



PARTNERSHIP FOR PUBLIC SERVICE

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Prepared for

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

**Hearing Entitled,
“Work-life Programs: Attracting, Retaining and Empowering
the Federal Workforce”**

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Chairman Akaka, Senator Voinovich, Members of the Subcommittee, thank you very much for the opportunity to appear before you today. I am Max Stier, President and CEO of the Partnership for Public Service, a nonpartisan, nonprofit organization dedicated to revitalizing the federal civil service and transforming the way government works.

The Partnership has two principal areas of focus. First, we work to inspire new talent to join federal service. Second, we work with government leaders to help transform government so that the best and brightest will enter, stay and succeed in meeting the challenges of our nation.

We thank you for introducing the Senate resolution designating the first week of May as *Public Service Recognition Week (PSRW)*, and we are pleased to see that the Subcommittee has set aside time during *PSRW* for this hearing to discuss how the federal government can promote greater work-life balance for employees. In this testimony, I plan to share the Partnership's views on how work-life programs impact recruitment, retention and employee engagement, and recommend ways in which Congress can assist federal agencies in improving these programs.

The Impact on Recruitment, Retention and Employee Engagement

As our nation's largest employer, the federal government will need to fill more than 273,000 mission-critical positions by the end of 2012.¹ There is a significant need for new talent at all levels, from recent graduates to seasoned professionals. In order to attract and retain this mission-critical talent, the federal government will have to compete with the private sector for limited talent pools. A key to remaining competitive is fostering workplace cultures that are family friendly, promoting greater work-life balance and better utilizing and expanding existing work-life programs and flexible work arrangements (e.g., compressed workweeks, flextime, part-time work, job sharing and telework).

Recruiting Talent

In an effort to help the federal government attract new talent, the Partnership surveys different populations to better understand what job seekers of all ages are looking for in an employer. Using data from Universum USA's 2008 annual survey² of undergraduates across the country, we found that 61 percent of American students surveyed said that work/life balance was a priority characteristic of any future employer.³ The Partnership did a similar study of experienced employees and found that 47 percent of older workers

¹ *Where the Jobs Are: Mission-Critical Opportunities for America*, Partnership for Public Service, September 2009.

² The Universum IDEAL Employer Survey 2008 – American Undergraduate Edition: 13th Annual Edition.

³ *Great Expectations: What Students Want in an Employer and How Federal Agencies Can Deliver It*, Partnership for Public Service, January 2009.

(ages 50-65) cite an employer who offers flexible work arrangements as extremely appealing.⁴ It is clear from these studies that work-life balance is a priority for job seekers, young and old.

To help address government's critical talent needs, the Partnership has launched two programs, *Fed Recruit* and *FedExperience*, aimed at building specific pipelines of talent. The *Fed Recruit* program helps to build the capacity of agencies to recruit highly skilled individuals in fields such as information technology, acquisition, and human resources. In the *FedExperience* pilot, we work with federal agencies, corporate partners and other stakeholders to inspire experienced older workers to serve in government, particularly in mission critical jobs. In both of these instances, we've had a chance to interact directly with job seekers and our experiences confirm the research – job seekers are looking for an employer that can offer flexibility, whether it be the ability to work remotely, part-time or flexible work hours, or on a compressed workweek schedule. Government must be able to adapt to the needs of the workforce if it hopes to attract and retain key talent.

Retaining Talent – Work-Life Balance is Key to Employee Satisfaction

Research has also shown that flexible work programs impact not only recruitment but also retention. Private sector companies are raising the bar by investing in workplace flexibilities and they are seeing great returns on their investments. The Great Places to Work's "100 Best" study shows that 99 companies have flexible work policies and consistently outperform the overall Standard & Poor 500 in retaining key talent. Their turnover rates are half the national average.⁵ A new report by the Council of Economic Advisers entitled *Work-Life Balance and the Economics of Workplace Flexibility* found that flexible work arrangements reduce turnover and absenteeism, improve productivity, and reduce environmental impact.⁶

A closer look at data from current federal employee surveys shows how work-life balance is a key indicator of employee satisfaction and commitment. Not surprisingly, employee engagement is directly related to organizational productivity and outcomes. As one goes up so does the other.⁷ And we know that employees who are more satisfied in the workplace are more likely to stay.

Since 2003, the Partnership, in collaboration with American University's Institute for the Study of Public Policy Implementation, has produced the *Best Places to Work in the Federal Government* rankings. The rankings of federal agencies are based on employee survey data collected by OPM as part of the Federal Human Capital Survey, recently renamed the Federal Employee Viewpoint Survey.

⁴ *A Golden Opportunity: Recruiting Baby Boomers Into Government*, Partnership for Public Service, January 2008.

⁵ *Workplace Flexibility: Employers Respond to Changing Workforce*, Institute for a Competitive Workforce, Winter 2008.

⁶ *Work-Life Balance and the Economics of Workplace Flexibility*, Executive Office of the President: Council of Economic Advisors, March 2010.

⁷ See, for example, *The Power of Federal Employee Engagement*, U.S. Merit Systems Protection Board, November 2008.

According to the 2009 *Best Places* rankings, the Work/Life Balance dimension was the third most influential driver of overall satisfaction government-wide, ranking behind only Effective Leadership and Skills/Mission Match. The good news is that government-wide more than 75 percent of respondents say they believe their supervisors support their need to balance work and other life issues. However, only 51 percent of respondents feel they have sufficient resources (people, materials, and budgets) to get their job done, which may negatively impact workload and overall work-life balance.

The *Best Places* rankings also include questions from the Federal Human Capital Survey that make up the Family-Friendly Culture and Benefits dimension. The positive responses to most of the questions in this category were low (though it is also important to note that not all survey respondents answered these questions). For example, only 39.9 percent of respondents said they were satisfied with telework/telecommuting; however, on a more positive note, 61.2 percent of respondents said they were satisfied with alternative work schedules. Just under half of the respondents said they were satisfied with work/life programs (for example, health and wellness, employee assistance, eldercare and support groups) and just a quarter of respondents said they were satisfied with child care subsidies. These results indicate that agencies can and should explore creative and cost-effective ways to increase the impact of family-friendly programs, but to do so successfully they need additional measures to better understand how to improve currently available workplace flexibilities and benefits.

We are pleased to see that OPM is now administering the Federal Employee Viewpoint Survey on an annual basis. A new question has been added to the survey this year that asks employees how often they telework. If they do not telework, they are asked to identify the reasons why they do not. These new questions will shed light on the barriers to effectively implementing and expanding telework policies at federal agencies.

OPM has also expanded the questions about work-life programs on the Federal Employee Viewpoint Survey. The survey used to ask only one question: “How satisfied are you with work/life programs (for example, health and wellness, employee assistance, eldercare, and support groups)?”. Now, the survey asks employees to identify how satisfied they are with each specific program (health and wellness, employee assistance, child care programs and elder care programs). The original “work/life programs” question was very broad, and this change will provide for the collection of data on satisfaction with specific programs. Agencies still need to collect more data on the use and impact of flexible work arrangements such as compressed workweeks and flextime. We also encourage agencies to supplement the annual OPM survey so they can probe further to understand the barriers to implementing these flexible work arrangements. Focus groups or more in-depth employee and management surveys can provide a deeper examination of the current state of flexibility programs and opportunities to expand and improve them. Ultimately, it is challenging for agencies to make the case for expanding workplace flexibilities without systems to track the use and impact of these programs on recruitment, retention and performance and a clear understanding of the barriers to implementing them.

In addition to the Federal Employee Viewpoint Survey, there are other efforts underway to help agencies collect important data on work-life programs. In particular, Congress is currently considering legislation that would take data collection a step further with respect to telework. The House bill, the *Telework Improvements Act of 2009* (H.R. 1772), includes specific language calling on agencies to collect data on the impact of telework on recruitment, retention, and employee and program performance. Similar legislation, the *Telework Enhancement Act of 2009* (S. 707), is pending in the Senate and we thank you Senator Akaka and Senator Voinovich for championing this effort. We hope the legislation agreed upon between the House and Senate will continue to emphasize the importance of clear and consistent telework eligibility guidelines, the assurance of secure systems, proper training for teleworkers and supervisors, and data collection on the impact telework has on recruitment, retention and productivity. It is also important for telework to be used in support of agency continuity of operations planning. We encourage Congress to pass this legislation soon.

Preliminary Findings on Flexible Work Arrangements

The Partnership for Public Service and Booz Allen Hamilton are currently engaged in an extensive study to determine how flexible work arrangements are used in the federal government. Our study focuses on five flexible work arrangements: compressed, flex and part-time schedules; job sharing and telework. As part of our data collection, we held focus groups with federal work-life and telework coordinators, teleworkers, managers and federal executives; surveyed telework and work-life coordinators; and interviewed agency officials, work-life and telework thought leaders from the private and nonprofit sectors, federal executive associations and labor union officials.

We are in the final stages of collecting our data and will be formulating recommendations based on what we have learned. A report will be released this summer. In the next year, the Partnership will work with Booz Allen Hamilton to try and pilot our recommendations with a select group of agencies. Though we are still researching and formulating our conclusions and recommendations, I am pleased to share some of our early observations.

In general, there is great variation among agencies as to the level of employee participation in flexibility programs. Overall, however, we are confident saying that some flexible work arrangements are underutilized.

Take telework for example. In a 2009 report to Congress, OPM reported that 102,900 of 1,962,975 federal employees teleworked. This is 5.2 percent of all federal employees and 8.7 percent of those who are eligible. Participation rates vary by organization: in some agencies, nearly 50 percent of eligible employees telework, while participation rates in other agencies are substantially lower. The Patent and Trademark Office has by far the highest percentage of eligible workers teleworking (82.7 percent). The General Services Administration, Securities and Exchange Commission and National Science Foundation

have between 40 and 50 percent of their eligible employees teleworking. The Departments of Homeland Security, Justice, Treasury and Energy rank among the lowest in utilizing this workplace flexibility.⁸ OPM has set a goal of increasing by 50% the number of eligible employees who actually telework. This goal may sound ambitious, but achieving it would only marginally increase the number of teleworkers, to just seven percent of the federal full-time workforce.

In addition to telework, other flexibilities are also underutilized. Although most agencies use some form of compressed work flexibilities, the percentage of federal employees who work part-time schedules or job sharing arrangements is very low. Only 428 federal employees job share, and only about three percent work part-time. These flexibilities can be particularly effective in retaining employees with young families, those considering retirement or those facing elder care or personal medical challenges.

From our research, we identified several reasons why agencies and their employees are not fully utilizing workplace flexibilities. Managers are often resistant to the use of flexible work arrangements. When employees work offsite, or follow compressed or nontraditional work schedules, many managers feel they are forced to give up some of their control and some fear that these flexibilities will negatively impact productivity and office culture especially if there is less face-to-face interaction. Other managers are simply untrained in how to effectively supervise a diverse and often remote workforce.

We know that this Subcommittee shares our view on the vital importance of training. Managers need to learn how to implement strong outcomes-based performance management systems, where employees are evaluated based on their ability to achieve clearly-defined goals – not their ability to clock “face time” with their manager. Establishing clear expectations about accessibility and accountability and developing an open line of communication and trust between supervisors and employees are key.

With respect to telework, there is a lack of consistency regarding eligibility. In some agencies, all employees are eligible to telework unless their managers decide otherwise. However, in most agencies, eligibility is determined case-by-case, by position or individual, and employees may feel that decisions are arbitrary or subjective. Most important, these practices limit the number of employees who telework.

Current technology can mitigate security challenges for employees who work remotely. But information security challenges can – and should – be addressed. Agencies need to identify and address IT security issues that could impact the use of remote access systems. This includes investing in new software solutions that will allow employees to communicate and collaborate more effectively regardless of location (e.g., integrated voicemail, phone forwarding, pass codes for conference calls, and software that provides notification of on-line status).

Our preliminary observations support our findings from a 2008 Partnership and Grant Thornton study where we interviewed Chief Human Capital Officers (CHCO’s), deputy

⁸ *Status of Telework in the Federal Government*, United States Office of Personnel Management, 2009.

CHCO's and other key human resource advisors to learn about critical issues in federal human capital management. When asked about the usefulness of particular personnel flexibilities, 90 percent of respondents said that allowing employees to follow alternative work schedules was useful to a great or very great extent.⁹ The respondents cited reluctance of managers, intergenerational differences and scheduling difficulties for team projects as barriers to effectively utilizing alternative work schedules.

With respect to telework, more than half of respondents thought it was a useful tool, though 23 percent felt that telework was useful only to a limited extent. Respondents cited several barriers to using telework including the fact that telework is not appropriate for all jobs, reluctance of management, technology limitations and security concerns.

In order for agencies to more effectively implement flexible work programs they will need to address these issues. In addition, it is incumbent upon agency leadership to strategically champion these programs, engaging stakeholders, setting clear goals and metrics and also leading by example by participating in the very programs they set out for their staff. We also encourage agency leaders to continue to test and evaluate new technology and methods of communicating remotely to constantly improve their systems. The recent telework days implemented at federal agencies in Washington, D.C. during the Nuclear Security Summit (April 12-13, 2010) provided such an opportunity to practice working remotely.

Moving Forward

We applaud the Office of Personnel Management (OPM) for leading by example and actively seeking opportunities to promote work-life programs and healthy workplaces. At a recent White House forum on workplace flexibilities, Director Berry announced the creation of a new Result-Only Work Environment (ROWE) pilot program which will engage 400 workers at OPM in an eight month project emphasizing flexible work environments and bottom line results. OPM is also working with several other agencies in the D.C. metro area to promote healthy workplaces. This winter OPM unveiled a new health and wellness center that will serve thousands of employees at the agency, as well as GSA, the Department of the Interior and the Federal Reserve Board. OPM is looking to expand this model "work-life campus" to other regions in the country. We are encouraged by these developments and urge Congress to charge OPM with capturing data on the effectiveness of the ROWE program and campus wellness centers and the impact they have on recruitment, retention and employee satisfaction and performance.

We urge Congress to support OPM and other agencies in making flexible work arrangements a priority by passing the telework legislation (H.R. 1772 / S.707). In addition, Congress should support work-life programs by investing in them to ensure that agencies have the funds necessary for management training programs, secure technology, and cutting-edge communication systems that address the barriers that currently exist to

⁹ *Elevating Our Federal Workforce: Chief Human Capital Officers Offer Advice to President Obama*, Partnership for Public Service, December 2008.

their use. These investments will pay for themselves over time; indeed, a well-implemented and well-used set of workplace flexibilities will save resources and contribute to a more efficient and effective federal workforce.

Conclusion

Mr. Chairman and Senator Voinovich, we thank you for your continuing interest in making the federal government an employer of choice. As our nation confronts an unprecedented array of challenges, the American people need all hands on deck. Creating a high-performing work environment that also respects the work/life balance of federal employees will aid in recruitment and retention, and we appreciate the opportunity to share our views.

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