

Testimony of John Crum
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U.S. Merit Systems Protection Board
Before the House Armed Services Readiness Subcommittee
April 1, 2009

Thank you for the opportunity to testify today regarding the challenges in the Federal hiring process for civilian employees. In addition to its adjudicatory mission, the U.S. Merit Systems Protection Board (MSPB) is charged by statute to conduct studies of the Federal civil service and other merit systems in the Executive branch to determine if the workforce is managed in accordance with the merit system principles and free from prohibited personnel practices. MSPB's Office of Policy and Evaluation conducts independent, nonpartisan, objective research to support the merit system values, enhance human resources (HR) management and ensure the public interest in a viable merit-based civil service. MSPB studies and reports are based on established scientific methods, which provides us with a unique perspective on the trends and issues that affect Federal human resources management.

Background

The Federal government's employees are its most vital asset. While the slowing economy may have delayed an expected retirement wave, retirement of large numbers of experienced Federal employees is inevitable. In addition, the Federal government is experiencing an increased need to hire high-quality employees quickly to meet new mission requirements established under the American Recovery and Reinvestment Act of 2009. Hiring policies and practices play key roles in ensuring that the government maintains a high-quality workforce capable of meeting these needs and the expectations of the American public, particularly in these challenging economic times. Because the Federal Government must be answerable to the American public, it is particularly important that its hiring decisions be based on merit and support the public's interests. Private businesses do not have the same responsibility to the public.

MSPB's research shows that the government has generally been successful in hiring talented employees with the skills necessary to carry out agency missions. The current economic situation may also provide the Federal government with an edge in the competition for talent because the government is currently hiring and can offer job candidates fairly stable and secure working conditions and benefits. The Federal government is therefore in a position to appeal to candidates who may not have considered working for the government in the past.

However, as the economy recovers, there are valid concerns as to the Federal government's ability to continue to attract and hire top talent, particularly those who have the variety of knowledge and skills sets needed by a particular agency. For example, some studies have shown that fewer new members of the Nation's workforce are prepared to take on jobs requiring highly technical skills such as jobs in science and engineering. As the demand for these skills increases and the supply of candidates with these skills decreases, competition will be intense. Effective recruitment and assessment, and hiring practices will be critical in building the Federal government's future workforce.

In November 2003, Congress granted the Department of Defense (DoD) the authority to establish a new civilian HR system. While the pay for performance aspect of this new system has received the vast majority of attention, the legislation also allowed DoD to redefine much of its hiring process to better meet its mission needs. DoD has cited many of the same challenges we see in other agencies as reasons for needing to establish new hiring flexibilities. Therefore, the research MSPB has conducted on Federal hiring and the recommendations we have offered to the President and Congress is particularly relevant to discussions regarding the National Security Personnel System (NSPS).

MSPB's research has identified a set of key challenges the Federal government faces in terms of recruiting and selecting the next generation of Federal employees. These

challenges are as applicable to alternative personnel systems, such as NSPS, as they are to the traditional Title 5 hiring process. These challenges include the length and complexity of the hiring process, the government's ability to market its jobs to attract high-quality applicants, the ability of government assessment tools to distinguish the most qualified candidates, the capacity of human resources staffs and supervisors to adequately carry out Federal hiring programs, and the fragmentation of Federal hiring reform that has resulted in short-term strategies rather than long-term solutions to hiring problems. I will discuss each of these issues in more depth.

Lengthy Process

One of the most commonly cited complaints about the Federal hiring process from both applicants and managers is that it takes too long. Using data from the U.S. Office of Personnel Management (OPM), the U.S. Government Accountability Office (GAO) reported in 2003 that it takes an average of 102 business days to complete all of the steps in the competitive hiring process (from making the request to fill the position to making the appointment).¹ Our research has shown that it is not uncommon for a candidate to wait 5 to 6 months or even more from the time he or she submits an application to the time he or she receives an employment offer. The longer the process takes, the more applicant attrition is likely to occur as candidates accept positions with other employers that use faster hiring processes.

We have seen some progress in this area. In recent surveys of entry-level and upper level new hires, MSPB found that approximately 41 percent of the respondents were hired in 2 months or less.² This is a good practice considering that our surveys have historically shown that new hires consider 2 months or less to be a reasonable amount

¹ U.S. Government Accountability Office, *Human Capital: Opportunities to Improve Executive Agencies' Hiring Processes*, GAO-03-450 (May 2003).

² Entry-level new hires are GS-5, 7 and 9 employees and upper level new hires are GS-12, 13, 14 and 15 employees, all appointed to full-time, non-seasonal, permanent positions in Executive Branch professional and administrative occupations.

of time for a hiring decision. However, approximately 28 percent of the respondents indicated that it took 5 months or more. Five months is too long to expect high-quality candidates to wait for a hiring decision. This is especially true for candidates who do not understand why the process takes so long. Anecdotal evidence indicates that applicants often submit applications for Federal jobs and do not hear anything from the agency to which they applied. This lack of communication creates frustration and many applicants may simply accept a position with an employer who shows interest in them and can make an offer more quickly. While the government is meeting the expectations of many of its new hires, there is still a long way to go.³

The hiring process used by individual agencies can be a barrier to timely hiring outcomes. The Partnership for Public Service worked with several Federal agencies to conduct “Extreme Hiring Makeovers” and improve their hiring processes. It came as a surprise to many of the participating agencies that their own internal processes caused unnecessary redundancies and delays. For example, one agency conducted process mapping exercises and found that there were 114 steps in its hiring process. These 114 steps included 45 hand-offs between managers, administrative staff, and HR personnel. In addition, at least 2 steps in the process required the approval of 10 or more officials. Most of these steps were self-imposed by the agency; not by external regulations, and in the final analysis, were unnecessary.⁴

Within the past few years, OPM has also been working with agencies to improve the timeliness of the process. For example, OPM has implemented new hiring flexibilities, such as category rating and developed new hiring authorities granted by Congress, including the Federal Career Intern Program, which should help improve timeliness.

³ From MSPB, *Attracting the Next Generation: A Look at Federal Entry-Level New Hires* (2008); *In Search of Highly Skilled Workers: A Study on the Hiring of Upper Level Employees From Outside the Federal Government* (2008); *Competing for Federal Jobs: Job Search Experiences of New Hires* (2000).

⁴ Partnership for Public Service, *Extreme Hiring Makeover: A Makeover that Matters*, presentation by Katie Malague, 2005.

OPM has also instituted an End-to-End Hiring Roadmap designed to assist agencies in streamlining their hiring activities. The Roadmap provides step-by-step guidelines that will help agencies achieve the goal of completing a hiring action in 34 calendar days, from the time the announcement is closed until a job offer is made. The Roadmap further sets a goal to complete the entire process, from identifying the need to fill a position to entry on duty, in 80 calendar days. OPM is working with agencies to achieve these ambitious goals. OPM has also been working with agencies to educate them about the hiring flexibilities currently available and has recently held sessions with agencies that have direct responsibility for carrying out portions of the American Recovery and Reinvestment Act of 2009. Finally, OPM continuously works with the Chief Human Capital Officers (CHCO) Council to identify additional hiring reforms and flexibilities that will expedite the process while protecting merit principles. We believe these are all valuable steps in trying to improve the process.

Process Complexity

The complexity of the process is another barrier to effectively recruiting and selecting a high-quality workforce. The Federal government has an extensive array of individual hiring authorities that can require different recruitment, application and assessment processes. In fact, the traditional competitive examining process is now being used for less than one-third of all new hires. The MSPB surveyed agency selecting officials in 2006 and found that these officials do not fully understand the various hiring authorities available to them. If Federal supervisors do not understand these authorities, we cannot reasonably expect applicants to know about or understand them.

Decentralization of the hiring process is a second factor that has added to its complexity. Agencies now administer hiring programs themselves. While decentralization enables agencies to tailor their recruitment and hiring strategies to better meet their mission requirements, it makes the overall process more complicated. There is no standard application and no uniform assessment tool. Applicants generally must send different applications and other required forms to each agency to which they apply. Respondents to our survey of upper level new hires indicated that the

burdensome application process discouraged many of them from applying for other Federal jobs. They did not want to re-write descriptions of knowledge, skills, and abilities; re-write or re-format their resumes; respond to lengthy questionnaires; and, in general, spend an inordinate amount of time applying for Federal jobs.

Surprisingly, automation has in some ways increased the burden on applicants. Many agencies have developed individual automated application systems that do not communicate with the systems used in other agencies. Therefore, an applicant who is searching for a “government job” may have to build a separate electronic resume and profile for each individual agency to which he or she applies.

To help address this concern, OPM has implemented the USAJOBS.gov recruitment website. USAJOB provides applicants with a single location where they can create a Federal resume, search Federal job listings, submit the resume to an employing agency electronically, or post their resume so that Federal employers can find them if their skills match the employer’s needs. The USAJOBS website has many advantages. It is updated in real time and is available to anyone who can access the Internet. Moreover, the electronic Federal resume can sometimes be used to apply online for multiple Federal jobs.

Applicants have voiced some complaints about the site, though many of the problems actually fall under the purview of the agency advertising the job rather than OPM. For instance, agency application requirements can be too labor intensive (*e.g.*, long narrative explanations of experience or lengthy occupational questionnaires) or the application procedures may not be explained clearly. This may keep all but the most determined applicants from applying. As a result, the government may be losing applicants who do not understand the process or who are not willing to put in an inordinate amount of time into the process.

USAJOBS does have some drawbacks. Not all Federal job vacancies are listed on this site. Agencies are only required to post competitive service positions. Additionally, as noted above, applicants’ resumes stored on USAJOBS cannot be used for all Federal

vacancies because some agencies use different online systems for application submission. Finally, the application tracking feature does not work well when an agency does not make a hiring decision expeditiously. The feature can actually frustrate applicants because their status does not change, reinforcing the impression that their application fell into a “black hole.”

We cannot estimate precisely how many applicants drop out of the Federal job search due to a lack of understanding of the process, burdensome requirements, or other barriers. However, when applicants lose interest in, or are deterred from, applying for jobs, Federal agencies can lose much of the return on investment for their recruitment efforts.

Recruitment and Marketing

In addition to the problems of length and complexity, the Federal government often fails to do a good job of marketing itself as an employer of choice. The typical Federal vacancy announcement is a good example of this problem. MSPB’s 2003 report on vacancy announcements brought attention to the fact that Federal vacancy announcements are often poorly-written, difficult to understand, and filled with jargon and unnecessary information. Moreover, announcements often make little or no effort to market the job and the agency to potential candidates. Consequently, many announcements can actually discourage potential applicants from applying for Federal jobs.⁵

OPM has attempted to help agencies improve vacancy announcements. First, OPM worked with agencies to develop a job announcement template that is more streamlined, user-friendly, and better organized. However, agencies still need to improve the actual content of the announcements to make them appealing to applicants. Second, OPM worked with agencies to develop standard job announcements for a set of occupations that cut across agencies.

⁵ MSPB, *Help Wanted: A Review of Federal Vacancy Announcements* (2003).

Ultimately, recruitment strategies affect who learns of job opportunities and therefore who applies. Our research has found that new hires rely heavily on word of mouth from friends and relatives and the Internet for information on Federal job openings. These recruitment strategies are largely dependent on the applicant's access to information about the Federal government. This means that agencies may very well be missing out on high-quality candidates who do not know where to look to learn about the employment opportunities with the Federal government.

A number of Federal agencies have demonstrated that it is possible for the Federal government to effectively compete for talent. Our 2004 report, *Managing Federal Recruitment: Issues, Insights, and Illustrations*, cited a number of interesting practices that improved agencies' ability to recruit qualified candidates. Successful agencies make recruitment an organizational priority, allocate the necessary resources for it, and employ proactive and creative approaches in their recruitment strategies. While they attempt to achieve efficiencies in their recruitment efforts, these agencies emphasize quality recruitment strategies that target the needed applicant pool.

Similarly, the MSPB has streamlined and improved its hiring practices. Under this initiative, we are revising our vacancy announcements, implementing category rating, and using a multiple hurdle assessment approach that eliminates lengthy knowledge, skills and abilities narratives. Instead, we now use more predictive assessment tools such as structured interviews and work sample assessments to inform our selection decisions. We are also in the process of conducting our own "Hiring Makeover" to identify redundant and unnecessary steps and improve our communication with applicants throughout the process.

Improving Assessment

Another issue of concern regarding the Federal government's ability to hire a high-quality workforce is how applicants are assessed. Assessment is the phase in the hiring process during which agencies make the determination as to whether an applicant is

qualified for the job and, if so, the extent to which she/he possesses the knowledge, skills, and abilities required to do the job. The purpose is to identify the best-qualified candidates.

MSPB's research has found that Federal agencies do not always use the most predictive assessment tools. Focusing on economy rather than effectiveness, agencies often use assessment tools that are easier and less expensive to develop and implement. Specifically, the government has gravitated toward the use of assessments that score applicants on the basis of training and experience (T&E). These assessments tend to measure an applicant's exposure to specific training or experience rather than evaluating how well that training or experience prepared the applicant for the specific job responsibilities. While such T&E assessments are relatively fast and cheap to develop, they are not good predictors of job performance and are, therefore, less likely to result in quality selections.

In addition, these assessments often add time to the process and draw excessively on agency resources. For example, agencies frequently ask applicants to provide multiple, lengthy written narratives describing general knowledge, skills, and abilities (KSAs), such as "ability to communicate in writing" or "knowledge of Federal budgeting." This requirement necessitates a great amount of applicants' time to write the narratives, as well as the investment of considerable agency resources to evaluate these lengthy applications. However, because of the generality of the information requested and the lack of structure in how applicants present their narratives, much of the information may be only marginally useful in identifying the best applicant.

The MSPB has encouraged agencies to explore better assessment methods. For instance, in MSPB's 2003 report on structured interviews, we pointed out that a structured interview has a much higher predictive ability and provides greater consistency in the content and conduct of a job interview than unstructured interviews.⁶

⁶ MSPB, *The Federal Selection Interview: Unrealized Potential* (2003).

Reference checks are also a fairly simple and cost effective strategy that can increase the fairness and objectivity of the hiring process.⁷ Ultimately, the probationary period is one of the most effective assessment tools available because supervisors can observe employees on the job before deciding whether or not to retain them. MSPB's report on agency use of the probationary period indicates that Federal managers rarely use the probationary period to separate employees not fit for the job.⁸ Finally, using several predictive assessment tools consecutively—also known as the multiple hurdle approach—can further improve the overall ability of the assessments to predict how well the applicant will perform on the job.

In addition to improving assessments, agencies need to change how they prioritize the use of their assessment resources. On average, fewer resources should be spent on the first hurdle of the selection process—the step that evaluates whether a candidate is among the best qualified. Instead, resources should be focused on the successive hurdles that determine who is the best selection. This makes sense not only from an organizational perspective, but also from the perspective of applicants. Agencies should make it relatively easy for a person to apply for a job, determine who is likely to be among the most qualified, and then use the best possible selection tool to determine who is actually the best applicant for a given job. Doing this will not only make better use of agency resources but will better serve the needs of potential applicants.

The fact that the government tends to rely on less predictive assessment tools does not mean agencies are not hiring good people. As previously mentioned, MSPB research reinforces the view that the government is hiring talented employees with the skills necessary to carry out the agency's mission. However, as competition for high-quality talent gets more heated, good assessment practices will become even more important in ensuring the Federal government continues to hire high-quality candidates.

⁷ MSPB, *Reference Checking in Federal Hiring: Making The Call* (2005).

⁸ MSPB, *The Probationary Period: A Critical Assessment Opportunity* (2005).

Lack of Human Resources and Managerial Expertise

For hiring programs to be effective, those who administer them need a high level of expertise and competence. In the 1990's, the Federal government significantly downsized the Federal workforce. After reducing the number of Federal HR professionals by 20 percent, agencies lost many of their senior specialists and their institutional knowledge of effective recruitment and hiring practices.⁹ In many cases, this expertise has not yet been fully restored. In some cases, agencies' human resources staffs have been faced with re-learning how to best attract and select a high-quality workforce.

In addition, the demands on supervisors are increasing. The National Academy of Public Administration pointed out in a 2003 study that supervisors have more decisions to make, less time to spend making them, and fewer resources to support them.¹⁰ As a result, supervisors often do not have time to participate in the hiring process.

Furthermore, some supervisors have reported that they lack the necessary knowledge about hiring rules and procedures and are therefore reluctant to become involved in these activities. However, supervisors have also indicated that they are generally more satisfied with the results of the hiring process when they are involved than when they are not. The absence of supervisory participation can result in a poor fit between the new hire and the skills needed to accomplish the essential elements of the job.

Therefore, the Federal government needs to do a better job of training and supporting supervisors in their managerial responsibilities so that they can actively contribute to the process.

⁹ U.S. Office of Personnel Management, *Federal Human Resources Employment Trends: An Occupation in Transition: A Comprehensive Study of the Federal Human Resources Community*, MSE-9-5, (September 1999).

¹⁰ National Academy of Public Administration, *First-Line Supervisors in the Federal Service: Their Selection, Development, and Management*, (February 2003).

Fragmentation

The Federal government has experienced a trend toward more flexibility in the hiring process. Unfortunately, this trend has not resulted from a systematic governmentwide evaluation of problems and potential solutions. Rather, the government—whether it be OPM or individual agencies—has identified specific problems and attempted to mitigate these challenges through such means as decentralization, delegation, deregulation, and the proliferation of HR flexibilities and appointing authorities.

To eliminate perceived barriers, reduce the time to hire, and lower costs, some agencies have attempted to opt out of the traditional hiring process when possible. This “opting out” appears to indicate fundamental problems with the system, yet no systematic reform has been implemented. Instead, agencies are increasingly turning to a collection of new appointing authorities and flexibilities that are replacing the standard, governmentwide hiring system.

The benefit of this approach is that agencies are able to tailor their recruitment and hiring strategies to better meet their mission requirements. However, the approach also has disadvantages. Government loses the ability to achieve economies of scale in terms of hiring tools and systematic approaches. Competition increases among agencies and provides advantages to those with more resources and leadership support. Fragmentation also creates confusion among applicants who do not understand why some agencies employ traditional application and hiring methods and others do not.

Recommendations

If government is to reform the hiring system, it needs to take on reform that focuses on what is important. This means systematically reengineering the process to ensure that the best candidates are hired in a timely and cost-effective manner. Reform should:

- (1) provide agencies the flexibilities they need to effectively manage their hiring systems,
- (2) ensure employees and applicants receive the protections promised by the merit system principles, and
- (3) give the public a high-quality government workforce

working toward its interests. To begin this process, the MSPB has offered the following recommendations to guide reform and improve the Federal hiring process. We believe these recommendations would be relevant to the improvements DoD is also seeking in its hiring process.

First, agencies should manage hiring as a critical business process, not an administrative function. Recruitment and selection is about making a continuous, long-term investment in attracting a high-quality workforce capable of accomplishing the organization's mission. It should not continue to be viewed therefore solely as an HR function. This means integrating discussions of hiring needs, methods, and outcomes into the business planning process.

Second, agencies should evaluate their own internal hiring processes, procedures, and policies to identify barriers to quality, timely, and cost-effective hiring decisions. Often, agencies put processes in place that extend the time it takes to make decisions without even realizing they have done so. Many agencies will probably be surprised to see that many of the barriers they face are self-imposed.

Third, we recommend that agencies, with the assistance of OPM, employ rigorous assessment strategies that emphasize selection quality, not just cost and speed. In particular, agencies should develop and use assessment instruments that have a relatively good ability to predict future performance. Using several assessment tools in succession can make the assessment process even more effective in managing the candidate pool and narrowing the field of qualified candidates. In addition, OPM can work with agencies to develop assessment tools that can be used for occupations that cut across agencies. This would increase the government's return on investment for these assessments.

Fourth, we also recommend that agencies improve efforts to manage the applicant pool while making the process manageable for applicants. This means better recruitment strategies, improved vacancy announcements, more communication with applicants, and

a timely, understandable application and assessment process that encourages applicants to await a final decision rather than abandon the Federal job search in favor of employment elsewhere.

Fifth, we believe it is crucial that agencies properly prepare HR staff and selecting officials to carry out the full range of services necessary to implement an efficient recruitment and hiring system. When DoD began implementing NSPS, the department devoted significant resources to training HR staff, managers, and employees on the new pay-for-performance processes. If agencies devoted similar resources to ensuring HR staff and managers are prepared to carry out their hiring duties, this would likely significantly reduce bottlenecks in the process. In particular, hiring officials need more information about their role in hiring, the importance of using good assessment tools, the assessment tools available to them, and how to use the probationary period to alleviate selection mistakes.

Finally, OPM should work with agencies to develop a governmentwide framework for Federal hiring reform. This framework should provide agencies with the flexibilities necessary to address agency needs while also preserving selection quality and employee and applicant protections. The framework could streamline and consolidate appointing authorities to simplify hiring procedures and make the process more transparent and understandable for HR staff, selecting officials, and applicants. OPM has started discussions with the Chief Human Capital Officers Council on Governmentwide reform and is looking at potential changes.

Agencies can take most of these steps without any changes to existing rules and regulations. Implementing these recommendations should help ensure that agencies are hiring qualified employees in a timely manner from all segments of society after fair and open competition while treating applicants fairly and equitably, as prescribed by the merit system principles.

Conclusion

The current economic environment actually offers the government a valuable opportunity. Because the government can offer the job security and stable benefits that many applicants are currently seeking, there is an opportunity to effectively compete with employers that agencies may not have been able to compete with just a few years ago. Furthermore, Federal retention data indicates that if agencies can keep an employee on board for 2-3 years, they will likely stay with the government for their career. But the government needs to ensure it can attract the best and get them in the door quickly. The current hiring process limits the government's ability to accomplish these goals.

The hiring process currently takes too long, is too complex for many applicants to understand, does not market Federal jobs well, and does not make the best use of available resources. The recommendations that MSPB has put forth, as well as many of the initiatives that OPM and agencies such as DoD have begun implementing, should help alleviate some of these problems.