



# NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

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National Commission on Military, National, and Public Service  
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Dear Commissioners,

On behalf of the National Academy of Public Administration, I am pleased to offer my perspective on a number of matters related to policy, agency culture, and public service leadership matters.

Established in 1967 and chartered by Congress, the Academy is an independent, non-profit, and non-partisan organization dedicated to helping leaders meet today's most critical and complex government challenges. The Academy has a strong organizational assessment capacity; a thorough grasp of cutting-edge needs and solutions across all levels of government; and unmatched independence, credibility, and expertise. Our organization consists of over 900 Fellows—including former cabinet officers, Members of Congress, governors, mayors, and state legislators, as well as career public administrators, distinguished scholars, and business executives. The Academy has a proven record of improving the quality, performance, and accountability of government at all levels.

The ideas presented in this letter are based on my professional experience and the Academy's extensive study of human capital issues. Specifically, I served as a career Army officer, a career member of the Senior Executive Service at the U.S. Department of Defense, and nearly four years as the Deputy Assistant Secretary for Policy at the Veterans' Employment and Training Service (VETS) at the U.S. Department of Labor. Academy Panels of Fellows have presented cutting edge thought leadership—most recently, in our *No Time to Wait* white papers and our Standing Panel on the Public Service's recent book, *Perspectives on the President's Management Agenda*. In addition, the Academy has conducted reviews of how agencies such as NASA and FAA have used their human capital flexibilities and worked as practical consultants to agencies such as CDC on how they can improve their human resource processes.

I am passionate about public service and could not be more pleased to have the opportunity to further the Academy's important mission of good governance to benefit all Americans. There

are many things that can be done to promote service at all levels—public, private, nonprofit, and community; federal, state, and local; and military and civilian. We at the National Academy of Public Administration appreciate the opportunity to have worked with the National Commission and stand ready to further assist as you prepare your final report.

Answers to your primary questions are attached. Should you have any questions or wish to discuss in more detail, please do not hesitate to contact me.

Sincerely,

Teresa W. Gerton  
President and Chief Executive Officer  
National Academy of Public Administration

## ATTACHMENT

### **What statutory changes would be most essential to improve the performance and efficiency of the federal personnel system? What administrative changes would be most essential to achieve these same ends?**

A January 2015 *Government Executive* cover story—“Can’t Hire, Can’t Fire: Other Than That, Everything’s Great with the Civil Service System”—captures what many believe to be central failings of the current federal human capital system. The federal government civil service and contractor workforce have extensive experience that is crucial to the government’s ability to deliver the services the American people expect. The federal government does face challenges in adequately recruiting, developing, and retaining top talent; holding employees accountable; and striking the right balance between civil servants and contractors. These human capital challenges must be addressed in order to strengthen the performance of government and improve the services provided to the public. The best way to do so, in my opinion, is to adopt a talent management model, as described by our *No Time to Wait* Panel in its 2018 report: a focus on creating a system singularly dedicated to accomplishing government’s mission, and building the stream of talent necessary to get the job done.

Experts with whom we have consulted estimate that half—or more—of the system’s problems have accumulated through administrative decisions not required by law. What was created administratively can be modernized administratively. The Administration currently is working to identify such reforms and has been rolling out some important reform initiatives, including a Cyber Reskilling Academy, expanded direct hire authority, and special pay authority. OPM should review and update its own regulations to ensure that they provide the most flexibility allowed under law. For example, the grades in the General Schedule are prescribed by law, but the hundreds of job series and their classification and qualification standards were mostly created by OPM as *de facto* regulations. Consequently, OPM could reduce the number of job series and reduce the complexity of the job series and qualifications standards without new legislation.<sup>1</sup> In addition, OPM could take administrative steps to restore the original intent of the Senior Executive Service, which was to reconceptualize the role and qualifications for executives and establish a cadre of generalist managers on rotational assignments across the federal government. Such actions would advance a simpler, more flexible, and more modern federal personnel system.

Other needed changes, however, will require statutory changes. Title 5 of the U.S. Code—the bedrock of the federal government’s human capital system—has not had a thorough housecleaning in more than two generations. Title 5 represents the best of mid-20<sup>th</sup> Century thinking for a federal workforce that mostly performed clerical tasks and whose work was designed and managed using now-outdated management principles. Today’s world of work is

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<sup>1</sup> National Academy of Public Administration Standing Panel on the Public Service (March 2019), *Perspectives on the President’s Management Agenda*, pp. 53 – 54.

very different. Title 5, grounded in a world before the age of computers and the Internet, is a very poor fit for the digital age.

In my view, Title 5 should be overhauled to move from the current system characterized by detailed job specifications to a talent management model grounded in the principle that what matters is not where government employees sit, but what they know and how they contribute to the government's mission. Key features of such a modern mission-focused and competency-based model are:

- Identifying the core competencies of occupational and professional groups
- Assessing and training employees for the competencies they will need, and certifying them (with credentials or “badges”) for the skills they bring
- Creating flexible teams that match the capabilities needed with the mission to be achieved
- Establishing communities of practice among occupations and professional groups to foster continuous learning about the skills employees need
- Devising a plan for reskilling the government's workforce to match government's mission requirements with the skills of its employees

The current classification and compensation system—which requires management by position and FTE instead of mission accomplishment—is an impediment to moving to a talent management system. After administrative fixes are effected, it will be important for the Administration and Congress to identify legislative impediments to a modern human capital system and work together to make needed legislative fixes to the work evaluation (i.e., classification) and compensation system and the open announcement and examination system, which together realize the merit system principles, as well as to veterans' preference.

**What changes to hiring preferences would you recommend the Commission consider to effectively and efficiently meet agency workforce needs, assist veterans in their transition from military service to employment after discharge, and leverage taxpayer investment in military service members, national service members, and federal fellowship and scholarship participants?**

Veterans' preference has been part of the federal workforce since President George Washington first considered military service for appointments in his Administration. The objective of recognizing military service with preference in hiring for federal positions continues to justifiably receive strong support from the public and the Congress. Those who have sacrificed to serve the nation surely deserve a preference in federal hiring to help them make the transition to civilian life.

However, the current veterans' preference system is achieving optimum outcomes for neither veterans nor for the overall system. Ironically, it has also resulted in the proliferation of hiring authorities that agencies use, most of which are designed to allow agencies to bypass veterans' preference.

There are a number of ways to address this challenge.

Academy Fellow Jeff Neal, the former Chief Human Capital Officer at the U.S. Department of Homeland Security and previously at the Defense Logistics Agency, advances one such approach:

A dramatically different method of providing preference to veterans could lead to a radically simplified federal hiring process. The current approach screens out almost all nonveterans from many jobs and leads agencies to pursue simplified hiring authorities that give them greater control over hiring. Congress could authorize OPM to replace the current veteran preference rules with a blanket 'direct hire' authority that would allow any agency to hire any veteran for any job for which the veteran is qualified. That approach might improve hiring opportunities for veterans, while eliminating the plethora of hiring authorities that complicate hiring. In addition to simplified veterans' preference, Congress could expand 'demonstration project' authority to enable agencies to test human capital practices that are working in private sector and in state and local government. Such practices, once proven effective in demonstration projects, should routinely be made available to every agency.<sup>2</sup>

Other proposals have been to allow veterans to claim a preference only once, presumably at the beginning of their civilian career, instead of every time they apply for a federal job. The case for this proposal is to give veterans a preference for entry into the federal workforce, and then to focus the federal talent management system on advancing the talent the government most needs to accomplish its mission.

These issues are complex and require a careful balancing of how to achieve often competing public policy objectives. Should the Commission be interested in exploring various reform proposals, the Academy could convene a roundtable of Fellows focused on this topic.

Moreover, a wide variety of federal programs help active duty members of the military move into the civilian workforce, and these programs continue to attract considerable interest from Congress. Participation in the core Transition Assistance Program (TAP) is mandatory, and optional courses on education benefits and career exploration and planning are also available. These orientation courses are critical, and point transitioning service members toward a number of resources that can prove useful. However, over my tenure in both the Department of Defense and the Department of Labor, there were two specific actions that I believe had the greatest positive impact on transitioning servicemembers. First, connecting each service member to an employment counselor in an American Job Center (workforce centers across the country operated by states in cooperation with the Department of Labor) offers a personal

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<sup>2</sup> National Academy of Public Administration Standing Panel on the Public Service (March 2019), *Perspectives on the President's Management Agenda*, pp. 54 – 55.

engagement with an employment specialist in the geographic area to which the servicemember plans to relocate that can begin prior to separation and continue afterward until employment success is achieved. Second, the many innovative apprenticeships that private sector employers created following the 2009-10 recession, again in collaboration with the Department of Labor Office of Apprenticeship, offered programs that hired veterans first and then trained them for specific positions across a multitude of career fields. These apprenticeships went beyond the traditional building trades and included junior management, sales, customer service, and IT-related career fields. These models of personal engagement and hiring before training offer a sustainable approach to helping transitioning servicemembers find and retain meaningful civilian employment following their separation from active duty.

**How might policymakers construct pilot projects to serve as intermediate steps toward establishing a modern personnel system, covering classification, compensation, hiring, and promotion? What elements should be included and tested, and how could policymakers maximize the chances of success? To facilitate effective demonstrations, what changes should be made to OPM’s statutory demonstration authority?**

The current federal human capital system is complex, and it is far from monolithic, with a wide range of flexibilities and authorities given to different agencies. In fact, the current “system” is not truly a system but, rather, a highly diverse collection of agency-based processes with only loose central oversight. Some agencies are subject to Title 5, while others such as FAA have received exemptions from Congress. Some agencies have special pay authorities. For example, CDC makes widespread use of the special pay authorities established by Title 38 and Title 42, while financial regulatory agencies have special authorities through the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

These flexibilities often create enormous confusion for employees—current and potential—in navigating the process. But they also create great opportunity. With so much variety, we have a real opportunity to assess which strategies and tactics are most likely to produce the best results. The first mandate, therefore, ought to be transforming the federal government’s human capital processes into a true learning system, where evidence about what works drives the steps forward.

Numerous flexibilities exist in federal hiring, including:

- Direct hire authority—the Office of Personnel Management has long possessed authority to allow agencies to directly hire employees. In order to grant the authority, OPM must determine that there is either a severe shortage of candidates or a critical hiring need for a position or group of positions.
- Category rating and ranking—this governmentwide authority was included in the 2002 legislation creating the Department of Homeland Security. The Obama Administration mandated that agencies use this authority to allow a broader pool of potential candidates while applying veterans’ preference, but some agency subcomponents still use the “rule of three” hiring method. Agencies have struggled with implementation of

category rating, with the result being widespread complaints from hiring managers that they receive referral lists that contain too many poorly qualified candidates or that non-veterans are virtually eliminated from consideration for many jobs. One solution to the poor qualification issue is for agencies to exercise their authority to raise minimum qualification standards and screen out low quality applicants by developing their own selective factors using specific job analyses.

- New excepted service hiring authorities intended to address specific problems—for example, OPM has Schedule A initiatives granting agencies the ability to bypass some parts of the meandering federal hiring process to fast track the onboarding process for digital services experts. Similarly, Schedule D hiring authorities address intake of new graduates. Special authorities also exist for returning veterans and their spouses.
- Hiring for in-demand functions—OPM, most recently, has developed new hiring flexibilities for recruiting individuals in high demand, especially in STEM areas.

Improving the federal human capital system requires that (1) individual agencies be able to construct pilots to test reforms and (2) these efforts be curated and their lessons captured and shared. Pilot projects to test new flexibilities should be part of how every agency does business, and senior human capital leaders must encourage these pilots and gather information about how well they work. Consistent with merit principles, these pilots should be approached as building blocks for a future system. Leveraging success and expanding over time within and across agencies, their cumulative effect would be comprehensive—covering classification, compensation, hiring, retention, and promotion to the maximum extent feasible.

In particular, I believe that we should focus much less on a sweeping top-to-bottom reform of the entire system and much more on learning what works. Successful organizations experiment with new ideas, test their effectiveness, learn from those tests, then implement changes. The government has been experimenting for decades using “demonstration project” authorities, without an effective means of translating the learning from those projects to the rest of the government, at least in those policy areas where legislation would be required to permit other agencies to apply the ideas. Evidence about proven practices is far more likely to produce better results, much more quickly, than battling over comprehensive legislative proposals unlikely to become law.

Evidence-based human capital strategies and practices should be the foundation for the entire system. This will provide an evidence-based foundation for broad and rapid change. Once a reform proves workable, it should be available to all departments and agencies through administrative action, as the *No Time to Wait* Panel recommended. The fundamental problem with the current demonstration authority is that a successful result is generally not available to other agencies without legislative action. Until Congress grants authority to extend successes elsewhere without statutory changes, the promise of experimentation will not be fulfilled.

Beyond that major issue, however, limiting a demonstration project to 5 years and 5,000 employees does not generate enough benefit to justify the extensive costs of generating,

gaining approval for, evaluating, and achieving permanence for a project. Agencies have shown more interest in and greater success at getting additional flexibilities directly from Congress.

**How could policymakers improve agency culture surrounding the personnel system? For example, how might agencies prioritize workforce planning; promote collaboration among HR employees, hiring managers, subject-matter experts, and other agency staff; and encourage full use of available personnel authorities to meet the agency’s mission?**

The Academy, along with the American Society for Public Administration and other groups, has made the case for a number of steps to improve the agency culture around the personnel system:<sup>3</sup>

1. Agencies should take a strategic perspective on hiring by viewing and managing it as a critical business process that merits an investment in highly competent professional staff, not just an administrative function;
2. Agencies should assess internal hiring processes, procedures, and policies to identify any unneeded barriers to the quality, timeliness, and cost effectiveness of hiring decisions;
3. With the assistance of OPM, agencies should utilize rigorous assessment strategies that focus not just cost and time to hire, but ultimately lead to high-quality selections;
4. Agencies should make the hiring process more manageable for applicants by enhancing ongoing communications with applicants;

In order to strengthen agency culture, federal Chief Human Capital Officers, agency leaders, and program managers should work collaboratively to:<sup>4</sup>

- Strengthen the link between strategic planning and human capital management;
- Analyze key workforce trends;
- Solidify the talent pipeline;
- Focus on employee engagement; and
- Underscore the importance of operations.

In strengthening agency culture, it is important to expand the existing federal performance management framework by creating a new bottom-up demand for improving organizational

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<sup>3</sup> National Academy of Public Administration and American Society for Public Administration, *Memos to National Leaders* (2013). “Strengthening and Streamlining Federal Recruitment and Selection” by Stephen Condrey, Rex Facer, and Jared Llorens. See <http://www.memostoleaders.org/strengthening-and-streamlining-federal-recruitment-and-selection>

<sup>4</sup> National Academy of Public Administration and American Society for Public Administration, *Memos to National Leaders* (2016). “Workforce Management: Human Resource Management and Public Service Motivation” by John Salamone and Fellow T16 Members. See <http://www.memostoleaders.org/workforce-management-human-resource-management-and-public-service-motivation>.

health and performance, a demand tailored to the needs of different missions and units. Creating this bottom-up demand has three strategic components:<sup>5</sup>

1. **Strengthen unit-level health and performance.** Use existing data (including the employee engagement index derived from the Federal Viewpoint Survey) to determine unit-level organizational health and performance. Managers of 28,000 federal work units have access to this data through UnlockTalent.gov. Agency managers can combine this data with such other key indicators as operational and mission support performance data.
2. **Create a learning-based approach to improving results.** Agencies should take a learning-based approach (in contrast to a top-down directive approach) when acting upon these data-centric assessments and diagnoses. By taking such a learning approach, engaging front-line organizational units, and developing tailored action plans, agencies can improve their capacity and performance. We need fewer rules that dictate policy and more information about what policies work best.
3. **Employ the power of data analytics to manage.** To sustain the learning-based approach over time, managers will need to make effective use of a flood of new data relevant to their operations. They need to be given tools to access, analyze, and apply those data, as well as the skills to manage in this new data-rich environment. It is also important for agencies to establish communities of practice where managers can learn from each other's experiences and from more formal training opportunities. That means, moreover, that a central element of the government's human capital system must focus on building the human capital to create and learn from these data analytics.

Over time, this new management improvement approach could transform the federal government into an organization that learns from experience, constructively engages employees at all levels in this shared enterprise, and continually strives toward higher standards of excellence in achieving its many missions and policy objectives. If we concentrate more on learning what works for particular missions than on trying to write rules to cover all circumstances, we are far more likely to create better performance—and to make the federal government a better place to work.

The Academy's multi-year assistance to the Centers for Disease Control and Prevention provides a useful model for how to improve agency culture surrounding the personnel system. After completing a review of how the agency's Human Resources Office (HRO) could improve its services to customers, CDC requested that the Academy assist to reengineer its hiring process. The Academy team worked closely with CDC to:

- Document the existing hiring framework;
- Collect data and develop a comprehensive, improved process;
- Recommend and pilot the improved hiring framework with three programs;

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<sup>5</sup> National Academy of Public Administration Standing Panel on the Public Service (March 2019), *Perspectives on the President's Management Agenda*, pp. 59 - 60.

- Develop materials to ensure that HRO staff understood the revised framework;
- Recommend performance metrics to continually assess the new hiring framework;
- Conduct a “training of trainers” on the pilot and the final new hiring process; and
- Identify critical changes in HRO and CDC culture needed to implement and sustain the new hiring process.

The initial results of this integrated set of changes have shown significant promise for improving recruitment outcomes and working relationships between the HRO and CDC’s line office (Centers, Institutes, and Offices) managers. The Academy developed pilots with competency-based assessment questions for job candidates and involved subject matter experts in the hiring process. The result at the end of the pilots was that CDC had a much-improved capability for assessing candidates and identifying the most highly qualified and has reduced its time to hire. The relationship between the human resources professional staff and its customers improved because of concrete steps to build a partnership between these two critical elements of the hiring process. This partnership is critical, for example, to ensure that the position description/vacancy announcement suits the hiring manager’s need.

One of the important insights of the Academy’s work with CDC is how critical it is to strengthen federal HR offices. Across the federal government, these offices are largely transaction-oriented, with a narrow focus on process. It is difficult, if not impossible, for HR offices to be strategic advisors if it takes so much time and effort to keep the hiring process running semi-smoothly. In order to be successful, HR offices will require improved training, adequate resources, modern IT systems, and strong relationships with program managers.<sup>6</sup>

**What recommendations do you have for general or specific recommendations the Commission might consider for state, local, and tribal governments to improve their personnel systems to attract younger Americans and workers with critical skills to civilian government positions?**

Most of the nation’s estimated 21 million public employees work at the state and local levels, which means that the Commission’s recommendations must take a comprehensive view of public service and not focus solely on the federal government. State, local, and tribal governments are critically important in the American system of government. Tribal governments are sovereign entities. And within the federal system, states and localities have long had the flexibility to serve as “laboratories of democracy” as long as their actions are consistent with the protections in the U.S. Constitution. States and localities are in the business of running elementary and secondary education, colleges and universities, and hospitals. They provide police, fire, and ambulatory protection. Other key state and local services include parks and recreation; housing and community development; water, electric, and gas service; public

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<sup>6</sup> National Academy of Public Administration Standing Panel on the Public Service (March 2019), *Perspectives on the President’s Management Agenda*, p. 55.

transit; libraries; and judicial and legal administration.<sup>7</sup> Local governments, in particular, have many advantages. They are very visible to citizens and directly accountable to them on a daily basis. Local governments have been innovative in interacting with the public through citizen-centric design of websites, apps, and social media platforms.<sup>8</sup>

The Commission's final report should make clear that the nation's young people can make a huge difference in their fellow citizens' lives and have outstanding experiences at the state, local, and tribal levels. Without a doubt, public servants at these levels can make as much of a difference, if not more, than their federal counterparts.

Moreover, it is important to note that many younger Americans have a keen interest in working for the public. Too often, however, they become discouraged by a human capital process that is difficult to navigate, that takes too long, and that fails to engage their strong desire to serve. The most important step we can take is to better connect the younger Americans who want to work for the public with public organizations that desperately need their talents. We have repeatedly heard from many government leaders that they need—and want—the insights of the new generation of workers, but that they are frustrated by the difficulty of getting them into the government. That is the case at all levels of government.

Governments at all levels must also recognize that the 20- or 30-year career model that underlies many features of public service personnel systems may no longer match the interests or expectations of younger Americans, who may be more likely to expect to work across multiple jobs or even occupations through their careers. It is important to pay particular attention to how well a personnel system supports moving in and out of the civil service with portable benefits and the opportunity to return to government work easily. Spending time at a public interest group or nongovernment organization can help keep public servants engaged and offer advocacy opportunities that may not be available from within a government agency. Governments at different levels should create opportunities for and remove barriers to movement between Federal, state, and local levels within a career field. Recruitment materials should convey a vision of these possibilities.

The Commission could also highlight the extraordinary resource provided by the <https://www.careeronestop.org/> website managed by the Department of Labor. This single site has a wide variety of tools that can help students and individuals at all levels who are seeking to work in public service with career exploration, training, and a job search. The engine that powers careeronestop's job bank is the National Labor Exchange (<https://www.naswa.org/partnerships/nlx>), a public-private partnership that has developed agreements with all 50 states to scrape their state job banks, including all entries for state and local government jobs, and update the comprehensive listing nightly. Highlighting the tools

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<sup>7</sup> Rosenbloom, David H. et al (2009), *Public Administration: Understanding Management, Politics, and Law in the Public Sector*, p. 109.

<sup>8</sup> National Academy of Public Administration Standing Panel on the Public Service (March 2019), *Perspectives on the President's Management Agenda*, pp. 25 - 26.

that already exist could be one way to connect more individuals to local public service opportunities.

Among the Academy's Fellows are many who have devoted their lives to service at the state and local levels. Should the Commission wish to explore personnel issues at the state and local level in more detail, I would be pleased to convene a select group of Fellows who could provide additional input into potential state and local recommendations.

The most hopeful piece of this very difficult problem is that what prospective workers most want is what the government most needs. The road to success, therefore, lies fundamentally in breaking down the barriers that prevent the important connections from being made.