NATIONAL ACADEMY OF
PUBLIC ADMINISTRATION®

Modernizing and Reinvigorating the Public Workforce: An Agenda for 2021

Academy Election 2020 Project
Working Group:
Modernize and Reinvigorate the Public Workforce

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The National Academy of Public Administration (the Academy) is an independent, nonprofit, and nonpartisan organization established in 1967 to assist government leaders in building more effective, accountable, and transparent organizations. Chartered by Congress to provide nonpartisan expert advice, the Academy's unique feature is its over 950 Fellows—including former cabinet officers, Members of Congress, governors, mayors, and state legislators, as well as prominent scholars, business executives, and career public administrators. The Academy helps the federal government address its critical management challenges through in-depth studies and analyses, advisory services and technical assistance, congressional testimony, forums and conferences, and online stakeholder engagement. Under contracts with government agencies, some of which are directed by Congress, as well as grants from private foundations, the Academy provides insights on key public management issues, as well as advisory services to government agencies.

ABOUT THE ELECTION 2020 PROJECT

The Academy formed a series of Working Groups of its Fellows to address Grand Challenges in Public Administration. These Groups were charged with producing one or more papers to advise the Administration in 2021 (whether reelected or newly elected) on the key near-time actions that should be taken to begin addressing Grand Challenges. This is a paper of the Modernize and Reinvigorate the Public Service Working Group. It includes these Fellows' recommendations for the American government to build ongoing capability and capacity in the public workforce to secure and advance agencies' missions.

MODERNIZING AND REINVIGORATING THE PUBLIC WORKFORCE: AN AGENDA FOR 2021

A REPORT OF AN ACADEMY WORKING GROUP

**NATIONAL ACADEMY OF PUBLIC ADMINISTRATION
ELECTION 2020 WORKING GROUP:
MODERNIZE AND REINVIGORATE THE PUBLIC WORKFORCE**

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THE CHALLENGE

The federal government faces unprecedented workforce challenges that put agency missions – including national and homeland security – at risk. When the public needs government to respond to a crisis, it is essential that government has the ongoing capability and capacity to respond to the crisis. After years of lamenting the problem and doing little to solve it, the next President must act. There truly is no time to wait.

The titles of two recent Academy Panel reports capture the most important theme: the federal government's human capital system is broken, and there's no time to wait in fixing it. On its "high risk list" of the government's biggest problems, the U.S. Government Accountability Office has identified strategic human capital—and none of the other 33 areas on that list can be fixed without first fixing the government's people systems. The federal government will not be able to serve the people unless it has the people it needs for the work to be done.

The problem will only grow as the very nature of government's work changes. Automation, and particularly Artificial intelligence (AI), will eliminate some jobs and change the rest. Some jobs, especially those responsible for building strong relationships with stakeholders and managing across boundaries, will become even more important. The pace of change will increase and punish organizations that fail to keep up. Even now, some agencies with critical missions, like FEMA and Customs and Border Protection, can barely hire new employees fast enough to keep up with departures. The Department of Veterans Affairs reports it has tens of thousands of vacancies, many of them frontline physicians, nurses and other medical staff. Other agencies struggle with managing the technology they need to accomplish their work. In the face of growing threats, the government struggles to hire cybersecurity professionals. As more missions depend on partnerships with private contractors and state and local governments, the federal government has too often proven a weak partner because it struggles to hold up its side of the relationship.

At a time when the government needs fresh ideas, it struggles to hire young people. With twice as many employees over 60 years old as under 30, the federal government faces a ticking time bomb that will create workforce issues for years to come. It is only getting worse.

Nor is the workforce the only thing that is aging: the civil service system itself is an antique. Its primary pay setting mechanism was created in 1949. Seventy-year-old rules are worse than a poor fit for the information age—they have produced a Merit System that values compliance with the rules more than merit itself. We've lost sight of the fact that the initial creation of the civil service in 1883 was about outcomes, specifically the creation of an effective and efficient workforce with people hired because they were the most capable of doing the jobs that needed to be done.

It may be tempting to reach for a grand legislative reform package to catch up, but that runs into three problems.

First, there's no support for comprehensive legislation. Second, there is a vast collection of reform proposals but deceptively little evidence about which ones would actually produce the best outcomes. And third, from our careful review, we have concluded that many of the changes we need to make—at least half and, in the estimation of some experts, perhaps three-fourths— can be accomplished by smart administrative steps, supported by data on what works. After all, many of the barnacles encrusting the current system come from Office of Personnel Management regulations, antiquated agency practices, and inflexible collective bargaining agreements, rather than specific requirements of the law.

The good news is that what was created administratively can be transformed administratively. There is no need, and no time, to wait.

The route to reform needs to build on three steps:

- *Mission first.* We need to begin by focusing on what we want government to do, and building the human capital to do it. This requires a federated system in which departments and agencies have substantial autonomy, within a broader set of merit-based government-wide regulations.
- *Principles always.* The merit system principles are as important now as they have ever been.
- *Accountability for both.* What matters most is creating a system that serves the needs of the American people and that ultimately is accountable to those the people elect to govern.

RECOMMENDATIONS FOR DEVELOPING A MODERN FEDERAL CIVIL SERVICE

RECOMMENDATION 1: Building interest in public service and government as a career

Interest in public service is a crucial driver of successfully recruiting new civil service workers. Even students graduating from Public Administration programs often conclude that their best career options lie in the private sector or in nongovernmental organizations. Federal agency recruiting typically does not include paid advertising, and virtually no advertising is done to spark interest in federal jobs.

Most federal agencies advertise almost exclusively via the Office of Personnel Management's USAJobs recruiting web site. While USAJobs provides a central source for federal job announcements, its benefit accrues only to those individuals who are actively looking for information on federal jobs. The typical recent college graduates who are not considering a federal position rarely see information regarding the types of federal jobs, agencies and current openings that would encourage them to apply.

The Administration in 2021 (whether reelected or newly elected) should establish an adequately funded campaign, initiated by the White House with Presidential leadership and managed by the Office of Personnel Management, to begin to address the problem and put public service back in the mix for job seekers.

RECOMMENDATION 2: Flexible Pay and Job Classification

The federal government pays most employees based upon a job classification and pay system that was designed in 1949. In the 81 years since the "General Schedule" job classification and pay system has been in place, the world of work has radically transformed. The 1950s federal workplace was mostly clerks who processed mountains of paper. The 2020s workplace is filled with knowledge workers whose complex work affects almost every aspect of American life. Using 1950s processes to hire and pay 2020s workers is simply not working. The federal government need not be the highest-paying employer, but it should certainly not be the lowest-paying, and it must be kept up to date.

These processes can be dramatically simplified through regulatory changes (such as reducing the number of job classifications from hundreds to dozens), but this is an instance where a true reengineering will require legislation.

The Administration in 2021 should begin this process with an Executive Order (EO) that makes maximum use of administrative flexibilities to streamline the processes. Once the Executive Order is in place, the Administration in 2021 should assemble the appropriate stakeholders and propose a modern pay and job classification system that is designed to meet the needs of a 21st century workforce.

RECOMMENDATION 3: Hiring reform

Recent Administrations have made changes to federal hiring that address fragments of the hiring process. Those include streamlined hiring authorities, simplified applications, and more involvement of hiring managers in the process. Much remains to be done to have hiring processes that actually work in today's labor market.

The Administration in 2021 should adopt three administrative changes that would make a marked difference, without the need to wait for the Congress to enact comprehensive hiring reform:

- **Significantly expand the use of streamlined hiring authorities.** The Office of Personnel Management has the authority to expand use of "Direct Hire Authority" and other simplified hiring processes. The agency has been reluctant to dramatically expand their use and has been timid in its interpretation of its legal authorities. The next Administration's Executive Order on the Civil Service should direct OPM to extend simplified hiring authorities to the maximum extent permitted by law.

- **Use modern assessment processes to identify high-quality candidates.** Most agencies use canned applicant questionnaires that amount to little more than applicant self-evaluation. Applicants openly admit to lying in their responses to the questionnaires, with many arguing it is the only way to get an interview. The use of applicant questionnaires is so ineffective that it corrupts an already-flawed hiring process. Hiring managers in much of the federal government say they cannot get high quality applicants on the lists of

candidates that are sent for their consideration, even when they know high quality candidates have applied. Virtually all of the assessment process is within the control of the Executive Branch, yet little has been done to address the problem. Modern computer-based assessments, video interviews, and other tools in common use by the private sector are not in common use in government. Even if the government is successful in increasing interest in federal careers, hiring those candidates will be unsuccessful if the assessment crisis is not addressed.

- **Reduce the number of security clearance requirements**. Federal agencies and contractors have recognized for years that the security clearance process is one of the worst bottlenecks in the hiring process. Changes have been made to the process, background investigations have been moved to OPM, then moved out of OPM to the Department of Defense, all in the name of simplifying the process. The most fundamental change the next Administration should make is to reduce the number of positions that require a security clearance. Many positions that never have access to classified information require Secret or Top Secret clearances or equivalent. Employees who have access to employee data solely for processing personnel actions are often subjected to lengthy background investigations. The appearance is that the default decision is to require a clearance if there is any doubt at all. The result is a backlog of background investigations, millions of dollars spent investigating current and potential employees, and delays in the hiring process that can last a year or more. A combination of a reduced number of clearances and new processes such as continuous evaluation of employees, could make the clearance process a minor delay, rather than the showstopper it often becomes.

HOW TO IMPLEMENT NEEDED IMPROVEMENTS

The Administration in 2021 should make it a priority to:
- **Improve the quality of managers and supervisors in government.** Manager disinterest in the recruiting process is common, with much of the work delegated to Human Resources Specialists who are not experts in the work of the jobs being filled. That leads to applicant screening that is ill-informed and that produces poorly qualified referrals. In addition, many manager and supervisor jobs are filled based upon technical, rather than leadership, skills. The quality of supervision has been identified for many years as a substantial weakness, with training being the typical solution. Training is not enough. Improving the quality of leadership begins with recruiting the right talent for the jobs, then offering appropriate training as needed to fill skills gaps. The Administration in 2021 should make hiring and promoting the right talent a priority, with deployment of better assessments for potential supervisors, training of candidates in the existing workforce before they are selected for formal supervisory positions, and expansion of OPM's leader training capabilities at OPM's exceptional Federal Executive Institute.

- **Identify talent management in government as a presidential priority.** An Executive Order on the Civil Service should be signed on Day One. The EO should not only identify

federal workforce management as a crisis, but also direct maximum use of authority under existing law to develop the modern civil service in line with the recommendations above.

- **OPM should be refocused**, with an emphasis on responsiveness and flexibility in Talent Management. They must:
    - o Ensure the OPM Director and General Counsel are accountable for exercising the OPM Director's flexibility
    - o Focus adequate existing OPM resources on Agile policy development, including moving resources from internal support functions to policy development
    - o Use targeted occupational category and agency-specific flexibilities where needed instead of OPM's historic practice of creating one-size-fits-all solutions that inadequately address critical skills gaps and recruiting challenges.

- **Identify and implement modern assessment processes**, with the goal of eliminating applicant self-assessment questionnaires within one year. The Administration should assign a Joint Committee of the Chief Human Capital Officers and Chief Information Officers Councils, supported by OPM, to identify and implement modern assessment tools and methodologies that will enable agencies to identify and hire high quality candidates.

The elevation of the importance of the public service should begin immediately following the November election, with the President or President-Elect emphasizing their commitment to take steps to lay the groundwork for a modern civil service. This should include delivering an address on public service; naming a nominee to be Director of the Office of Personnel Management prior to inauguration; and establishing an interagency team, within 90 days of the inauguration, to identify pay and hiring flexibilities that can be granted by OPM to address critical requirements and any legislative changes that are required.

CONCLUSION

Reinvigorating the civil service is more than a good idea – it is essential for a healthy government. We have experienced years of people in and out of government clamoring for reform, yet most reform efforts have fallen far short of what is necessary. Civil service reform is not going to be front page news, nor is it going to be the issue that will drive voters to the polls. It is, however, an absolute necessity if we are to have an effective, efficient, and equitable government.

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