

Statement for the Record

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On

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I want to thank Chairman Connolly and Ranking Member Hice for the opportunity to comment on ways to ensure a healthy and effective public sector workforce. I am a Professor of Political Science and have been studying the executive establishment and the federal workforce for two decades. This has involved careful analysis of performance information, personnel data from the Office of Personnel Management, the Federal Employee Viewpoint Survey, and various studies from the Merit Systems Protection Board and Government Accountability Office. This December, Drs. Nolan McCarty of Princeton University and Mark Richardson of Georgetown University and I completed the *2020 Survey on the Future of Government Service* in cooperation with the Partnership for Public Service. This survey asked federal executives about their experiences managing in the current context, including questions about the health of the federal workforce. I have asked many of the same questions in previous surveys. This provides a useful over time comparison. Many of the questions have also been used in surveys of private sector executives, providing a cross-sectoral comparison.

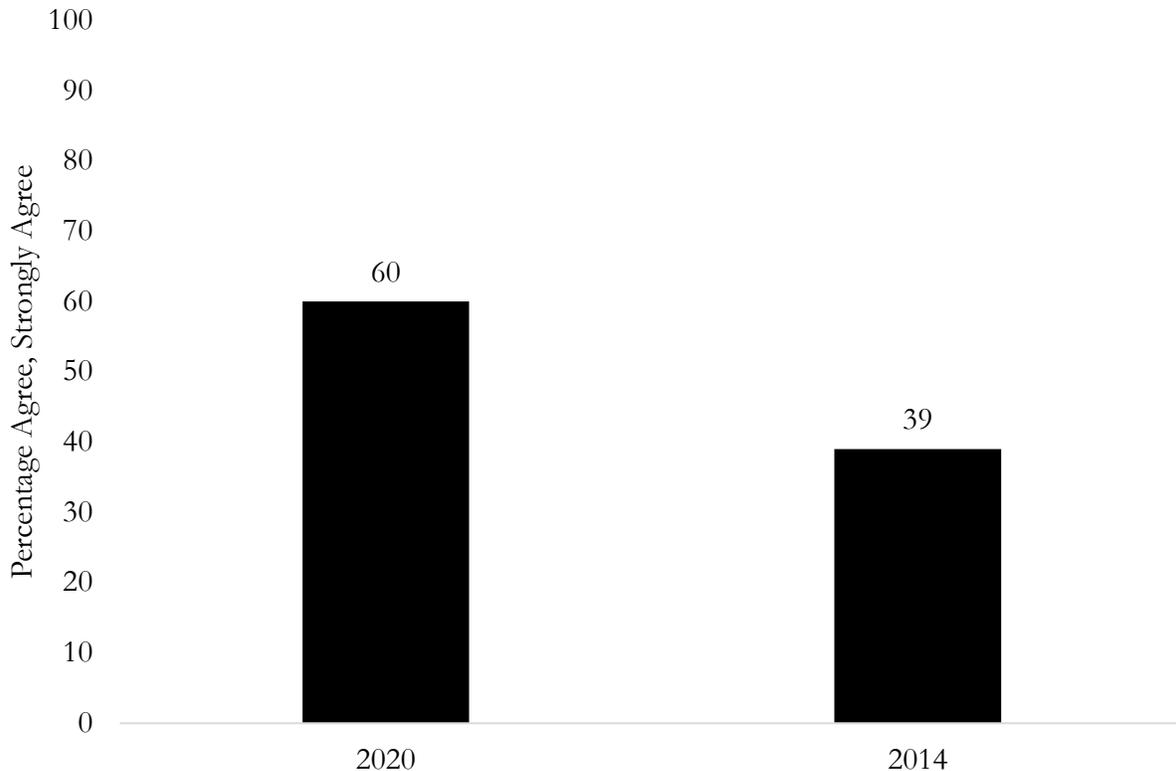
I would like to use data from the survey and other publicly available sources to highlight worrying trends in the health of the federal workforce, describe key obstacles to building a healthy workforce, and propose actions that will help rebuild the public sector workforce.

Workforce Trends

The *Survey on the Future of Government Service* highlights two clear trends, both related to the skills and capacity of the federal workforce. First, we asked respondents in 2014 and 2020 whether they agree or disagree with the following statement: “An inadequately skilled workforce is a significant obstacle to [my agency] fulfilling its core mission.” Figure 1 includes the results. In 2014, 39 percent of respondents agreed or strongly agreed that an inadequately skilled workforce was a significant obstacle to their agency fulfilling its core mission. This was a high number in 2014 and led us to conclude that the workforce was under significant stress. By 2020, however, the number of respondents that agreed with this statement had risen to 60 percent. Three fifths of federal executives, whether appointees, career members of the Senior Executive Service, or other executives have concerns about whether their workforces have the skills necessary to fulfill their agencies’ core tasks. There is variation across agencies, suggesting this is a bigger problem in some agencies than others, but the overall results are worrying. These agencies do everything from providing fair

housing to protecting our country to feeding hungry kids to maintaining our nuclear stockpile.

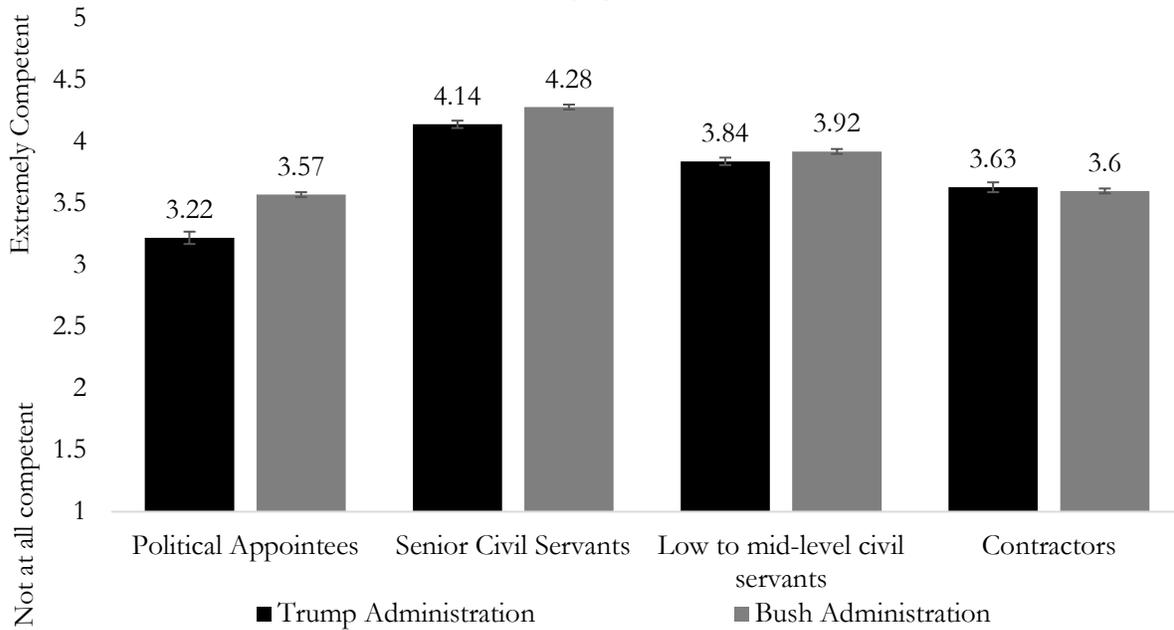
Figure 1. "An inadequately skilled workforce is a significant obstacle to [my agency] fulfilling its core mission" 2014, 2020



Note: Data from 2020 and 2014 Survey on the Future of Government Service. 2020 MoE +/- 2.8. 2014 MoE +/- 2.6.

I probed deeper into the survey data to see if the overall decline was restricted to one level of the federal workforce. We asked executives in 2007 and 2020 (but not in 2014) to evaluate the competence of the people that they work with, including political appointees, senior civil servants, low to mid-level civil servants, and government contractors. Specifically, we asked, “Now thinking about people, apart from yourself, who work in [your agency], how competent are the following?” We asked respondents to rate these groups from 1—Not at all competent to 5—Extremely competent. Figure 2 includes the results. There are a few things to note about the results. First, respondents have a high regard for the senior civil servants managing in their agencies. The scores average across a 4 out of 5 in both years. Second, there has been a decline across the board in the evaluations of the competence of the federal workforce, most noticeable among appointees but also visible in evaluations of senior civil servants and low to mid-level civil servants. Evaluations of the competence of contract employees remains stable from 2007 to 2020. The Government Accountability Office has consistently documented skills gaps in the federal workforce and the need to improve human capital management. Difficulties recruiting, developing, and retaining talented employees leads to gaps in workforce skills and declines in the competence of the workforce at all levels.

Figure 2. “Now thinking about people, apart from yourself, who work in [your agency], how competent are the following?” 2007, 2020

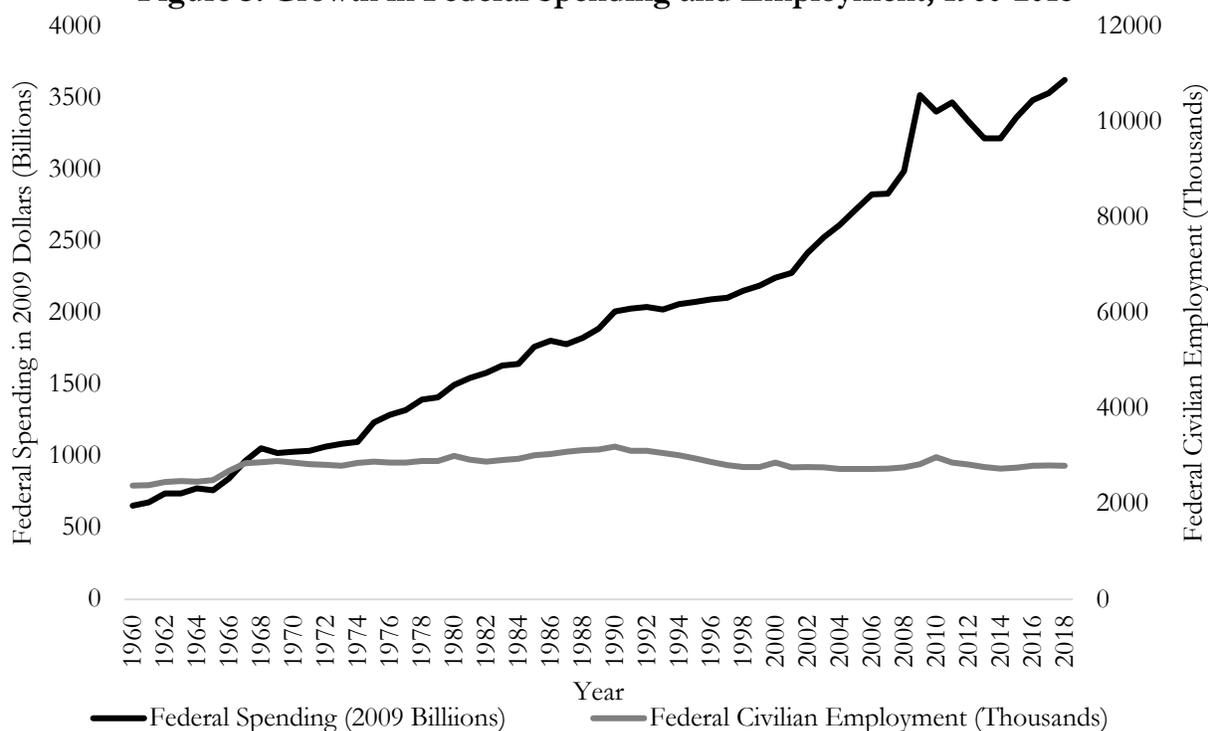


Source: Survey on the Future of Government Service, 2007, 2020. SE +/- 0.04 (appointees), 0.02 (all other categories)

One less appreciated reason for the mismatch between the public sector workforce and the demands of modern government is that the responsibilities of government have grown but the workforce has not. Federal workers manage an increasingly demanding portfolio of programs and dollars with a workforce more or less the same size as in 1960. Figure 3 includes the number of federal civilian employees since 1960 (right-side axis) along with spending in real dollars (left-side axis). What the figure reveals is that the federal government is spending almost 5 times as much in as in 1960 (i.e., 500% increase) with a workforce not much larger than in 1960 (17% increase).

There are a number of reasons why spending has increased and the federal workforce has not. A significant increase in spending has come in direct spending for programs like Social Security or Medicare, not administration. The federal government has also increasingly relied on states and local governments or non-profit or for-profit partners to carry out public mandates. The productivity of labor has also increased due to technological changes. For example, the federal workforce employs fewer clerks, typists, and messengers now than it did in 1960.

Figure 3. Growth in Federal Spending and Employment, 1960-2018



Note: Federal spending data come from Office of Management and Budget, Historical Tables, Table 1.1; Employment data come from Bureau of Labor Statistics, *Federal Government, Including U.S. Postal Service*. Federal spending is an estimate from the historical table. BLS employment data for 2018 is an average, excluding December.

The fact remains, however, that the federal government has taken on vast new responsibilities in areas like financial regulation, the environment, workplace safety, the care for veterans, and national security with no comparable growth in the workforce. The federal government is growing but not due to a growth in the federal workforce and certainly not in Washington, DC. Only 15.2% of federal civilian employees work in the Washington, DC metropolitan area. The remainder work in postings throughout the country and the world delivering mail, running national parks, investigating crimes, or protecting the food system.

The 2020 survey reveals that federal executives are increasingly stretched. They are managing more, often with significant skills gaps in their workforces. They have experienced hiring freezes. More than half of federal executives worked without pay during the government shutdown and 60% had a significant change in job assignment during the pandemic. Yet, most report that they are happy with their job and work, even in the midst of difficulty.

Obstacles

Given these trends, it is natural to interrogate why the federal government is not doing better managing the civil service system. There are many explanations but I want to highlight three key obstacles: a broken appointments process, poor performing federal management agencies, and a lack of necessary data to make evidence-based decisions.

Federal management has been hindered by larger conflicts over the filling of Senate confirmed positions. In Table 1 I include data on all Senate confirmed positions across the last three

administrations. The table includes the number of positions, the number of vacancies and whether and how long it took presidents to submit their first nominee to a vacant position. There are two noteworthy aspects of the table. First, somewhere between a quarter and a third of all Senate confirmed positions did not even receive a *nominee* within the first two years of a presidency. This does not include the time these positions were vacant due to delays in confirmation and the short tenures of these eventually confirmed. Agencies with persistent vacancies cannot engage in long term planning because of the short-term perspective of their temporary leaders. They have a difficult time implementing programs because of disruptions in interagency and stakeholder relationships. The workforce also suffers due to a lack of attention, low morale, and confusion about agency direction at the top.

Table 1. Positions Requiring Senate Confirmation, Vacancies, and Nominations, First Two Years of Bush, Obama and Trump Presidencies.

President	Positions	Vacancies	Nominations	%Nominated	Average Days
President Bush	1,358	1,093	835	76	384
President Obama	1,416	1,092	801	73	390
President Trump	1,317	1,132	723	64	466
Total	4,091	3,317	2,359	71	414

Note: These numbers do not include judgeships or positions automatically filled when other Senate confirmed positions are filled. It excludes nominations to chair positions on multi-member bodies that are distinct from nominations to these multimember bodies. Average days are calculated by assuming vacant positions received a nominee at the end of the president's second year. *Source:* Plum Book 2000, 2008, 2016; Congressional Research Service Report by Hogue 2003, Hogue et al. 2008, Davis and Greene 2017; Nominations data from Congress.gov.

The positions that remain vacant longest are often similar across presidencies. There were at least 20 different positions in the executive agencies that did not receive a nominee in the first year of President Obama or President Trump. There were 20 different boards or commissions with vacancies that did not get nominees in the first year of either president. In the larger departments, presidents send over nominees for positions responsible specifically for management such as Assistant Secretaries for Management or Chief Financial Officer *after* other more policy relevant positions. For many federal agencies, leadership vacancies and management turnover are a regular occurrence.

Obscured by these larger data is the fact that the federal agencies responsible for workforce and management issues, including the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, and the Office of Special Counsel have received less attention and fewer resources than many other agencies. This has left these agencies with weakened workforces themselves and poor reputations among federal executives. In 2014, we asked federal executives to rate the workforce skills of 5-8 federal agencies—agencies other than their own that they worked with most or were likely to know about. We aggregated these ratings for more than 160 agencies. The agencies dealing with federal personnel were all in the bottom quartile in these rankings and two were in the bottom decile. Any effort to improve the federal workforce should include efforts to fix the agencies most directly involved in federal personnel management.

The kind of data I reference in these comments was largely collected by me and colleagues outside government. This is unfortunate. The federal government collects voluminous amounts of data but not the right kind of data. To begin, the federal government does not maintain an authoritative list or map of the departments and agencies of the executive establishment. This list varies by source. The data the federal government collects on the federal workforce is often subject

to voluntary cooperation by government agencies. During the last administration, the Department of Veterans Affairs refused to participate in the Federal Employee Viewpoint Survey (FEVS), the primary data undergirding government-wide management efforts. The Office of Personnel Management (OPM) only collects personnel data for a portion of the federal workforce, meaning no agency has a complete mapping of the federal workforce. While the FEVS includes most agencies, the questions on this survey often have little value for management reform efforts. This helps explain why agencies like the Department of Veterans Affairs are reluctant to participate. This makes workforce planning difficult. In total, the federal government has no agreed upon list of agencies, no accurate count of federal employees (not to mention contractors), and no systematic or reliable knowledge of which agencies are performing well or poorly. This makes efforts to improve or rebuild the public sector workforce difficult.

Reconstructing the Infrastructure of Governance

There are a number of steps that can be taken to help build an effective public sector workforce. Three I would highlight include enhancing evidence-based decision making, cutting the number of political appointees, and reforming the civil service system. Data from the 2020 survey suggest that three areas where the private sector does consistently better than the public sector are in the use of data in decision making, long-term planning, and matching appropriate talent with organizational needs.

Enhancing evidence-based decision making: One key driver of effective personnel management is the collection of appropriate data and the ability to analyze it. We asked respondents whether they agreed or disagreed with the statement “My work group makes decisions based on data.” Sixty one percent of federal executives agreed with this statement compared to 72 percent in the private sector. Providing simple, objective, and timely information about performance is essential to good management. This involves collection of the right data, providing access to that data, and allowing persons inside and outside government to use this data for analysis and decision making. One source of frustration among those interested in government performance and management has been limitations on available sources of data. What the government collects often does not reflect best practices and the data government collects is often unanalyzed by agency officials and kept from outside parties that could do this work for government.

Stabilize leadership: One way to improve performance would be to cut the number of positions filled by appointees. Such reforms would create more permanence in agency management and allow officials responsible for management to take a long term perspective on agency performance. When we asked federal executives whether they agreed with the statement “My Company/agency is investing now to enable our future success”, 58% agreed or strongly agreed, compared to 69% U.S. private sector executives. Private sector executives are much more likely to be investing now for future success. Cutting the number of appointed positions would stabilize leadership and better ensure that top managers had both a longer-term perspective and the necessary experience for their work in agencies. It would also create incentives for lower-level employees to stay and work in agencies in hopes of advancing to a top job. Careful choices of where to cut appointees could improve performance without much loss of responsiveness and might even save a small amount of money.

Reform Personnel System: There is bipartisan agreement on many problems with the federal personnel system: e.g., difficulties bringing in new and younger talent, dealing with poor performers, keeping the best employees amidst competition from the private sector, and building a personnel system that reflects shared values. The Title 5 based system was created to prevent abuse rather than

as a modern human resources system. The agencies that implement its policies are in need of significant reform and revitalization. There are a number of models for how to craft such a reform, including work done by this committee, examples set by state governments, or proposals crafted by groups like the Partnership for Public Service or the Volcker Alliance. Any such reform should be guided evidence from these efforts, merit principles and a commitment to building a workforce equal to the task of implementing increasingly important and complex tasks such as taking care of veterans, securing our networks and electric grids, and solving the most complex social, environmental, and economic problems emerging in the 21st Century.