of 292), National Protection and Programs Directorate (ranked 288 of 292), Transportation Security Administration (ranked 283 out of 292) and Immigration and Customs Enforcement (ranked 279 out of 292) ranked at the very bottom of subcomponents government wide. All of them had very low effective leadership scores, and most of them have experienced the churn in leadership discussed earlier in my testimony.

We did see some bright spots, however. The Coast Guard is a consistently high performer in the *Best Places* rankings, and was ranked 36 out of 292 subcomponents in 2012. Their scores for effective leadership were significantly higher than those for the department overall, as were scores related to performance based rewards and advancement, support for diversity, employee skills/mission match, teamwork and work/life balance.

Results from 2013 FEVS

Employee views have changed little in 2013. Based on a combination of OPM's publicly available data on DHS overall and preliminary findings from the *Best Places to Work* data, we anticipate that the 2013 *Best Places to Work* rankings for DHS and its subcomponents will remain low. On questions in the Federal Employee Viewpoint Survey related to leadership, again the number one driver of employee satisfaction and commitment across government and at DHS, only 29.9 percent believe their leaders generate high levels of motivation and commitment in the workforce, down 6.7 points since 2011. Roughly 42 percent say they have a high level of respect for their organization's senior leaders, a significant drop from 49.5 percent two years ago.

There are several additional areas that should be of concern to leaders at DHS. On key FEVS questions about innovation, communication and merit promotion, not only are the scores very low, but they are trending downward over time. For example, only 26 percent of employees believe that creativity and innovation are rewarded, which has dropped 6.2 percent since 2011. In addition, just 39.8 percent believe their managers promote communication among different work units (for example, about projects, goals, needed resources), down from 45.4 percent in 2011. Only 21.6 percent of respondents believe promotions in their work unit are based on merit. This number has also declined from 26.4 percent in 2011. Finally, when asked whether employees believe the results of the survey will be used to make their agency a better place to work, only 36 percent of respondents at DHS answered favorably. This number has dropped 9.2 percent in just two years and may be an indicator that their change efforts are not having success.

A department where most people do not believe innovative work is rewarded, do not believe promotions are earned and do not believe current leaders inspire or motivate their people is an agency in trouble. It calls on Congress and the administration to devote greater attention to management of

the department and its workforce, and on choosing leaders who can lead organizational change and reverse this very troubling trend. A dramatic turnaround in employee satisfaction and engagement has been accomplished in other departments and agencies, and with the right leaders, it can be done in DHS.

What DHS Can Do to Improve Employee Engagement – and How Congress Can Help

Clearly, DHS and its subcomponents are facing challenges in a number of areas. However, with sustained leadership commitment and support from Congress, we firmly believe it is possible for DHS to improve morale. The Partnership would like to offer four key recommendations:

1. Strengthen leadership capacity.

Fill key vacancies: The administration must make it a priority to fill the leadership vacancies at DHS, and should pay special attention to ensure incoming executives have experience leading and managing people. In addition, Congress could make it easier for agencies to fill positions by converting certain political appointments to career positions with fixed terms and performance contracts. This will ensure there is greater continuity across administrations, promote long-term solutions to chronic management problems, help retain institutional knowledge and relieve some of the burden on the complex and time-consuming political appointments process. The Undersecretary for Management and CFO, for example, could be converted to career positions with term appointments and performance contracts.

Build a cohesive senior leadership team: In order for the agency to operate as “one DHS,” the next Secretary must make it a priority to build a cohesive leadership team and bring together political and career executives from across the department. This executive leadership team should have an enterprise-wide view of the agency as well as broad leadership and management skills. To help build cohesion among this executive leadership team, executives could be oriented and developed together and given opportunities for mobility assignments.

Hold senior executives accountable: We encourage DHS to modify senior leader performance plans to ensure that senior leaders are held accountable in their plans for improving employee engagement. Efforts to improve engagement and satisfaction might include reducing communication barriers, building employee trust and confidence through open communication, holding employee listening sessions, improving internal communication and implementing “quick-wins”. Several agencies, including the U.S. Patent and Trademark Office, Department of Transportation and Nuclear Regulatory Commission, have created incentives for senior leaders by incorporating employee survey targets or goals in their executive performance plans.¹ Congress should consider passing legislation requiring that all departments, including DHS, hold their leaders accountable for addressing employee satisfaction and engagement.

¹ Partnership for Public Service and Deloitte, *Ten Years of the Best Places to Work in the Federal Government Rankings: How Six Federal Agencies Improved Employee Satisfaction and Commitment*, September 2013, <http://ourpublicservice.org/OPS/publications/viewcontentdetails.php?id=231>.

2. Invest in leadership training and development, especially in the areas of workforce management.

Provide continuous developmental opportunities: DHS should make leadership development a priority and invest in cultivating the next generation of leaders. This is particularly important given that 28 percent of career executives at DHS are eligible to retire, and by 2017 that number increases to 59 percent.² Congress can support better training and preparation for managers by authorizing centralized funding and a statutory requirement for continuous professional development. For example, Congress should mandate training for all new supervisors and managers and ensure that opportunities for further development, including mobility assignments, are provided throughout their tenures, including at the executive level. In addition, all leaders and supervisors should receive training on the importance of employee engagement and the link to agency performance.

3. Evaluate current efforts to improve morale and take necessary steps to improve results.

Measure progress: While DHS has implemented efforts to improve morale, the federal employee viewpoint survey and *Best Places to Work* rankings suggest efforts to date have not resulted in the desired improvement. A comprehensive review of current action plans, communication strategies, implementation efforts and impact within individual subcomponents should be completed and adjustments made to focus on key areas of opportunity most likely to produce significant change. DHS should conduct regular “pulse” surveys of employees to track the progress of the various action plans and initiatives and ensure that employees are seeing and responding positively to the department’s efforts.

Leverage best practices: DHS should share internal success stories with leaders at other subcomponents, where they have occurred, and benchmark with other agencies that have higher levels of employee satisfaction and commitment. The Partnership recently published a set of case studies highlighting six federal agencies (Patent and Trademark Office, National Aeronautics and Space Administration, Department of State, Department of Transportation, the United States Mint and the Nuclear Regulatory Commission) that have successfully improved employee satisfaction and engagement.³ Leaders at DHS should consider inviting executives from these agencies to spend time at DHS as a rotational assignment, with the goal of helping DHS understand and implement similar initiatives. Conversely, DHS should consider sending key executives on a rotation assignment to these agencies to learn from their efforts and bring that experience to bear in DHS.

4. Work in partnership with the labor unions to improve employee morale.

Solicit feedback and enlist support: The new Secretary should reach out to the unions and solicit their support and ideas to improve employee morale in the agency. Unions can serve as a voice for employee views regarding survey results. Fostering effective working relationships with

² Office of Personnel Management analysis of the Central Personnel Data File, June 30, 2012.

³ Partnership for Public Service and Deloitte, *Ten Years of the Best Places to Work in the Federal Government Rankings: How Six Federal Agencies Improved Employee Satisfaction and Commitment*, September 2013, <http://ourpublicservice.org/OPS/publications/viewcontentdetails.php?id=231>.

unions can help agency leaders better identify, understand and respond to employee perspectives.

Conclusion

Chairman McCaul, Ranking Member Thompson, and members of the committee, thank you again for the opportunity to share the Partnership's views on the personnel challenges facing the Department of Homeland Security and our recommendations for the best way forward. We look forward to being of assistance to this committee and to Congress as you consider the future of the department.